



WILLIAM DAVIDSON INSTITUTE
AT THE UNIVERSITY OF MICHIGAN

Demystifying Africa's Risk Perception Premium:

Unpacking Business Challenges and Opportunities through Five Lenses

JUNE 2024

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Summary

The strategic commercial opportunities in Africa remain abundant, and this makes the case for a stronger U.S.-Africa trade and investment relationship a compelling one. With a growing middle class, underexploited frontier markets, enormous demographic advantages, and its ongoing digital transformation, Africa continues to grow in importance economically and geopolitically.

In 2022, the African Centre for the Study of the United States at the University of the Witwatersrand in Johannesburg, South Africa inaugurated the first annual U.S. Business in Africa Awards. One of the goals of the award is to “change the narrative on doing business in Africa by offering an actual and accurate narrative of Africa.” This paper provides a foundation for that narrative. The potential for U.S. businesses to take advantage of Africa's investment opportunities is tremendous. To maximize existing opportunities, U.S. businesses must first address the issue of information and risk asymmetry on Africa's investment opportunities.

Knowledge about business opportunities on the continent is limited in the U.S., giving rise to high search and other transaction costs, as well as disproportionate weighting of perceived risk — as against actual risk — leading to asset mispricing. This also has implications for creating value via two-way trade and investment flows between the U.S. and Africa.

We do not purport to provide an analysis that would allow any company to decide whether to enter a given African market — that would require detailed industry-, country- and company-specific analyses. Instead, we provide a basic understanding of five broad areas that will be important to offer a balanced perspective for any business entering an African market to mitigate the information asymmetry associated with doing business on the continent: 1) the labor market, 2) spending and income, 3) governance performance, 4) investment, and 5) Africa's diaspora capital.

While important advances have been made over the past decades, they have not translated into uniform economic prosperity across all countries on the continent. This variation in progress translates into variations in opportunities both within and between countries. Nonetheless, the opportunities for businesses looking for profitable investments are available and those companies that are able to capitalize on them are likely to open doors to some of the fastest growing economies in the world. This paper provides some insights into broad factors that will affect business decisions.

Businesses considering opportunities to enter or increase investments in Africa will need more specific motivations. While some of the discussion in this paper centers on Africa as a continent, there are significant differences in the economies, governments, and people across the continent. Those differences and their implications are highlighted in much of the discussion.

I. Background

The strategic commercial opportunities in Africa remain abundant, and this makes the case for a stronger U.S.-Africa trade and investment relationship a compelling one. With a growing middle class, underexploited frontier markets, enormous demographic advantages, and its ongoing digital transformation, Africa continues to grow in importance economically and geopolitically. The Economist echoes the immense opportunities on the continent and corroborates how “Governments and businesses from all around the world are rushing to strengthen diplomatic, strategic and commercial ties.”¹

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This paper provides a foundation for that narrative. We do not purport to provide an analysis that would allow any company to decide whether to enter a given African market — that would require detailed industry-, country- and company-specific analyses. Instead, we provide a basic understanding of five broad areas that will be important to understand as part of doing business on the continent: 1) the labor market, 2) spending and income, 3) governance performance, 4) investment, and 5) Africa's diaspora capital.

While some of the discussion in this paper centers on Africa as a continent, there are significant differences in the economies, governments, and people across Africa. Those differences and their implications are highlighted in much of the discussion.

II. Labor

Perhaps the most striking changes taking place in Africa are in the labor markets. Africa already has the youngest population in the world — 77% of the population is below the age of 35. And that working age population is expected to continue to grow through the 21st century. The private sector is responsible for over 90% of employment in Africa (Stampini et al., 2013), substantially more than the world average of two-thirds (Baig et al., 2021). However, much of the private sector employment is in the informal sector which accounts for 60–80% of employment (Bhorat et al., 2017). Much of the informal employment is either self-employment or unpaid family members. Businesses capitalizing on the opportunities in Africa will need to draw on this labor force. Their ability to do so will benefit from an understanding of the current state and trends in the labor force.

The number of individuals aged between 15 and 64 on the continent has grown at a fairly constant rate of almost 30% per decade since 1990 to a total of 750 million in 2020.² North Africa grew at close to the same rate as sub-Saharan Africa (SSA) in the 1990s, dropped off slightly between 2000 and 2010, dropped off markedly in the decade from 2010 to 2019 (15% vs 31%), and now accounts for less than 17% of the working-age population in Africa. In a comprehensive report on SSA, Lam et al. (2019) project that the working-age population in SSA will more than double by 2050 and that SSA will be the only region of the world in which the working age population is still increasing in 2050.

The growth of a working age population presents opportunities but the magnitude of those opportunities for companies and for African economies depends, in part, on the skills and training of the workforce. The World Bank collects data on different levels of education. Unfortunately, it is available only for some countries in some years. Looking back to 2010, we can see there is a wide variation among those reporting during that period. For example, the percentage of the population completing primary education ranges from 94% in Seychelles to

1 <https://www.economist.com/leaders/2019/03/07/the-new-scramble-for-africa>

2 Worldbank database.

13.6% in Chad (Table 1). The percentage of those completing bachelor's degrees by the age of 25 ranges from 8% in South Africa to 0.5% in Burundi. What are the implications of these numbers for the opportunities for businesses, and thus, economic growth?

TABLE 1
Educational attainment of the population aged 25;
Top 5, Bottom 5 sorted by upper secondary, and average

	Primary	Lower secondary	Upper secondary	Post secondary
Bottom 5 sorted by upper secondary				
Niger	13.9	8.4	3.3	1.7
Tanzania	64.8	11	3.4	2.6
Chad	13.6	10	5.5	.
Burkina Faso	14.7	12.7	6.2	3
Burundi	18	10.7	7.4	.
Top 5 sorted by upper secondary				
Mauritius	67	54.2	43.6	12.7
Nigeria	59.5	49.4	44.9	17.3
Seychelles	94.2	69.6	46	.
Egypt, Arab Rep.	49.4	73	67.2	16.4
South Africa	86.3	81.8	69.7	44.9
Average of those with data (number of observations)	46 (35)	31.6 (37)	19.8 (35)	9.3 (27)

Source: World Bank. Note: The maximum percentage of the population that had achieved at least the level of education indicated by the age of 25 (World Bank data are not available most years so the number presented is the maximum recorded between 2000 and 2021).

Africa vs. Southeast Asia

Perhaps we can learn something from a comparison with East Asia and Southeast Asia (SEA) in the latter part of the 20th century. Africa is in a position similar to SEA in the 1970s in terms of labor force size and growth.³ The fertility rate is similar and whereas Asia accounted for the bulk of the increase in working age population in the latter 20th century, Africa accounts for the bulk of the increase today. The total working age population in Africa is now close to 800 million, the same as SEA in 1979. Since data on the percentage educated aren't kept for all countries in the region — and even for those for which data are available, these aren't kept for all years — it isn't possible to do a comprehensive comparison. However, based on available information, Africa is in a similar position to SEA educationally.

3 We follow Bloom and Williamson (1998) and define East Asia to include China, Hong Kong, Japan, the Republic of Korea, and Singapore; and SEA to include Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand, and Vietnam. Data are not available for Laos or Cambodia during that period and the World Bank does not collect data on Taiwan.

