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SPEAKER'S NOTES: As prepared for delivery

Thank you very much Prof Puleng LenkaBula, distinguished members of the faculty, students, friends. I hope that covers everybody?

Very good to be with you and in this magnificent Vice Chancellor's Africa Intellectual Scholar Series. It really is a wonderful setting to be able to speak about issues that go back as old as the institution I fear. I know it is in many ways a tradition for a speaker to offers pens of tribute to the institute they are speaking in but I do want to acknowledge the extraordinary connection of this university in Africa. Throughout the years, UNISA was perhaps the only university in South Africa to have provided all people with access to education, irrespective of race, colour or creed.

OPENING TEASER: I am reminded of the story of a Senegalese who in the morning wakes up, turns off his alarm made in China, comes out of his woven sheets made in India, puts on his clothes made in Bangladesh, drinks his Spanish orange juice, puts French milk in his coffee produced in Brazil, all bought from Auchan, a French MNC. He jumps into his Japanese made car to get to the Total gas station, he refuels and takes his Korean Samsung phone made in Taiwan, and pays with Orange money. At noon, he leaves his office in a Moroccan bank and joins his friend who smokes American cigarettes. They eat a tiep made with Cambodian rice and without spending a dime that will stay in the country, they debate as to why there is no work or money in Senegal??? Sounds oddly familiar to many of us who have not paid attention to the Made in Africa narrative.

OPENING MIND TRACE:

Read between the lines.

An uphill battle.

Low-hanging fruit.

Few things muddy the mind quite so effectively as the cliché. In its jaunty assuredness and painful banality, the cliché is like the most onerous of dinner guests; sure of its welcome yet tedious in the extreme. These souless words disrupt our speech, invade our thoughts, and impede our understanding. It was political theorist Hannah Arendt that best encapsulated that final point:

Cliches, stock phrases, adherence to conventional, standardized codes of expression and conduct have socially recognized function of protecting us against reality, that is, against the claim on our thinking attention that all events and facts make by virtue of their existence.

In how to write about Africa, Binyavanga, satirizes this point and the brainless writing it creates:

In your text, treat Africa as if it were one country. It is hot and dusty with rolling grasslands and huge herds of animals, and tall, thin people who are starving. Or it is hot and steamy with very short people who eat primates.

Unlike any other landmass, Africa seems to reduce writers and researchers to semi-poetic nonsense, vague allusion, and cliché. Though most exaggerated in travelogues and breathy film scripts, mainstream business writing on the continent (from beyond the continent) often does the same, in a minor key. Analysis is freighted with presumptions- Africa as a uniformity, the ubiquity of corruption, the totality of government incompetence-that block comprehension. Some of these things are true, of course. But in the trite, one-note-delivery-cliched in thought if not word-they remove the African ardent reader from the reality on the ground.

If there is one thing I hope to achieve in this lecture, it is to offer a view of Africa beyond those usual clichés. I will fail at several points; it is impossible to analyze such a massive topic in such a finite space without doing so. But by assembling a deep collective consciousness from distinct geographies and backgrounds, I hope I can bring more nuance to our discussion.

Africa shaped my mind, anchored my identity, influenced my beliefs and made me who I am. Africa matters to me. Africa is not underdeveloped, but rather, in the context of history & cultural heritage, highly developed in an advanced state of decay.

Ladies and gentlemen, I submit it to you that we must take a historical journey if only to appreciate the factors that animated Africa to seek to regain self-independence in many countries. In the same breath, I will hopefully wish to indulge your intellectual depth around stepping away from mythifying the #AfricaRising and establish an intellectual foundation and in all honesty, political discourse so as not to remain in the domain of supposition as to the ideology of HIPC countries in Africa (which means highly indebted poor countries).

After an introduction arguing against analyzing Africa as a uniformity, it is unfortunate that it makes most sense to begin by doing precisely that. Though far from the most nuanced view, we must work our way down and start at a high altitude.

A HISTORY IN PAN AFRICANISM

To have this Pan African thought and conversation with substantive contirubution to contemporary transformation in itself is a labour of love. I hold the objective view that we must contribute to transforming the fossilized Eurocentric curricula, which has insisted that for centuries "Poverty" continues to occupy the central position in African epistemologies on almost every subject under the sun.

May I take this time to acknowledge the patience, perseverance and passion of all the committed scholars who continuously contribute to the New African Narrative.

"Seek ye first the political kingdom and all other things will be added unto it". The famous biblical injunction of Kwame Nkrumah, founding Ghanaian president and Pan-African prophet of the 1950s continues to reverberate across Africa and the diaspora several decades after it was uttered. Having achieved political kingdom by 1994 with the liberation of South Africa, Africa and diaspora found, however, that all other things were not added unto it.

