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# 'Africa needs more financial aid like an alcoholic needs a stiff whisky'

By Michael Holman and Andrew Rugasira

**A**frica needs more financial aid like an alcoholic needs a stiff whisky. Instead of Tony Blair, the British prime minister, and his Group of Eight colleagues providing more cash in Gleneagles, here are 10 ways to help Africa help itself that which which will cost little or nothing.

*1. Encourage ideas.* The high cost of books in Africa is *ade facto* tax on ideas. Yet we live in a knowledge-driven world. So our first suggestion is: encourage publishers in rich countries to allow African publishers to print a limited run of their books. Provided the authors forego royalties and publishers co-operate, locally printed versions can be on sale at a fifth of the foreign price. It does not erode the market for the overseas edition – rather this will create a new readership.

*2. Charge for professionals' visas.* There are more doctors from Malawi practising in Birmingham, England, than there are Malawian doctors at home in Malawi. In Malawi itself. It is unlikely that they can be persuaded to return to one of the world's poorest countries. But professionals who emigrate from Africa, whether doctors or dentists, engineers or lawyers, should have to pay a market rate for the privilege of a visa that which allows them to work abroad. The money thus raised should be used in the emigrants' countries of origin, spent in the sector from which they come and used to train replacements.

*3. Require the use of more cocoa before chocolate can be called chocolate.* Double the current minimum. World prices for the bean will be boosted, the economies of Ghana and Cote d'Ivoire Ivory Coast will benefit and chocolate will taste a lot better.

*4. Promote Africa's music.* The continent's Africa's great export needs a professional base. Seek commercial backing for an African Nashville: it would be a centre not only for the production of great music but would provide training for the managers of musicians.

*5. Encourage better marketing and packaging of Africa's products.* It has taken years for coffee producers in east Africa to use attractive, vacuum-sealed foil packets; in Congo a fine soap made from pure palm oil is sold wrapped in newspaper; in Uganda, mangoes rot on the ground because no one can dry and package them. The Marks and Spencers and Tescos of the world should share their expertise in technical partnerships with African traders.

6. *Make foreign non-governmental organisations competitive.* They have mushroomed since the 1960s and many are a menace, enjoying power without responsibility. They need to become competitive in the services they provide and to work more closely with the private sector: much of their development work should be put out to open tender. Companies bidding for large projects should be obliged to include a social component (such as a financial pledge to support primary education or basic healthcare) that which the voluntary agencies would tender for and operate.

7. *Enlist the private sector in build-operate-transfer infrastructure projects.* In Kenya, for example, the pot-holed Nairobi-Mombasa road could become a model project rather than a national disgrace. It should be rebuilt under a build-operate-transfer scheme, in which the government ensures a transparent business environment and the construction company operates the project for an agreed period before handing it over to the state.

8. *Make aid conditional on improving the business climate.* One of the reasons there is little foreign direct investment in Africa – the oil and mining sectors apart – is set out in a recent World Bank report. Registering a business in Kenya takes ten times longer than in Hong Kong and involves requires five stages, compared with to two. This picture is repeated across Africa, whether registering a business, selling property or recovering a debt. Every step eliminated in this inefficient process improves the investment climate and reduces the opportunity for corruption.

9. *Abolish taxes on computer imports.* Privatisation, deregulation, a strong private sector and the emergence of democracy go hand in hand. Computers are critical to this development: taxing them makes as much sense as taxing the wheel. In return African governments would end import levies on computers.

10. *Introduce a fair tax on coffee and encourage a fair return to growers.* Imported raw coffee is taxed at a third the rate of processed beans, the first stage in a trading system that ensures that less than 0.2 per cent of the value of processed coffee is retained by the growers themselves. Reforming this tax will benefit Africa's growers and their extended families in Africa – about 60m people – who depend on the bean. – about 60m people.

Help Africa help itself!

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