TABLE 2
Educational attainment of the population aged 25;
Top 5, Bottom 5 sorted by upper secondary, and average

	Primary	Lower secondary	Upper secondary	Post secondary
Bottom 5 sorted by upper secondary				
Myanmar	.	16.5	2.3	.
Malaysia	42.4	21.3	3.2	1.9
Thailand	12.2	9.8	5.3	3
Indonesia	27.3	19.1	5.8	.
China	55.5	36.4	6.6	2
Top 5 sorted by upper secondary				
Philippines	57	46.1	18	18.8
Vietnam	71.2	13.3	28.6	2.6
Hong Kong SAR, China	60.8	54	36.2	10.6
Korea, Rep.	88.2	67.3	57	.
Japan	99.8	.	65.6	14.3
Average of those with data (number of observations)	57.1 (9)	32 (10)	21.9 (11)	7.6 (7)

Source: World Bank. Note: The maximum percentage of the population that had achieved at least the level of education indicated by the age of 25 (World Bank data are not available most years so the number presented is the maximum recorded between 1970–1991).

Africa vs. East and SEA

Tables 1 and 2 show the percentage of individuals who have completed primary, lower secondary, upper secondary, and post-secondary school by the time they are 25 years old in Africa and Asia respectively.⁴ Table 2 shows a wide range in both cases with the percentage completing primary education in SEA ranging from almost 100% in Japan to 12% in Thailand, similar to the range in Africa as reported above. The average percentage completing primary education for those countries with data sometime during the 21-year period is 46% in Africa compared to 57% in SEA. For lower secondary (31.6 compared to 32), upper secondary (19.8 compared to 21.9), and post-secondary (9.3 compared to 7.6), the averages and ranges are very similar for the two samples. This data set is far from perfect,⁵ but to the extent it is a useful proxy, it suggests that the education of the African workforce is remarkably similar to the SEA workforce when those countries were in the midst of the so-called “Asian Miracle” (Campos and Root, 1996).

The Reverse Brain Drain Argument

The consequence of emigration of the most educated population from Africa is also raised as a concern. Between 1975 and 2000, the rate at which college graduates emigrated from Africa doubled (Docquier and Rapoport, 2012), but the effect of brain drain isn't as obvious as it would at first seem. For instance, a study of

4 Data are available through 2021, so for Africa we used any data in the 21-year period between 2000 and 2021 and for the SEA countries, we used any data from the period 1970–1991.

5 In addition to missing data for most years and for all years in the range for some countries, note that Vietnam had a lower percentage completing lower secondary education than upper secondary education according to the data.

medical professionals in Africa doesn't find that emigration affects health conditions, potentially due to the countervailing positive effect of the potential of moving abroad on enrollment at medical schools (Clemens, 2007). Further, Africa may benefit from emigration to other countries. A classic example is how emigration from India in the IT sector allowed India to develop its own IT reputation because, among other things, international investors were able to observe the talent coming out of the country and the Indian diaspora's impact on international and domestic institutions and policies (Docquier and Rapoport, 2012).

The opportunities in India were sufficient to draw many who had left India for education or jobs (or both) back to India.⁶ The brain drain in Africa has caused some to call for action.⁷ However, experience from India and other countries suggests that emigration itself has benefits and as African economies develop, some in the diaspora will return, allowing the experiences and training received abroad to ultimately benefit the local economies.

Rural-Urban Dynamics

We won't go into detail on the labor force by sector, but the agriculture sector, particularly in the context of the urban-rural breakdown of the population deserves some attention. While most of the labor force growth in Africa will be in urban areas, the rural population is also expected to grow in SSA. Davis et al. (2017) find that African rural households have a wide range of income generating activities, but agriculture continues to be the most common source of income. They define specialization as accounting for at least 75% of household income and find the range of specialization in agriculture in rural Africa falls between a high of 83% of the population in Ethiopia to a low of 36% of the population in Kenya. Another 35% of Kenyans have a more diversified source of income (no single source accounts for 75%) and it is likely that some of their income also comes from agriculture.

More generally, individuals in locations further away from urban areas are more likely to rely solely on agriculture and less likely to stay in school (Abay et al., 2020). While most of the labor will be shifting to urban areas, a sizable market and labor pool in rural markets will persist for many years to come. Products and services that can tap into rural labor markets will have a large population to draw on.

III. Spending and Income in Africa

Spending in Africa has been increasing and in meaningful ways for companies looking for business opportunities. Real GDP in Africa grew 27% in the 1990s, 66% from 2000–2010 and 36% since 2010.⁸ The impressive growth performance across several economies on the continent in the 2000–2010 period led to a marked reduction in poverty and improvement in key indicators of material living conditions (Beegle et al., 2016). This birthed the popular “Africa rising” narrative, in reference to The Economist's characterization of Africa as a “hopeful continent” capable of replicating the economic success recorded across key Asian countries.⁹ If successfully implemented, the African Continental Free Trade Area (AfCFTA) — a 1.2-billion-person consumer market — could significantly increase combined consumer and business spending on the continent. By eliminating intra-African trade barriers, the AfCFTA is poised to promote value addition and create jobs.

Despite the high population growth rate on the continent during this period, real GDP grew at a pace strong enough to sustain the gains achieved in living standards. However, like many emerging markets and developing

6 https://www.ilo.org/global/publications/world-of-work-magazine/articles/WCMS_170535/lang-en/index.htm

7 <https://mo.ibrahim.foundation/news/2018/brain-drain-bane-africas-potential#:~:text=Brain%20drain%2C%20which%20is%20the,emigrate%20from%20Africa%20every%20year>

8 The World Bank did not have data for all years for some countries either because they didn't exist in 1990 or because of lack of available data. Those countries — Liberia, Libya, Djibouti, South Sudan, Somalia, Sao Tome and Principe and Eritrea — were excluded in the numbers reported here.

9 <https://www.economist.com/special-report/2013/03/02/a-hopeful-continent>

economies, the commodity price shock of 2014 and the concomitant weak private capital inflows triggered sluggish GDP growth, weak infrastructure investments, and lackluster domestic savings, bringing growth on the continent to its lowest rate since the economic ascent began in 2000.¹⁰

These aggregate numbers obscure some important details regarding differences across countries and differences within countries.

Differences Across Countries

The World Bank segments SSA into low, lower-middle, upper-middle, and high-income countries, with 22 designated fragile or conflict-affected. SSA can also be segmented according to size. SSA includes 13 small states with a small population, limited human capital, and a confined land area. Economic fragmentation poses a major constraint, thereby restricting foreign market entry (The World Bank, 2023).

Variation in consumer spending

Growth in Africa's consumer markets is on the rise. The continent boasts one of the fastest-growing consumer sectors in the world (Signé, 2018). As expected, being a high-potential consumer market has implications for global market entry. This means foreign companies interested in doing business on the continent must take a nuanced view of the differing structural dynamics, particularly economic size, high-growth markets, varying disposable incomes, and urbanization trends, given the importance of cities as key drivers of consumer spending.

Table 3 shows the top 10 fast-growing consumer markets on the continent based on 2020 data and projections for the 2020–24 period, with West and East Africa outperforming the other regions.