Africans and their descendants are still on a painful quest for three magic kingdoms: peace and democratic governance; socio-economic transformation; and cultural equality.

Pan-Africanism moved from Manchester back to Africa, and became mostly an ideology of governments and no longer once of civil society. A historic battle was waged for its soul between a "radical" Casablanca minority bloc led by Kwame Nkrumah (and also including Guinea, Mali, Egypt, Algeria and Morocco), and the majority of more conservative African states, grouped in the Brazzaville and Monrovia blocs, whose leaders favoured a more gradualist approach to continental unity. Nkrumah called for a "United States of Africa" by Africans for Africans, in which countries would pool their sovereignty in the areas of economics, security and foreign policy as a way of achieving industrialization. The Ghanaian leader envisaged a continental authority to oversee integrated planning and transport systems, and advocated the building of a vast road and railway network, a great increase in air links, and a massive upgrading of continental ports. Nkrumah regarded the association agreement between francophone African countries and the French-led European Common Market as "collective colonialism" designed to make Africa a permanent supplier of primary products for European markets. He called instead for the establishment of an African Common Market with a common currency and a common policy for intra-African and extra-continental trade.

An alternative vision to Nkrumah's was provided by Tanzania's socialist leader, Julius "Mwalimu" Nyerere. He offered the most cogent intellectual opposition to Nkrumah in calling for a more gradualist approach to regional integration involving the use of sub-regional bodies such as East Africa's British-inherited federal institutions such as building blocks, before federating with a larger continental group. As Nyerere noted: "African unity is at present merely an emotion born of a history of colonialism and oppression. It has to be strengthened and expressed in economic and political forms before it can be really have a positive effect on the future. Though, like Nkrumah, Nyerere also advocated a federal "United States of Africa" as a final goal, he kept stressing the need to convince newly sovereign countries, through patient persuasion, to take the necessary steps for integration willingly, and argued that they be allowed to travel at their own pace, and be given the space for local self-expression. Nyerere thus urged an approach of what in more contemporary terms would be called "variable geometry" in which different forms of integration occurred in different sub-regions. He focused on a federation of Tanzania, Kenya and Uganda as a first step towards attaining a United States of Africa.

A third vision of Pan-African cooperation was provided by francophone leaders like Senegalese poet-president Leopold Senghor. He advocated cooperation on an economic, financial, cultural, technical and scientific issues, while pursuing minimalist political cooperation in which African states harmonized their foreign policies. Insisting that Africa must not be placed out of a global historical context, Senghor argued that "Colonialism had had its dark moments and its moments of light. If it destroyed some of the values of our civilization, Europe sometimes brought its substitutes, almost always fertile ones: *complementary* ones. Unlike Nkrumah, Senghor was prepared to see positive aspects in colonialism and to attempt a synthesis between Africa and Europe. For the Ghanaian leader, however, colonialism was the very antithesis of everything that African liberation stood for.

Senghor suggested that Europe might have destroyed African values, but for him it also brought technical skills to Africa. Where Nkrumah urged Africa to harness its own resources for development, Senghor promoted a pragmatic use of European-in this case, French-financial resources and scientific knowledge to promote socio-economic development. He insisted on seeing the former European colonial rulers as "our friends", and proudly touted the fact the Senegalese students, soldiers, civil servants, agriculturalists, engineers, doctors and veterinary surgeons were sent to France for training. Such views often left many francophone leaders,-seemingly championing a subservient system of *Francafrique*-vulnerable to charges of neo-colonialism. Most of these countries supported French policies in multilateral forums, even on issues involving the liberation of Algeria. In an unsubtle dig at Nkrumah, Senghor urged the need to avoid demagoguery and threats of violence.

Nkrumah's vision of a "Union Government of African States" would have involved a common currency and monetary zone, an African military command, and a common foreign policy. In May 1963, 32 African states met in the ancient Ethiopian's capital of Addis Ababa to sign the Organisation of African Unity (OAU) charter, which clearly reflected the triumph of Nyerere's gradualist, evolutionary path over the speedy, revolutionary course that had been proposed by Nkrumah. The document rendered the OAU's executive and administrative branches ineffective by according them only limited powers. As these states struggled to transform themselves into viable nations, the link between Pan-Africanism and civil society was broken, and the Caribbean and American diaspora were effectively abandoned as an ally of solidarity and development. Resolutions of the OAU Assembly were not legally binding, and the body lacked implementation mechanisms. Diallo Telli, the genial Guinean technocrat and prophet and first substantive OAU secretary-general between 1964 and 1972, noted that Pan-Africanism has been born into an atmosphere of "complete alienation, physical exploitation and spiritual torment".

