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## Michael Holman: Good news from Africa

By Michael Holman

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### **There is good news from the continent, but it is in danger of being buried under hand-wringing anguish and well-intended largesse**

Endure the emotional guff that dominates the run-up to Gleneagles. Ignore the self-flagellating non-government organisations, who know that tales of Africa's Calvary fills their collection boxes. Avoid, if you can, the pop stars that strut their concern. Instead look carefully behind the wall of rhetoric. There is good news from the continent, but it is in danger of being buried under hand-wringing anguish and well-intended largesse.

No, it is not the claim that more and more countries in Africa are enjoying a new breed of leadership, committed to democracy and clean government, and which is rebuilding shattered economies. Twenty five years after the alarm bells for the continent were first rung, and the aid band wagon got rolling, there is not a single example of self-sustained economic recovery.

The good news is the emergence, not of a new breed of politician, but a new breed of business leaders. Such as Uganda's Andrew Rugasira, who last month was in London to launch the product of his Rwenzori Coffee Company on the shelves of Waitrose. He spoke eloquently about his battle to secure a fair deal in Europe, about the iniquities of the world trading system, the impact of Europe's agriculture subsidies.

So far, so familiar. But Mr Rugasira and his peers in Africa have more than a battle on the foreign front. They have to wage an equally tough war on the home front.

As a recent World Bank report points out, when it comes to improving the business climate for local or foreign investors, African countries lag well behind all other regions.

Take land. With formal property titles, entrepreneurs can obtain mortgages and start businesses. Yet in Ethiopia, one of the world's most impoverished countries, there is an outright ban on foreign ownership of land. In Kenya, which gets poorer each year, women hold less than 5 per cent of registered land titles, although they make up 70 per cent of the agricultural labour force.

In Nigeria, which is demanding an external debt write-off, it takes 21 procedures and 274 days to register a property in Lagos. Yet in Taiwan, registration takes 3 procedures and is completed in a week.

Starting a business should be made as easy as possible. Cumbersome entry procedures push entrepreneurs into the informal economy. They don't pay tax. Employees lack health or pension benefits. Products are not subject to quality standards. They cannot obtain bank credit. And corruption and bureaucracy go hand in hand.

African leaders have been slow to reform. What has forced change on them has been deregulation and privatisation, usually at the insistence of the much maligned World Bank. This has led to the explosive growth of mobile phones; to the internet cafes that have sprung up in remote African towns, and e-mails they generate; to the emergence of independent TV and radio stations; to the rise of domestic NGOs; and given opposition parties a voice, able to communicate with supporters at home and abroad.

These shifts from state control have done more for democracy in Africa than any other single factor. But these measures have been resisted every step of the way. Indeed, they are still being opposed by some of the very governments that are the beneficiaries of Chancellor Gordon Brown's debt relief.

They know that privatisation destroys the patronage on which they depend.

Will Mr Rugasira and his peers get practical support from the G8 leaders at Gleneagles in their struggle at home? Probably not. Calling on African governments radically and rapidly to improve their business climate does not have the same ring to it as a \$50bn debt write-off and doubling aid budget.

And certainly don't expect the NGOs to man this particular barricade. Most of them treat Africa as an intellectual playground, an arena in which they fight ideological wars long lost in their home countries.

And for them, privatisation and profit are still dirty words.

*Michael Holman is the former Africa editor for the London Financial Times.*

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