TABLE 3
Top 10 fast-growing consumer markets

Country	Growth in consumer spending (%)		
	Historic (2015–19)	2020	Outlook (2020–24)
1 Kenya	9.5	6.2	5.4
2 Côte d'Ivoire	6.1	5.1	8.3
3 Ghana	5.4	9.7	7.3
4 Senegal	3.9	5.5	8.8
5 Ethiopia	9.8	3.2	3.7
6 Cameroon	3.2	4.3	7.9
7 Rwanda	4.4	6.1	6.1
8 Egypt	1.0	15.1	5.5
9 Uganda	2.8	7.7	5.4
10 Tanzania	1.5	8.3	5.9

Source: NKC African Economics (African Consumer Markets, 2020)

¹⁰ Discounting the brief decline during the global financial crisis.

NKC African Economics discusses the tendency for smaller economies to post impressive consumer growth rates (e.g., Rwanda, Ghana, Senegal, and Cameroon in Table 3) while spending is often stronger in diversified economies with robust service sectors (e.g., Nigeria and South Africa). Given the economic size, urbanization trends, and the diversified nature of industries in countries like Nigeria and South Africa, investors will often look beyond growth and consider other factors in the specific consumption sectors they are considering. The war in the northern Tigray region of Ethiopia which began in November 2020 caused immense disruption, with adverse impact on the country's economic trajectory. The loss of lives and destruction of private and public assets negatively impacted economic growth and consumer spending.

Freedom of markets

There is some evidence that the variation in income growth across Africa is, in part, due to the freedom of the markets in which the private sector operates. Since 1995, the Heritage Foundation and Wall Street Journal have been publishing a freedom index — a country index that combines measures of tax rates, property rights, legal structures, and other factors that affect the degree of market freedom.

Between 2010 and 2020, the freedom score improved for 31 of the countries for which there were data and went down for 18 with the average score rising slightly from 53 to 55. Of the total, three countries dropped by 5 or more points and ten improved by 5 or more points.

Overall, the results suggest that economic freedom across Africa has improved but not dramatically over the past decade. This begs the question: can the variation in the Freedom Index explain differences in per capita GDP growth? A simple regression was run using the average Freedom Index for 2010 and 2020, hypothesizing that the degree to which the economy begins and remains free will affect the growth over the same period. A specification including 2010 GDP per capita was also run to control for the possibility that high growth rates are more likely when the starting per capita GDP is lower, the so-called beta-convergence. In all cases, the Freedom Index has a statistically and economically significant effect on GDP per capita growth.

A one standard deviation change in the freedom index corresponds to a change in growth rate of 8.4 or 9.3%, depending on the specification, during the corresponding 2010–20 period. The average growth rate for the countries on the continent was 9% during that period. Other factors are going to affect the growth rate, but these results are consistent with the hypothesis that investments in those countries with high and rising Freedom Index scores are more likely to pay dividends to investors.

TABLE 4
Dependent variable: Growth in GDP per capita between 2010 and 2020

Intercept	-0.52 (.03)	-0.50 (.02)
GDP per capita in 2010		-0.00003 (.001)
Freedom Index (average of 2010 and 2020)	0.01 (.01)	0.01 (.004)
Observations	49	49
R ²	0.12	0.31

Source: Authors' own calculations. Data on freedom index are from Heritage Foundation and Wall Street Journal; data on GDP are in 2015 dollars for the years 2010 and 2020. Data are available in both years for 48 countries. p-values are in parentheses.

Differences within Countries

Heterogeneity across income levels

As an average, GDP per capita tells us little about variation within countries. Has everyone's lot improved or has it been limited to the well-to-do? Businesses will wonder how much purchasing power has increased across groups of individuals and what this tells us about business opportunities both in terms of countries and industries.

A partial answer to the question regarding the degree to which growth is affecting different income groups can be found by looking at the poverty rate over time. The World Bank collects data on the percentage of the population living on \$1.90 a day. Within SSA the percentage of the population living at that level of poverty dropped by 20 points — from 58% to 38% between 2000 and 2019. The percentage drop is comparable to that observed globally where the level of poverty dropped from 30% in 2000 to less than 10% by 2017. Clearly, the increase in average GDP per capita is not limited to the higher income groups.

What about the business opportunities? How much has the spending power of the middle class increased? How has this varied across countries?

Consumer expenditure on the continent has grown at a compound annual rate of 3.9% since 2010 and expected to reach \$2.1 trillion by 2025, and \$2.5 trillion by 2030 (Signé, 2018). Data on the growth of specific income categories are difficult to find; however, there are several proxies that suggest a significant increase in the spending power within Africa. For example, about a third of the individuals in Ghana, Senegal, Nigeria, and Kenya owned smart phones according to a 2017 Pew Survey. In South Africa, the number was over 50% (Silver and Johnson, 2020). GSMA, a group of the leading global mobile communication operators, expects that 50% of SSA will subscribe to cell service by 2025.¹¹ As of 2020, eight different countries had more than 20 million internet users, led by Nigeria with 154 million.¹² And the changes in spending have been striking in recent years. Spending on furniture increased from \$28 billion in 2011 to \$52 billion in 2016 and electronics expenditures doubled to \$20 billion over the same period (Signé, 2018). The number of vehicles per 1,000 people more than doubled from 22.8 in 1998 to 50 by 2022. All of these data suggest there is significant spending power in these markets that is growing rapidly — at a much higher rate than accounted for by population growth alone.

The informal economy

The World Bank's GDP numbers do not include the informal economy. As discussed in the labor section, in many low- and middle-income countries, the informal sector accounts for a good chunk of employment. The International Monetary Fund (IMF) estimates it accounts for as much as 35% of GDP in low- and middle-income countries.¹³ However, reliable data on the informal segment are difficult to come by. For context, measuring the growth of the formal sector is a useful measure for the progress of an economy, even if it is missing a significant portion.

Among others, informality is a key institutional and structural barrier limiting Africa's economic modernization potential. From high representation of women and low-income wages to low productivity and poor working conditions, Africa's informal markets constitute a major barrier to effective resource mobilization on the continent. As such, transitioning from the informal to the formal segment of the economy has major implications for development. As the economy develops, the portion that is informal decreases; the IMF estimates this accounts for much less — 15% — in high-income countries.

11 <https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-economy/sub-saharan-africa/>

12 <https://www.dw.com/en/can-africa-achieve-universal-internet-access-by-2030/a-59729090>

13 <https://www.imf.org/en/News/Articles/2021/07/28/na-072821-five-things-to-know-about-the-informal-economy>

IV. Governance Performance and Business in Africa

The analysis on the Freedom Index in the preceding section is worth considering in more detail. In broad terms, economic theory ascribes long run growth to three factors: physical capital, human capital, and innovation. Consistent with the Solow growth model, the more an economy can increase its share of these factors, the higher is its ability to create wealth. Moreso, given rapid technological advances in recent decades, innovation has become the cornerstone of the modern global economic system.

Empirical evidence abounds on the positive impact of economic freedom on creativity and innovation (Hafer, 2013; Hsu et al., 2014). Insofar as the basic tenets of an economically free society are about voluntary exchange, property rights, and freedom to compete in markets, governance infrastructure plays a critical role in global market entry. In essence, government integrity, judicial effectiveness, and other key indicators of government effectiveness and the rule of law are key determinants of the attractiveness of jurisdictions to investors.

Globerman and Shapiro (2002) explain the political, institutional, and legal environment of a country vis-à-vis economic performance in terms of governance infrastructure. In their view, the political and legal institutions of a country largely define its attractiveness not only to foreign investors, but also domestic capital.

Foreign direct investment (FDI) remains an important engine of economic growth, while good governance and strong institutions are its key drivers. To effectively leverage FDI for development, apart from addressing major governance issues that serve as a deterrent for FDI inflows, host countries need stable and transparent regulatory and policy regimes for optimal investment attraction. Africa is not an exception.