But despite its shortcomings, the OAU deserves some credit for its firm and consistent commitment to decolonization and the anti-apartheid struggles in Southern Africa, to which the African diaspora in the US, the Caribbean and Europe contributed massively.

HOW AFRICA BECAME UNDERDEVELOPED

The search for new markets amidst a global Great Depression in the early 1880s was a widespread concern that spurred on imperialism. In Africa modern scientific methods were introduced into colonial territories that led to the production of minerals and cash crops. African economies became structured-as the economies in the Caribbean and the Americas that been for two centuries-to produce crops to meet Western consumer needs. This both increased the dependence of African economies on metropolitan economies and, in many cases, negatively impacted on the ability of African populations to produce their own food.

Africans imbibed Western consumption patterns without acquiring Western production methods.

The fact that self-rule and university education were mostly introduced to African territories after the Second World War was a clear sign of the lack of priority given to such critical sectors. Most independent African countries therefore had very few trained personnel to run the administrative systems inherited from colonial rule.

Though the percentage of Africans living in absolute poverty fell 58 to 41 per cent between 2000 and 2016, and primary school enrolment had increased from 60 to 80 per cent, most of the poorest economic performers in the UN's human development index remained African countries. The flattering Western narrative of "Rising Africa" had thus been dramatically halted by the collapse of the commodity boom, which resulted in a 16 per cent fall in sub-Saharan Africa's terms of trade by 2016. By 2020, about a third of Africa's countries were heavily indebted.

In his famous treatise *How Europe Underdeveloped Africa (1972),* the prophetic Guyanese scholar-activist Walter Rodney (who taught in Julius Nyerere's Tanzania) traced the roots of underdevelopment to the 1884-5 conference in Berlin. He lamented the consumerist rather than the productive nature of African economies and the general lack of savings across the continent. Intra-African narrative accounted for only about 17 per cent in 2019, and regional integration has generally been an abysmal failure across the continent.

"Kwame Nkrumah –the first African nationalist to become president of an independent Ghana-hung a picture of Edward Blyden in his office. In this way, Nkrumah demonstrated who had inspired him and taught him the basics tenets of modern African nationalism. Blyden was the intellectual forefather and teacher of black and African nationalists as diverse as Du Bois

and Garvey, Casely –Hayford and George Padmore, Azikiwe and Kenyatta, and finally Cesaire and Senghor.

This quote from Israeli scholar Benjamin Neuberger shows that, in the 21st century, Edward Wilmot Blyden remains one of the powerhouses of Pan-Africanism due to his unique and historical contributions to ideas around African unity, identity, dignity, sovereignty and prosperity. Blyden had a profound influence on the makers of modern Pan-Africanism; current generations unfamiliar with his ideas, therefore, need to revisit his perceptive reflections on African identity, self-determination, Africa's umbilical links with the diaspora and the meaning of territorial nationalism in colonial West Africa.

Also worth noting, Blyden's work speaks directly to contemporary debates about the decolonization of education, the centrality of indigenous knowledge production to African liberation and the obstacles to realizing these objectives.

Revisiting Blyden's work is also essential in recreating the indivisible links between Black Nationalism and Pan-Africanism. Before Pan-Africanism, there was African nationalism, but nationalism was inconceivable without a sophisticated conception of racial pride, patriotism and consciousness that Blyden helped to articulate through his writings. In this regard, Blyden's erudite defence of black-identity and self-respect forged the parameters of Pan-Africanism both as the universal idea uniting African people and the orgnisational impetus for continental emancipation and integration.

The truth is that for all of the world's discussion of African vastness, it's scale is often underplayed. This is not a continent equivalent in size to Europe or the United States; it's larger than both of those combined, with enough room remaining to accommodate China and India. It is a territory entirely mind-boggling in its expanse.

So far, so cliched. But to add some (prosaic) shade and subtlety to our portrait, this massiveness is not just geographical, but cultural. If Africa's far-flung borders give it the sense of terranean, external endlessness, the continent is also nearly *internally* infinite. It is home to more than 1.2 billion people — not far shy of China's populace — that speaks upwards of 2,000 languages. By comparison, Europe houses a little over 200 argots and dialects.

That linguistic multiplicity is coupled with an ethnic one. Across its 54 nations, fully 3,000 different indigenous groups live, including Berbers and Zulus, Yorubas and Igbos, Fulanis and Ashanti, and, of course, many, many more. These cultures carry traditions that far predate Portuguese, French, Dutch, German, and British colonial occupations.

While those native traditions speak to Africa's past, those that build and invest in companies on the continent spend most of their time thinking about the future. Many may have become convinced of the "African opportunity" by observing the demographic zephyrs powering the continent into the coming decades. No other region on earth is poised to undergo such explosive growth across so many dimensions. Though many may know the contours of those trends, it's worth alighting on them further to emphasize their importance.

INTRODUCTION TO THE BIG AFRICA

Allow me to implore you to reset your mental map about Africa. Africa will soon be the fastest urbanizing region in the world Africa already had as many cities with more than 1 million inhabitants as North America does and more than 80% of its population growth over the next 2 decades will occur in cities. The income per capita of Africa's cities is more than double the continental average. If Africa's population is close to China's in size, it will soon dwarf it. Over the next 30 years, the continent's population is expected to double, reaching 2.4 billion. The effect of this increase on a proportional basis is particularly interesting. Today, Africans make up 16% of the global population; by 2050, they will comprise 25%. That hints at the potential for serious earthly influence.

As is perhaps to be expected, this growth is likely to be concentrated. Consider this the beginning of a leitmotif that will reappear throughout my lecture — when looking at growth and opportunity, the same handful of markets often receive mention. With regards to population, half of the expected 2.4 billion will live in five countries: Nigeria (411 million), Ethiopia (191 million), Egypt (153 million), the Democratic Republic of Congo (197 million), and Tanzania (138 million).

Of those, Nigeria and Egypt already represent budding and flourishing tech economies.

Africa has a median age of around 20. The number of smartphone connections was forecast to double from 315 million in 2015 to 636 million in 2022- twice the projected number in North America and not far from the total in Europe.

It feels almost a little silly to point this out, and to spend the time referencing the incoming swell of African youth given the measures shared above. But it's a point worth making for its impact on the world of work. Yes, Africa’s growth will mean it is a young continent. It also means it will supply a disproportionate percentage of the world’s working age people, with roughly half of the 2.4 billion expected to be younger than 25 years old. Indeed, over a fifty year timescale, there will likely be more people in that cohort than in every other G20 country combined.

At a time when many advanced economies are seeing population growth stagnate, this is profound. Organizations in need of employees will find the largest pool available in Africa. As we'll discuss later, one of tech's greatest opportunities is in ensuring that young Africans have the skills and training necessary to meet the labor demands of the future.

As is to be expected, these new generations will predominantly cluster in cities, creating economic powerhouses with relatively small footprints but considerable spending power. A frankly staggering 80% of population growth will accrue to urban centers, creating the world's largest metropolitan areas. By 2050, ten of the biggest 50 cities will be Africa. In just the next ten years, a collection of Africa's biggest 18 cities will reach $1.3 trillion in spending. That's the kind of commercial scale that can support and galvanize new ventures.

With as many Africa cities with more than 1 million inhabitants as North America already, the truth is that the shift is already well underway.

As Africa grows and urbanizes, spending power is expected to increase. In particular, the continent will see a rising middle class, expected to reach 580 million by 2030, with an upper class of an additional 116 million.

For context, that's more than double the current US population. Though such figures suggest a tidal wave of prosperity, some gradation and distinction is required. Yes, the size of Africa's middle and upper classes will be enormous; but its spending power isn't equivalent.

That's because what constitutes the middle class in one country is not the same as in another. Though reasonable studies may set benchmarks differently, it's inarguable that the average middle class citizen in America makes considerably more than an African counterpart. A Pew Research study set median US household income at $74,000 or roughly $200 per day. A

Brookings report on Africa's middle class study set the lower boundary at just $2 per day. The same report argued that to be a part of the upper class, African residents would need to bring in more than $20 per day. Orders of magnitude separate the delineation in one country to those on the continent.

This isn't to say that the absolute numbers are not impressive or worthy of note. By 2025, African consumer spending is slated to reach $2.1 trillion, rising to $2.5 trillion by 2030. While US consumer spending tops $12 trillion, India's comes in closer to $1 trillion. Clearly, the latter country has been able to develop an extraordinary, prosperous tech scene, even if there remains plenty of room left to run. In time, Africa's ecosystem may look similarly rich, with a burgeoning middle class partially to thank.