Governance Indicators

The Worldwide Governance Indicators identifies six broad dimensions of governance for over 200 countries and territories: Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption (Kaufmann et al., 2010).

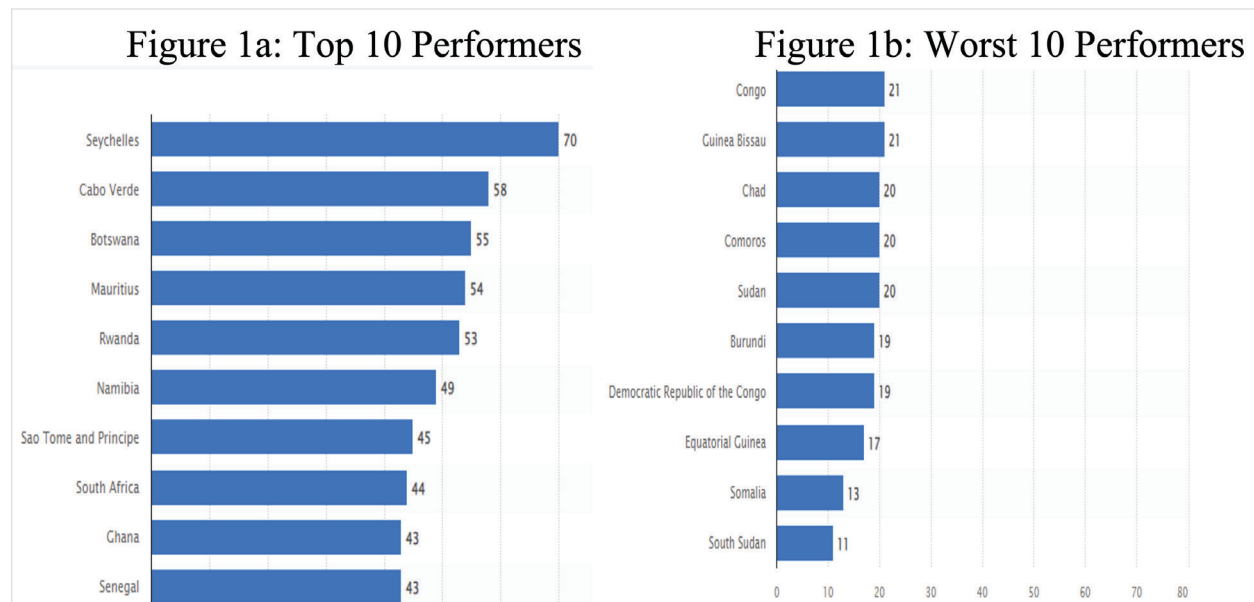
Kaufmann et al. (2010) compare SSA with two groups of countries (i.e., high income OECD and lower middle-income countries) on all six governance indicators. Their results validate many of the stylized facts about all three regions. The high income OECD countries outperform the lower middle-income and SSA countries on all six measures in 2010, 2015, and 2020. As well, and not surprisingly, the lower middle-income countries rank higher than SSA countries on all fronts.

Corruption Perception

Corruption perception remains a major deterrent to international business and investment attraction in Africa. With an average score of 33 out of 100, the 2021 Corruption Perceptions Index (CPI) released by Transparency International shows that SSA shows no significant improvement, with the gains made by some countries overshadowed by backsliding or stagnation in others.

With 44 out of 49 SSA countries scoring below 50, Seychelles (70), Cabo Verde (58), and Botswana (55) occupy the first three spots for the top three performers, while South Sudan (11), Somalia (13), and Equatorial Guinea (17) show the worst performance in the order indicated (Figures 1a and 1b). Not surprisingly, countries in the latter group are plagued by oil rentierism, repression, conflicts, and human rights violations, among other deterrents for capital inflows.

FIGURE 1
Corruption Perceptions Index for SSA



Source: Transparency International

Nonetheless, policy reforms and increased adoption of digital platforms are helping in the fight against corruption on the continent. For instance, some of the benefits of digitizing tax administration in Kenya include the opportunity it provides for governments to improve service delivery, combat corruption, improve the quality of life and engage more deeply with the citizenry, reduce poverty, and regain public trust. In many ways, this can have a cascade effect to the extent that it helps create an environment where a thriving innovation economy fuels entrepreneurship and creativity.

The *Ibrahim Index of African Governance (IIAG)*, produced by the Mo Ibrahim Foundation, measures and monitors governance¹⁴ performance in African countries. The 2019 IIAG results show that over the last decade, 36 countries saw improvements in their Overall Governance,¹⁵ which implies that “61.2% of Africa’s population lives in a country where Overall Governance performance has progressed over the last decade.”

Gambia witnessed the biggest jump based on improvements in accountability and transparency and its participatory environment, while Mauritius remains in the top position for the 10th year in a row. More broadly, over the 2010–2019 period, the IIAG reveals an unbalanced governance progress, with only eight countries witnessing improvements in all four categories. On regional comparisons, of the five geographical regions, Southern Africa recorded the highest score at 53.3, followed by Western Africa (53.1), Northern Africa (52), Eastern Africa (46.2), with Central Africa showing the weakest performance at 38.8.

Much of the African development literature notes the highly heterogeneous nature of Africa and why it is important to have a nuanced perspective on issues pertaining to the continent (United Nations Conference on Trade and Development, 2021). For instance, African countries like Mauritius, Botswana, and Seychelles with high per capita incomes and relatively strong institutions do much better on these governance indicators than most of the lower middle-income countries.

14 The Mo Ibrahim Foundation defines governance as the provision of political, social, and economic public goods and services that every citizen has the right to expect from their government, and that a government has the responsibility to deliver to its citizens.

15 Calibrated based on 237 variables that measure governance concepts from 40 sources, before they are combined to form 79 indicators: <https://mo.ibrahim.foundation/sites/default/files/2020-11/2020-index-report.pdf>

The World Bank ranks countries using GDP per capita based on purchasing power parity, and from its 2021 results, 19 of the 20 poorest countries in the world are in Africa, with Burundi in the first position.¹⁶ Seychelles — the archipelago of 115 islands in the middle of the Indian Ocean with a population of less than 100,000 — ranks as the richest country in Africa and has consistently been classified as a high-income country by the World Bank since 2015. The stark contrast between Burundi and Seychelles underscores the danger in painting countries in a heterogeneous region like Africa with a wide brush.

Seychelles is a prosperous country with a stable economy and a robust, competitive, and resilient tourism sector. Tourism provides an opportunity for the private sector to earn foreign exchange, while also forming the basis for marketing the country's investment policies to encourage foreigners to invest in the development of its natural resources and infrastructure. Cabo Verde and Botswana also have thriving tourism- and diamond-based economies which attract decent thresholds of foreign capital.

The challenges of countries like South Sudan, Somalia, Equatorial Guinea, and Burundi must be understood in the context of their post-independence political economy dynamics. For instance, Burundi's status as the poorest country in the world can, among other factors, be traced to incessant coups, political assassinations, massacres and a civil war, its governance architecture, and political trajectory.

To corroborate the analysis above, the Investment Climate Statements¹⁷ produced by the United States Department of State, are reviewed for both countries. For standardization and to avoid selection bias, excerpts based on the "Transparency of the Regulatory System" category are analyzed. The document reveals that "Although the government has made considerable efforts to liberalize the economy, Seychelles continues to suffer from overregulation. Concerns over government corruption have focused on the lack of transparency in the privatization and allocation of government-owned land and businesses." In the case of Burundi, it alludes to the fact that "Although parts of the government are working to create more transparent policies for fostering competition, Burundi lacks much necessary regulatory framework. Many policies for foreign investment are not transparent, and laws or regulations on the books are often ineffective or unenforced."

While good governance is a global aspiration, its importance in unlocking economic development and social progress cannot be overemphasized — particularly in the less developed regions of the world. At the global level, improving governance frameworks that advance the provision of global public goods — such as peace and security, humanitarian assistance, justice and conflict resolution, institutional reforms, and functioning markets — remain key.

V. Investment

Far beyond traditional gains from portfolio investments or trade in goods and services, the additional benefits offered by foreign capital in bolstering capital formation and technology transfer in developing economies make it vital for raising productivity for structural transformation. Beyond the transfer of technology and ownership of vital components of the business from domestic to foreign residents, the investor country also benefits from the varying opportunities, higher returns, trade opportunities, and access to larger markets that characterize host countries.

Much of the contemporary literature on investing in Africa underscores the potential of the continent's vast natural resources, demographic trend, burgeoning venture capital and entrepreneurial ecosystem, deeper regional integration, increased participation in global value chains, and policy and governance reforms to drive capital flows to the continent. In particular, the influx of international private capital in the tech sector has hit unprecedented levels in recent years and this merits further discussion.

16 <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

17 <https://www.state.gov/investment-climate-statements/>

For instance, with multiple large fundraises and exits in the last few years, Africa transitioned from having only one unicorn in 2016 to seven startups worth over \$1 billion in 2023.¹⁸ However, the upward trends recorded across talent, capital, and markets in ventures based on digital technology platforms have not been replicated in the traditional industries.

From slowing growth and geopolitical turbulence to higher interest rates and high and persistent inflation, the global economy is undergoing a significant shift with elevated uncertainties. Also, considering the ongoing changes in the patterns of global capital flows and the rising share of investment funds in credit intermediation, increasing Africa's share will depend on several factors. Apart from the age-long focus on macroeconomic fundamentals, structural issues, and institutional frameworks — to the extent that investment funds are actively searching for yield in financial markets — identifying the factors that drive capital flows in normal times and during periods of extreme volatility is a critical first step in the current environment.

FDI Flows

Africa's macroeconomic fundamentals show resilience over time, but performance remains sub-par. For instance, the continent's share of global FDI remains low (5.2% of global FDI in 2021) and stagnant over time, with industries engaged in resource extraction accounting for a prominent share of greenfield FDI inflows to the continent. After FDI flows plummeted across sectors and countries in 2020 under the strains of the COVID-19 pandemic, capital flows to the continent witnessed a rebound in 2021, hitting a record \$83 billion, more than double the 2020 amount (UNCTAD, 2022). UNCTAD notes that an intrafirm financial transaction in South Africa — a large corporate reconfiguration between Naspers and Prosus — constituted about 45% of the total.

Regional Trends

On a regional basis, FDI in Southern Africa, East Africa, and West Africa increased; Central Africa remained flat; and North Africa witnessed a decline (see Table 5).

In the Southern Africa subregion, new project announcements in 2021 included a \$4.6 billion clean energy project finance in South Africa led by UK-based Hive Energy and a \$1 billion greenfield project by U.S.-based Vantage Data Centers. UK-based Globeleq Generation's announced a \$2 billion investment on power plants in Mozambique. Zambia, on the other hand, witnessed a \$1.5 billion divestment in its copper mine by Swiss-based Glencore to state-owned ZCCM Investments Holdings, triggering a cumulative \$457 million fall in FDI.

In West Africa, a resurgence in oil and gas sector investment helped the subregion's largest recipient, Nigeria, to double its FDI to \$4.8 billion, while international project finance deals rose to \$7 billion — including the \$2.9 billion Escravos Seaport project. FDI in Ghana also increased to \$2.6 billion, driven largely by projects in extractive industries. Senegal witnessed a 27% rise in greenfield investment intentions, raising the country's total investment to \$2.2 billion.

Ethiopia's FDI totaled \$4.3 billion in 2021, with 80% of all international project finance announcements happening in renewables. Uganda and Tanzania also increased their capital inflows with total FDI standing at \$1.1 billion and \$922 million, respectively. Tanzania's new greenfield project announcements in 2021 tripled.

FDI flows to Central Africa remained flat in 2021, with total receipt by the Democratic Republic of the Congo at \$1.9 billion, driven mainly by offshore oil fields and mining. On the other hand, FDI in Congo fell to \$3.7 billion, although two international project investment intentions were announced, including the construction of a \$166 million oil facility.

¹⁸ <https://afridigest.com/complete-list-african-unicorns-today/>

TABLE 5
Africa: FDI inflows and cross-border M&A sales, 2019–2021 (Millions of dollars and number)

Subregion/ selected economy	FDI				Net cross-border M&A sales							
	Value				Value				Number			
	2019	2020	2021	2020-21 growth rate (%)	2019	2020	2021	2020-21 growth rate (%)	2019	2020	2021	2020-21 growth rate (%)
Africa	45,678	38,952	82,991	113	5,835	3,334	-1,515	--	140	87	130	49
North Africa	13,550	9,800	9,335	-5	682	93	-4	--	24	35	47	34
West Africa	10,863	9,340	13,849	48	291	817	-313	--	34	14	12	-14
Central Africa	8,858	9,506	9,409	-1	-29	95	50	-47	7	-1	5	--
East Africa	7,893	6,062	8,179	35	267	56	609	996	19	15	27	80
Southern Africa	4,514	4,244	42,219	895	4,623	2,273	-1,856	--	56	24	39	63
<i>Memorandum</i>												
World	1,480,626	963,139	1,582,310	64	507,396	474,864	727,880	53	7,118	6,201	8,846	43
Developed economies	764,456	319,190	745,739	134	428,468	388,581	615,083	58	5,949	5,333	7,838	47
Developing economies	716,170	643,949	836,571	30	78,928	86,283	112,797	31	1,169	868	1,008	16