Africa is often seen as synonymous with poverty, yet the share of Africans who are poor fell from 56% in 1990 to 43% in 2012 according to the World Bank. Adult literacy rates have climbed by 10% points since 1990 to 63%- still low but rapidly improving. There is a demographic boom combined with GDP growth rates of 6, 7 or 8 %. Africa is in the midst of a significant acceleration. Real GDP grew at an average annual rate of little over 2% during the 1980s and 1990s but then leaped ahead to 5.4% in 2000-2010 making Africa the world's second fastest growing region after emerging Asia.

- ***5.6 trillion dollars in projected consumer and business spending by 2025.***
- ***1.2 billion people with population expected to double by 2050***
- ***11 million square miles of land-three times that of Europe***
- ***400 companies with annual revenues of $1 billion or more***
- ***122 million active users of mobile financial services***
- ***89 cities of over 1 million inhabitants by 2030***
- ***54 countries expected to create the world's largest free trade area***
- ***2X potential growth in manufacturing output by 2025***

- ***Africa will account for one-fifth of the humanity by 2025***
- ***Private consumption in Africa rose from $860 billion in 2008 to $1.4 trillion in 2015 – significantly higher than that of India which has a similar population size. The estimates indicates that it could reach $2.1 trillion by 2025.***
- ***In 2015, companies spent some $2.6 trillion building factories, buying equipment and services, and gearing up to serve customers across the continent. Stats indicate that annual spending by African businesses to reach $3.5 trillion by 2025.***

Between 2010-2015 Africa's working age population increased by 14 percentage points compared with 9 percentage points in India and only 1 percentage point in China. In 2034, Africa is expected to have a larger working-age population than China and India, at 1.1 billion people. An expanding working-age population is associated with strong rates of GDP growth and offers a potential demographic dividend.

What's the true picture? More than 50 million African households- around 30% of the total- already have incomes above $ 5, 000 a year. This might sound low by Western standards. Stats indicate that number to exceed 70 million households by 2025. The number of "global consumer" households-those earning $20, 000 or more-is also growing and is likely to top $ 10 million by 2025.

Using PPP (Purchasing Power Parity) to Africa consumer numbers, more than 70% of African households will have discretionary income, and more than a quarter will be global consumers.

Africa has an opportunity to double its manufacturing output to nearly $1 trillion by 2025. Three quarters of the growth opportunity in manufacturing lies in meeting intra-African demand and substituting imports. The remaining one-quarter would come from accelerating growth in niche manufacturing exports. Doubling of Africa's manufacturing output would result in the creating of 6 million to 14 million stable jobs directly in the manufacturing sector by 2025, increasing the number of jobs in Africa by as much as 11%.

African manufacturers could more than double their sales to intra-African markets by 2025, increasing their annual revenue by $326 billion. African could increase their export revenue by more than $100 billion by 2025. Three-quarters of this would come from exports in advanced manufacturing products such as cars and chemicals.

For all the discussion of developing countries "leapfrogging" the developed, Africa still lags when it comes to internet connectivity and mobile phone penetration. Obviously, those represent rather critical ingredients in the construction of a thriving tech market. As things stand, just 22% of Africans have internet access, far below the 80% of Europeans, 68% of Russians and Central Asians, and 44% of those in the Asia Pacific region.

Though better, the proportion of the population that uses a mobile phone is also low. In Sub-Saharan Africa (SSA), for example, 45% have a device, or 477 million people. These are large absolute numbers, but of course there's still considerable room to run. As with so much in the world of African innovation, what oftens seems to be a deficiency can quickly be reframed as an opportunity. Certainly, connectivity is comparatively low, but it's grown at a remarkable clip. In 2005, just 2% of Africans could access the internet. Two percent! By that point in the US, 68% already had their modems fired up and were patiently waiting 30 minutes to download a JPEG. Viewed through that lens, figures look rather rosier.

More is to come. Again, returning to mobile phones in SSA, an expected $52 billion in infrastructure investments should increase penetration over the next four years. In that time alone, the percentage of the population with access will reach 65%, with a full 475 million receiving mobile internet access.

In a matter of years, African connectivity will look less like a question of potential, and more like a firm reality. That will serve to bolster the crescive venture beginning to flower.

THE FLYING GEESE PARADIGM – a theory in development economics

The paradigm posits that manufacturing companies act like migrating geese, flying from country to country as costs and demand change. According to this analogy, factories from a leading country are forced by labor-price pressures to invest in a follower country, helping it accumulate ownership and move up the technology curve. This movement shifts the bulk of economic activity in the follower country from low-productivity agriculture and informal services to high-productivity manufacturing. The follower country eventually becomes a leading country, spawning companies in search of new production locations. The paradigm offers a convincing model of how Asian economies developed-in a chain from Japan to the Asian Tigers in China. With the right policies and long-term vision, Africa could become the next global manufacturing hub.

Africa trails the BRIC countries (Brazil, Russia, India and China) in key measures including electric power consumption per capita, rail density and road density. 600million people in Africa lack access to electricity altogether. Africa's demand for electricity will quadruple between 2010 and 2040. By then, Sub-Saharan Africa will require as much electricity as Indian and Latin America combined did in 2010. ***Does government, utilities and private sector manage the massive build out capacity needed to meet that demand??***

As a share of GDP, infrastructure investment in Africa has remained at around 3.5% since 2000- this will need to rise to 4.5% if Africa is to close its infrastructure gap. In absolute terms, this means doubling annual investment in infrastructure to $150 billion by 2025. Based on benchmarking levels of spending, Africa's annual investment in power infrastructure will need to rise from $33 billion to around $ 55 billion in 2025, while annual investment in transport infrastructure will need to increase from $20 billion in 2015 to around $45 billion in 2025.

In 1975 only 25% of Africans lived in cities; by 2015 that share had risen to 40% and by 2037, Africa will have shifted to a majority-urban population.

The enormous ICASA (India, China, Africa, and South East Asia) markets hold the potential for significant continued expansion. More than roughly half of global growth over the next 10 years will come from these geographies. Yet of all ICASA markets, Africa has the most unfulfilled potential and faces the greatest challenges ***including increasing sustainable urbanization, accelerating infrastructure development and deepening regional integration***.

An analysis of 3, 000 of the world's largest companies to understand which achieved outsize profitability over time, which underperformed, and what accounted for the difference. The metric used in the analysis was *economic profit* or *economic value added* – (The profit a company generates after paying back its investors for the use of their capital)

- The top 20% of companies make 90% of the world's economic profit
- The 60% in the middle barely meet their cost of capital and thus make no economic profit.
- And the bottom 20% generate negative economic profit, costing their investors an average of around $1 billion a year.

Remember at the beginning of this lecture when we mentioned how speaking and writing about Africa often slips into sluggish characterizations of kleptocrats and bureaucratic sloth?

Though there's plenty of variation and nuance to be disentangled, that is partially true. Navigating governments and regulatory issues in Africa is thorny, and personal relationships do seem to matter more than in many other parts of the world. Regulatory capture is a real threat, and partially because of this, unrest has roiled the continent at different times. Many such dissensions take place along generational lines: young people from Nigeria to Kenya to Egypt are pushing for change, protesting against geriatric governments.

This tension adds risk for investors.

One anecdote: a senior investment banker that helps African companies list on Western exchanges noted it was **virtually impossible to sell the story of an enterprise concentrated in just one country. The potential for political risk makes it too unattractive.** Instead, investors are typically only interested in businesses that spread regulatory risk across multiple national markets.

Below, we'll explore the dimensions of this risk, and how the public sector influences the ecosystem. In particular, we'll highlight three regulatory practices that impede entrepreneurship:

1. Banning then learning
2. Moving slow
3. Succumbing to tradition

Banning new technologies

One of the most delightful, capering episodes of the current decline of the American Empire was Sundar Pichai's hearing in front of congress. Perhaps because the Google CEO is a soft-spoken figure, his energy seemed particularly at odds with the hilarious, artless bombast of our elected representatives.

In one particularly enjoyable sequence, California Representative Zoe Lofgren tried to wrap her head around how Google generated the results for its Image search. Why, she wondered, did Donald Trump appear when she typed the word "idiot" into the search bar?

Sundar tried his best to explain, but Lofgren wasn't entirely convinced. Just to make sure she understood, she asked the CEO to confirm that it wasn't just "some little man sitting behind a curtain figuring out what we're going to show the user." Right?

Right, Pichai assented, bashful smile just about curbed.

Dozens of other gleefully bungling interludes could be picked, likely from countries around the world. Politicians have proven to be especially, almost virtuosically inept at grasping the basics of technology. In that respect, Africa's regulators are no different. The action they tend to take when faced with incomprehension, however, absolutely is.

If America's strategy has been to do nothing, declare a catastrophe has occurred, then continue to do nothing, African governments usually ban first, ask questions later.

Neither approach is perfect, though the former does have the benefit of empowering innovation — even as it has permitted social media giants to carjack our cognitive functions.

A slightly different analogy by the Rev TD Jakes when he mentioned that" Our minds are the last frontier of privacy. One must be able to birth the idea in the womb of the mind before they can speak it through the canal of their mouth".