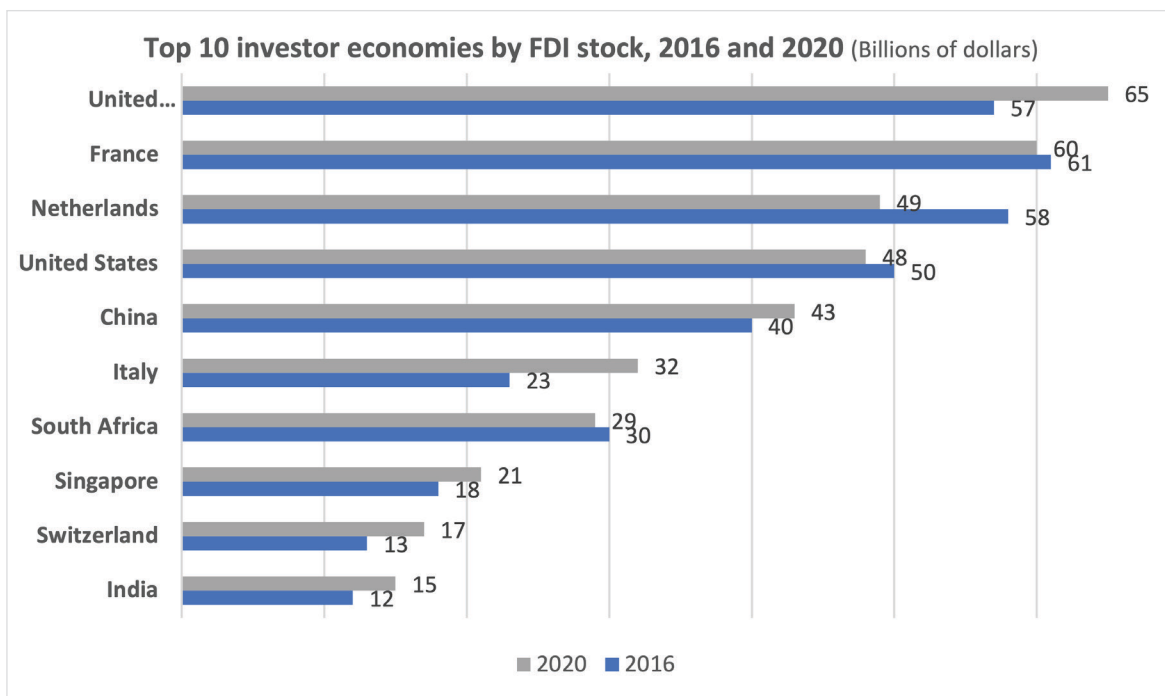
Source: United Nations Conference on Trade and Development/World Investment Report 2022.

In North Africa, Morocco's FDI increased to \$2.2 billion in 2021. Egypt on the other hand witnessed a decline to \$5.1 billion, while still posting an impressive performance as the second-largest FDI recipient on the continent in 2021. Greenfield investment intentions in Egypt more than tripled to \$5.6 billion in 2021.

Asset Holding

In terms of total asset holding in 2021, Europe remained the largest investor in Africa, led by the United Kingdom (\$65 billion), France (\$60 billion), and the Netherlands (\$49 billion). The U.S. ranked fourth (\$48 billion), while China occupied the fifth position (\$43 billion). The dominance of European countries is understandable given the correlation between FDI stock and colonial ties and cultural links between source and destination countries (see Mhlanga et al., 2010). Given its traditional status as the major source of intra-regional FDI flows on the continent, South Africa remains a key asset holder in Africa with a total of \$29 billion in 2021, ahead of Singapore and Switzerland (Figure 2).

FIGURE 2



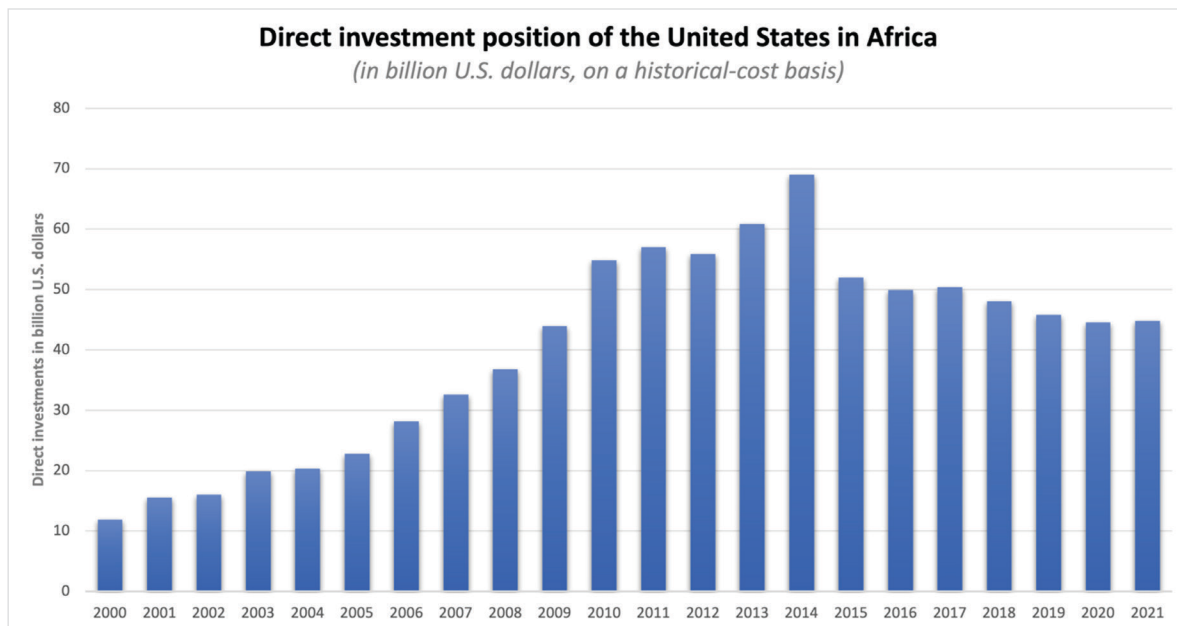
Source: United Nations Conference on Trade and Development/World Investment Report 2022.

U.S. Direct Investment in Africa

The analysis above mirrors U.S. direct investment in Africa in many ways. Between the 2000–2020 period, Africa accounted for only about 1% of total U.S. FDI. From a low base of \$12 billion in 2000 to a peak of \$69 billion in 2014, FDI flows from the U.S. to Africa dropped to \$45 billion in 2020, but rose again in 2021 (Figure 3).

In addition to the collapse of commodity prices from mid-2014 to 2016, the diversification of investments from raw materials into manufacturing and services — as well the marked reliance on U.S. domestic oil and gas reserves — explain this pattern in the composition of FDI over time and across industries (United States International Trade Commission, 2020).

FIGURE 3



Source: Statista

Given the importance of the agriculture sector for structural transformation in Africa, alluded to under the section on labor market above, agribusiness and investments in the food and beverage sector remain on the front burner of the continent's economic development agenda. In light of the discussion above on increased U.S. investment diversification in recent years, Table 6 presents total U.S. greenfield investments on the continent, as well as flows to the food and beverage sector. This provides a fair basis for assessing U.S. sectoral investment dynamics relative to other foreign investors.

Financing the Opportunity

The U.S. government recognizes Africa's quest for greater integration into global value chains and its rising digital economy provide a basis for America's investment relations with Africa. In December 2022, the White House stated "The United States will support and facilitate mobilizing private capital to fuel economic growth, job creation, and greater U.S. participation in Africa's future."¹⁹

The discussion in the previous sections highlights the significant investment opportunities for the U.S. private sector. To capitalize on this, U.S. businesses must first address the issue of information and risk asymmetry on Africa's investment opportunities — knowledge about business opportunities in Africa is limited in the U.S., giving rise to high search and other transaction costs, as well as disproportionate weighting of perceived risk resulting in mispricing of assets.

Despite significant progress in the continent's business environment in the last few decades, many U.S. companies are still deterred by negative perception and information asymmetry on the investment opportunities in Africa. Results from a 2013 survey by U.S.-based AlixPartners and Dentons revealed that while concerns related to corruption and transparency in the African business environment are not unfounded, they are often based on old and outdated stereotypes.