While machinations like this often look like old men grasping at straws, there are signs that African governments are progressing. Pre-pandemic, no bureaucrat would have dared to take a virtual meeting. Now, many use Zoom. Meanwhile, the government of Rwanda has renovated its communication with citizens via Irembo, a "one-stop" digital portal for public services that powers over 100 agencies and parastatals similarly to the one in Kenya.

These are relatively small blessings, but hopefully others follow suit.

Waiting on regulators

In the musical, *1776*, covering the American Revolution, John Adam says:

> I have come to the conclusion that one useless man is a disgrace, that two become a law firm, and that three or more become a congress.

Government's are not usually known for their speed, and African countries are particularly hampered by operational lassitude. As mentioned, they're also marked by a degree of cronyism — to get something done; you may need to know someone on the inside.

To succeed, then, founders have to gamble. Rather than waiting, entrepreneurs partner with commercial institutions like banks, leveraging their regulatory cover to build. The implicit wager made is that the startup can accumulate enough traction, money, and influence under-the-radar before regulators demand they get further licenses.

You see this play in fintech most often. African neobanks get off the ground by securing a "super agent license" and other support from partner banks. Typically, it's only after raising capital that these startups attain a standalone "microfinance bank" license, granting broader ability to operate.

The lesson? For entrepreneurs and **investors in Africa, eight times out of ten, it's better to beg forgiveness than ask permission.**

Regulatory capture

As countries develop, the number of industries that meaningfully contribute to the economy tends to increase, resulting in a more democratic representation of power. Before that point, however, power structures are often oligarchic, with leaders from dominant sectors wielding outsized influence. This is the case across much of Africa.

Let's use fintech as an example, again. Despite attracting considerable attention and investment, fintech businesses nevertheless have to navigate traditional stakeholders.

In East Africa, telecommunications firms hold much of the power. Safaricom's M-Pesa mobile money network processes more than half of Kenya's GDP. Oh, and the company is partially owned by the government, which holds a 35% stake. This is wild, almost as if America's government owned a third of some ungodly AT&T-PayPal chimera. What kind of power would that hybrid possess?

MTN Group has similar, though less formalized power in neighboring Uganda, processing 80% of the $20B that flows via mobile. To create a fintech business in either country requires not only entrepreneurial skill but political savvy.

In West Africa, traditional banks are king. These institutions have long-standing relationships with governments tied to exports and currency policy. In a Godzilla versus Kong dynamic, these entities are so powerful they can even thwart other titanic businesses.

MTN Group is one of the largest financial businesses on the continent. And yet, it cannot operate a payments network in Nigeria.

Why? Because local banks don't want that to happen. They've fiercely resisted the incursion and levied their governmental influence to keep MTN out. If corporations like MTN find their ambitions curbed, it's easy to imagine the sway such stakeholders have over the fate of startups.

Africa is generating raw talent on a massive scale. In 2020, it was projected to have a workforce of 504 million-122 million more than in 2010. By 2034, Africa will have more working-age citizens (ages 15-64) than either China or India. By 2050, Africa's working population will exceed 1.5 billion.

Opportunities

Africa is home to some of the biggest challenges. However, as the past decade has shown, these also represent tangible opportunities. From education to SMEs, healthcare to fintech, Africa needs radical and innovative solutions to its biggest problems.

Education

There is a huge opportunity to leverage scalable technology and offer affordable education across Africa.

Across the continent, classrooms are overcrowded, and since Covid, schools in much of SSA have closed to stop its spread. Workarounds proposed by governments like schooling via TV and radio are inadequate replacements for in-person classes. Other alternatives, including online courses, have a limited scale due to the lack of access to the internet discussed earlier.

Because of the demographic trends I cited, Africa desperately needs a better education system. By 2050, Africa will be the only region globally with a growing working-age population, but a large cluster of African countries don't have the capabilities to train this influx. Many teachers don't have the training or qualifications needed to deliver quality education — 85% of primary school teachers globally have been adequately trained; in SSA it's just 64%.

Naturally, these countries have even less of an ability to upskill workers for the future. As things stand, the World Economic Forum predicted that 41% of all work activities in South Africa are susceptible to automation, as are 44% in Ethiopia, 46% in Nigeria, and 52% in Kenya. If Africa is to capitalize on its coming youth wave, it will need higher quality and more resilient educational systems.

Informal Sector

When we refer to the "informal sector," we're referencing small to medium enterprises (SME). These businesses play a critical role, contributing up to 65% of GDP and employing 85% of the workforce. Many of these informal players conduct transactions through cash; indeed, 87% of Nigeria's economy is transacted in cash. Ethiopia, with a population of over 100 million, is almost entirely reliant on cash. That gestures at the need for better, more tech-savvy solutions over time.