19 <https://www.whitehouse.gov/briefing-room/statements-releases/2022/12/14/fact-sheet-u-s-africa-partnership-in-promoting-two-way-trade-and-investment-in-africa>

TABLE 6
U.S. greenfield foreign direct investment to Africa by country of destination, 2006–2020

Total U.S. greenfield FDI U.S. dollars (billion)					Total U.S. greenfield food and beverage FDI U.S. dollars (billion)				
Rank		2006-10	2011-15	2016-20	Rank		2006-10	2011-15	2016-20
1	Ethiopia	0.71	0.20	4.56	1	South Africa	0.03	0.27	0.46
2	South Africa	5.11	4.55	3.38	2	Egypt	0.87	0.15	0.45
3	Nigeria	3.54	3.82	2.96	3	Kenya	0.08	0.18	0.22
4	Mozambique	0.14	0.30	2.88	4	Ethiopia	0.16	0.00	0.21
5	Morocco	1.22	1.16	2.24	5	Côte d'Ivoire	0.02	0.01	0.10
6	Kenya	0.19	1.47	1.27	6	Ghana	0.18	0.06	0.06
7	Egypt	3.98	1.58	1.06	7	Zimbabwe	0.00	0.00	0.05
8	Libya	0.58	0.03	1.02	8	Eswatini	0.00	0.00	0.05
9	Uganda	0.03	0.09	0.62	9	Nigeria	0.00	0.16	0.04
10	Rwanda	0.01	0.20	0.53	10	Zambia	0.00	0.10	0.04

Source: United States Department of Agriculture (Economic Research Service calculations using data provided by fDi Markets 2021)
 Notes: Values calculated as 5-year period totals. All values are rounded. Totals include estimated project-level investment values from fDi Markets. Sectors defined by fDi Markets.

According to the report, “A considerable gap persists between stereotypical perceptions of Africa as a single place of prohibitive risks and the evolving reality of the rising potential within an extraordinarily diverse and vibrant continent.” The risk-reward framework is favorably tilted towards informed companies that can take a differentiated approach.

As discussed in the earlier sections, while Africa faces enormous challenges in its business environment, it remains a site of enormous economic potential. For instance, Africa is the most expensive region to send and receive money, often with high cross-border transaction fees, and with settlements delays. As such, financial services remain a huge opportunity, with many unbanked and unserved across the continent.

Access to affordable, convenient, and cost-effective credit to individuals and small and medium-sized enterprises (SMEs) is a major bottleneck. According to the World Bank, SMEs in Africa face a finance gap of US\$330 billion, for the survival of its 40 million companies, which account for 60% of jobs. At the same time, due to rising population, urbanization, and a burgeoning middle class, the rapid pace of digitalization is creating opportunities in leaps and bounds on the continent. As the digital revolution fosters interactions between traditional sectors and digital technologies, a new frontier of innovation is creating multiple pathways to wealth creation in a sustainable manner.

The startup sector is benefiting from innovative technologies that are making it easier for entrepreneurs, investors, and innovators to unlock hidden opportunities through differentiated market entry strategies. From mobile payments and telemedicine to edtech and agribusiness, cutting-edge innovations are creating thriving businesses. To successfully break into these value chains, U.S. firms must understand that Africa is a heterogeneous market.

Many African economies face limited fiscal space for public investment fueled by widening national budget deficits due to the current overlapping multiple and complex crises and stagnating Official Development Assistance

(ODA) received on the continent. To finance its development priorities, chart a climate resilient development pathway, and accelerate structural transformation, the continent must tap into existing and new sources of private capital.

While the development finance institutions and multilateral development banks continue to play an important role in de-risking and financing Africa's development, broadening the investors base is inevitable. U.S. institutional investors stand in a position to capitalize on these opportunities and by so doing increase the impact of American businesses on the continent.

Africa remains a market for first movers. Many first movers have established their market leadership through scale, strong local knowledge and relationship, and low-cost distribution platforms; such achievements set the bar for new investors in the region. Additionally, a strong post-deal local management team component is a key factor for success.

To be clear, apart from market opportunities, political economy nuances and governance dynamics remain key determinants of jurisdictional investment competitiveness, as discussed above. Tilting the risk-reward framework to incentivize U.S. private investors to identify new opportunities and invest requires a firm understanding of both broad and granular variations in the level and timing of private investment opportunities. This also includes understanding the changing patterns of asset classes and investible opportunities. For example, as digital entrepreneurship matures on the continent, fostering venture capital and entrepreneurial ecosystems that can support and nurture unicorns as they adapt and innovate will be key in the coming years.

VI. Africa's Diaspora Capital

As African diaspora populations grow, the scale of human and financial resources available for reinvestment in their countries of origin also grows — serving as a reliable source of innovative financing to close existing financing gaps. Diaspora finance can play a major role in Africa's quest for development. The African Union defines the African diaspora as “people of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent.”²⁰

According to the United Nations, African countries received about \$100 billion in remittances in 2022, close to 6% of the continent's GDP.²¹ These funds provide a stable source of external financing to address socioeconomic needs and alleviate poverty.

Beyond remittances — in the form of financial transfers from migrants to support the needs of family members in their countries of origin — diaspora investments can have even greater development impacts. With the right financial structure and innovation, diaspora finance can be leveraged to unlock further investments.

To quote the African Development Bank (AfDB) President, Akinwumi Adesina, “The African diaspora has become the largest financier of Africa! And it is not debt; it is 100% gifts or grants, a new form of concessional financing that is the key for livelihood security for millions of Africans.”²²

Diaspora capital inflows to Africa have consistently surpassed.²³ FDI, ODA, and foreign portfolio inflows in both good and not so good times and have proven to be more stable and patient — offering countercyclical support to frontier economies on the continent. Again, in the words of the AfDB President, “Because the flow

20 <https://au.int/en/diaspora-division>

21 <https://www.un.org/osaa/news/africa-can-effectively-leverage-remittances-if-we-shift-stock-control-flow-control>

22 <https://www.afdb.org/en/news-and-events/press-releases/diasporas-remittances-investment-and-expertise-vital-africas-future-growth-say-participants-african-development-bank-forum-57024>

23 Ibid.

of remittances to Africa is high, rising, and stable, it offers huge opportunities to serve as collateral to secure financing for African economies. African countries should securitize remittances to promote investments, especially for infrastructure on the continent.”²⁴

Innovation and Efficiency

As discussed above, Africa's diaspora capital holds huge promise and should increasingly be leveraged by U.S. investors as part of the investment mix in financing projects on the continent. Expanding the investor pool beyond conventional sources to include non-traditional sources like diaspora capital — as successfully done in India and Israel — will go a long way in addressing the ever-growing financing needs of the continent.

In terms of improving cost efficiency in remittance flows to Africa, much work remains to be done. For instance, the average cost of sending \$200 dollars to SSA is \$17 (i.e., 8.5%) higher than it is in other regions — a far cry from the SDGs goal of 3% — and even higher for intra-African remittances (IMF, 2021).

Nonetheless, with Africa witnessing unprecedented growth in financial technology and innovation, the continent is home to a dynamic and growing digital ecosystem. While this trend continues to drive much of the cost reductions in recent times, it provides a window of opportunity for additional innovations around financial inclusion.

Investment Governance

Africa's financial and monetary systems have come under a lot of stress in recent times, resulting in reduced capital inflows, currency convertibility issues, devaluation, and related foreign exchange risks. Also, apart from investment mobilization constraints, economies on the continent face other challenges such as investment absorptive capacity, tough business environments, churning out the right quantum of bankable projects, and dealing with investment and monetary risks.