Despite their significant contributions, SMEs have few modern tools with which to run. Accessing credit is a nightmare, for example, making growth near impossible; weathering tough times is equally challenging. This is without even getting into the lack of reporting and productivity tooling for this class of enterprises.

Healthcare

A perverted truth: generic medication can often be more expensive in low-income countries than in wealthy ones.

Consumers in low and middle-income countries pay 20 to 30 times the reference price for generics like omeprazole and paracetamol. As a result, half of Africans do not have access to essential drugs. Although the pharmaceuticals market in Africa sounds large, valued at between $40 billion and $60 billion, African countries account for just 0.7% of global spends. It seems inevitable that DTC models won't find a place, particularly in urban centers.

Access to diagnostic tests is also limited. Only 1% of primary healthcare facilities in Africa have diagnostics capacity but it's estimated that 70% of all clinical diagnoses require at least one such test.

These obvious paucities hint at the bigger picture: Africa has some of the poorest healthcare systems in the world, with 8 out of the 10 worst countries coming from the continent. Without significant investment and innovation, things may only get worse. Though Africa is burdened with nearly a quarter of all global disease cases, it receives just 1% of global health expenditure. Add to this the world's fastest population growth rate and a rise in non-communicable diseases (on top of an already heavy infectious disease prevalence), and you have the ingredients for a prolonged health crisis.

Financial Services and Identity

Africa's lack of financial inclusion has presented an attractive opportunity for innovators and investors. Since M-Pesa's mobile money infrastructure came into play in 2007, fintech services have proliferated. Traditional MNOs like Safaricom and MTN have been joined by newer digital services like Tala and Branch. These challengers have become significant players, providing small to medium-sized loans in markets like Nigeria and Kenya.

That is not to say the problem is solved; far from it. According to the World Bank, around 66% of the continent's adult population is unbanked. In Sub-Saharan Africa, there are only 4.65 commercial bank branches per 100,000 adults.

Africa's fake identity problem further limits the financial services industry. There is a thriving black market in fake passports and identification documents, attracting global attention. For a time, Britain and New Zealand ended visa-free travel arrangements with South Africa because of the large numbers of "counterfeit or fraudulently obtained" documents coming from the country. In 2016, America shut down a fake embassy, complete with the Stars and Stripes and a photo of President Barack Obama, that had been operating in Ghana for a decade. It sold fake American visas for $6,000 each. The fake identity problem extends beyond passports to other forms of identification, including national identity cards.

This type of fraud reduces trust in digital transactions and makes it harder for new fintech companies to operate and offer their services. As mentioned earlier, investing in infrastructure that simplifies and enables better fintech and identity verification services may prove particularly fruitful in the near term.

In closing, it has been a constant movement since the 1980s to speak of Africa rising, Africa on the growth curve etc. etc. When shall we act? We speak of privatization, Russia and Europe have finished and they did that well over 30 years ago. We take a lot of time to do things. I hold the objective view that we do have the capacity, we do have the people and we do have the capital. I am not persuaded that Africa does not have the capital to develop. If we have the political will, we can as of tomorrow bring down all barriers to movement of people in Africa. It does not require an act of parliament; it is purely an administrative process. We can make Africa currencies fully convertible; it does not require an act of parliament; it is purely an administrative process. We can try to work together to pull our resources. It does not require an act of parliament. It requires evolution to want to do that. That answer lies within all African governments. The ideals to have fought for self-determination and independence was not to do so even against our very own African neighbour states.

Samuel Goldwyn had a pleasingly slapdash way with words. The founder of Paramount and Goldwyn Pictures was said to have come up with such amusing malapropisms as “I don't think anybody should write his autobiography until after he's dead” and “include me out.”

One of these “Goldwynisms” showed an astuteness, a perspicacity, that would have been difficult to capture in more linear, logical phrasing:

“We need new cliches.”

This paper has been prepared for the sole purpose of the Annual Lecture by H.E. Prof. Dr. Ambassador Tal Edgars, Group Executive Chairman, GBSH Consult Group Worldwide at the University of South Africa, Preller St, Muckleneuk, Pretoria, 0002 (UNISA) on the 30th June 2021.

The same could be said of Africa. With massive demographic tailwinds, a growing capital base, a cohort of companies building necessary infrastructure, the next century may very well belong to our continent. We can hope that as its position on the global stage grows, more granular detail, more profound analysis, and greater attention is given to the industries and companies it hosts.

Ladies and gentlemen thank you for allowing me to contribute to my African duty and May God Bless Africa. Nkosi Sikelel' iAfrika

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