To the extent that every investor seeks investment protection and the capacity for returns repatriation when due and in the desired currency, the aforementioned factors are all important for reliable investment inflows into the continent. This has implications for the potential of diaspora bonds as an investment attraction tool.

Diaspora bonds constitute an important source of development financing from sovereign debt instruments. For instance, Ethiopia issued a diaspora bond in 2008 and again in 2011 to finance energy infrastructure projects, although due to risk and related issues, limited success was achieved.²⁵ In June 2017, Nigeria issued a US\$300 million diaspora bond for a 5-year tenor to finance several infrastructure projects, and this commitment was honored with the redemption of the bond upon maturity in June 2022.²⁶

Governments looking to borrow from the international capital markets can leverage their diaspora populations, which often remain an untapped opportunity. In addition to longer tenors and below-market rates possibilities due to the “home bias puzzle”, diaspora affinity and loyalty can generate a wide range of second-order benefits.

Leveraging diaspora investment to de-risk and facilitate greater private investment in Africa is a two-way street. An emerging puzzle in the investment equation is the power of Africa's diaspora capital and how businesses can leverage this in the broadest sense — including mobilization of talent and expertise, trade and investment facilitation, removal of information barriers, and technology transfer.

24 Ibid.

25 <https://www.brookings.edu/articles/diaspora-bonds-an-innovative-source-of-financing/>

26 <https://dmarketforces.com/nigeria-redeems-300m-diaspora-bond/>

VII. Concluding Thoughts on Specific Sector Opportunities

This paper provides some insights into broad factors that will affect business decisions. Businesses considering opportunities to enter or increase investments in Africa will need more specific motivations. Those investments have already started. McKinsey estimated that more than 400 firms had revenues in excess of US\$1 billion in 2018,²⁷ and Harland-Peel Africa Equity Research identified 28 companies with a market cap more than US\$1 billion.²⁸ Startups in nearly every region of the world raised less venture capital money in the second quarter of 2022, compared to the same period in 2021 — Africa was the only exception.²⁹

According to the Partech 2019 report, 234 African tech startups raised a total of US\$2.02 billion in equity financing across 250 equity rounds representing a 74% year-over-year growth — a new symbolic milestone and a huge upside opportunity. We conclude with a few more focused comments on opportunities.

The obvious opportunities from the demographic trends of a ballooning working age can overshadow the opportunities from the growth in the elderly population which is going to continue to grow even if not as fast as the working age population. There are many implications for Africa, and African companies can learn from similar changes in other regions of the world. In India, for instance, the over 65 population grew from about 14 million in 1960 to 94 million in 2021. The over 65 cohort in Africa was over 48 million in 2021, about what it was in India in 2002 and the trajectory leading up to 2021 in Africa was very similar to that leading up to 2002 in India. These population trends will be accompanied by a commensurate increase in demand for services related to chronic diseases, rehabilitation, and palliative care among others.

According to the AfDB, Africa faces a huge infrastructure deficit despite the opportunity availed by the AfCTA. Through 2035, the world needs to spend \$3.7 trillion a year on infrastructure to maintain a projected annual GDP growth rate of approximately 3%. Of this amount, \$1.9 trillion per year is needed in emerging markets, with the balance in the developed world. (Woetzel et al., 2017). Some 1.2 billion people worldwide live without access to electricity — with over half of them in Africa, and many more experience regular power interruptions.

The digital revolution provides a unique opportunity for Africa to transition to the mainstream of global commerce, increase productivity, and break the shackles of poverty. Digital entrepreneurship is burgeoning across Africa. The ongoing rapid urbanization trend on the continent — manifest in the growth of its megacities and smaller towns and cities — confers the benefits that come with clusters through agglomeration economies. In the aftermath of COVID-19, many countries in Africa pivoted, and are increasingly adopting digital technologies — with positive labor market outcomes so far (World Bank, 2021).

A survey of firms in 18 SSA countries shows that in response to COVID-19, 22% either started or increased their use of digital platforms, social media, and the Internet. Of the total firms surveyed, 17% invested in new equipment, software, or digital solutions — with Togo (43%) and South Africa (51%) emerging as the countries with the highest number of firms adopting digital platforms.

The analysis also reveals varying outcomes for sectors — with SSA firms in the financial services (40%) and ICT services (39%) sectors far ahead in terms of the probability of using digital platforms in response to the pandemic. While over 25% of firms in the retail and wholesale trade sectors started or increased their use of digital platforms, those in the agriculture, construction, accommodation services, and manufacturing sectors showed somewhat limited adoption of digital solutions in the aftermath of COVID-19 (at less than 20%).

In the last decade, the financial technology sector on the continent has witnessed unprecedented growth, with the influx of international private capital and multiple large fundraises and exits.

27 <https://www.mckinsey.com/featured-insights/middle-east-and-africa/africas-business-revolution>

28 There are currently seven startups on the continent with a valuation of \$1 billion or more.

29 <https://qz.com/venture-capital-investment-in-africa-is-headed-towards-1849613170>

Africa is one continent with a wide variety of economies, governments, and societies. Important advances have been made over the past decades, but they have not been translated into economic prosperity across countries on the continent. This variation in progress translates into variations in opportunities both within and between countries. Nonetheless, the opportunities for businesses looking for profitable investments are available and those companies that are able to capitalize on them are likely to open doors to some of the fastest growing economies in the world.³⁰

30 <https://www.fdiintelligence.com/content/news/imf-african-economies-are-the-worlds-fastest-growing-75841>

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Paul Clyde is President of the William Davidson Institute at the University of Michigan, the Tom Lantos Professor of Business Administration, and the Moses and Maija Kaldjian Collegiate Lecturer in Business Economics and Public Policy at the Ross School of Business. From 2004-2013, Professor Clyde served as the Academic Director of the Part-time Program at the Ross School of Business where he led the development of the Weekend MBA Program. Over the past 20 years, he has worked with dozens of companies experimenting with different business models in low- and middle-income countries. This work includes advising or directing more than 100 projects with firms in finance, education and healthcare industries in 20 different low- and middle-income countries including nine different countries in sub-Saharan Africa. Prior to joining the University, he was an economist at the Antitrust Division of the U.S. Department of Justice and a consultant with National Economic Research Associates. He has published articles in a number of journals including *The Journal of Finance*, *Managerial and Decision Economics* and *Economic Inquiry*. He received his Ph.D. in Economics from the University of California, Los Angeles and his B.S. in Business from Indiana University.

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Ezekiel Odiogo is a global investment banker, thinker, cross-industry expert, and leader. As Head, Private Sector Investment Operations at the Africa Investment Forum (AIF), African Development Bank, he led the AIF from concept with no historical precedent, into record-breaking, back-to-back progressive successes. Mr. Odiogo has held several leadership positions at the African Development Bank, managing a multi-billion-dollar portfolio traversing advisory and investment operations including PPPs and Funds. He is a Sloan Fellow and earned an MBA from the Massachusetts Institute of Technology, United States. He also has master's degrees from the London School of Economics and Bradford University, United Kingdom, in addition to executive education at the University of Oxford, Duke University, Queen's University, and the Wharton School. He is a serial entrepreneur and was Legatum and MasterCard Foundation Fellows at the MIT Legatum Center for Development & Entrepreneurship, and at the Martin Trust Center for MIT Entrepreneurship where he sat on the advisory board of its Global Founders' Skills Accelerator. A UNESCO Fellow, he is a well sought-after speaker, advisor, and industry expert.

Notes



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