Africa, a Continent on the Move

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Many countries in Africa have been experiencing strong economic growth for several years (World Bank 2019). This growth, focused on market activities, is only a quantitative indicator about the evolution of the production value of a country or a geographical area. On its own, this notion does not make it possible to assess the degree of attractiveness of a territory for local and/or international investors.

In addition to growth, economic and political leaders must take an interest in the development conditions of the studied area. Indeed, development, which is assessed in a more qualitative way, integrates factors that make it possible to identify the economic and socio-cultural changes that accompany the increase in market value created over a period. More than the notion of growth, it is the notion of development that makes it possible to assess the attractiveness of an economy and measure its potential for internationalisation. It is also this notion that makes it possible to
assess an economy’s capacity to cope with a major crisis such as the coronavirus (Covid-19) pandemic in 2020.

The concept of development must therefore be at the heart of research conducted in the field of International Business. The indicators that characterise it are varied. For example, the United Nations Development Programme (UNDP) proposed the Human Development Index (HDI) in 1990. The latter is based on gross domestic product (GDP), life expectancy and the level of education of the population. It thus reflects the multiple forces that combine to contribute to a country’s social and economic progress. Although this indicator is now widely accepted and used, it is not without limits; it does not measure the impact of human activities on the natural heritage and does not identify certain social inequalities. This is why many political and economic decision-makers today refer to the notion of sustainable development. With this in mind, 193 countries decided in 2015 to define a plan to achieve this type of development. This plan aims to achieve 17 goals by 2030 (UNDP 2015). Among them are the end of extreme poverty, ensuring inclusive and equitable quality education, ensuring gender equality, ensuring the availability and sustainable management of water, ensuring access to affordable and clean energy, promoting decent work, ensuring sustainable consumption and production patterns, taking urgent action to combat climate change, and so on.

In Africa, a plan to strengthen cooperation and the integration of states was adopted in 2013 to achieve very similar objectives. It is called Agenda 2063, a long-term project that aims to ensure, over the period 2013–2063, the development of the entire continent (African Union 2020). One of the flagship projects of this agenda is the launch in 2020 the African Continental Free Trade Area (AfCFTA), a market of 1.3 billion people.

Some will say that these are partly demagogic and utopian programmes. Nevertheless, these plans have the advantage of providing roadmaps that make it possible to identify the key conditions for ensuring societal development on an international scale; that is, sustainable development combined with governance arrangements (rules, codes and protocols) that facilitate coordination of all the parties involved (states, companies, NGOs, etc.). It is on these different conditions that researchers in
International Business must work to study the potential for action and integration of African countries.

As we indicated at the very beginning of this introduction, the African continent is experiencing strong economic growth. This growth contributes to attracting more foreign capital and accelerating intra- and inter-continental trade, but it is not sufficient to ensure sustainable socio-economic expansion that is beneficial to both states and populations. To better understand the conditions for this expansion, it is also necessary to look at the quality and effectiveness of local regulation. The Doing Business study conducted by the World Bank Group (2019) is interesting in this regard. This survey measures the processes for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. It produces a composite index called the Ease of Doing Business (EODB), which measures an economy’s position with regard to the best regulatory practice. Beyond the EODB, the World Bank Group is also interested in the flexibility of employment regulation and various aspects of job quality.

An indicator specific to Africa, more societal than the EODB, should also be considered. This is the Ibrahim Index of African Governance (IIAG) developed in 2007 by the Sudanese Ibrahim Mo. This indicator, used to assess the development of the 55 countries of the African Union, is based on four complementary topics: safety and rule of law, participation and human rights, sustainable economic opportunity, human development (Mo Ibrahim Foundation 2018).

Obviously, the African context—taken here as a field of study—presents very variable socio-economic realities (Subran et al. 2016). This heterogeneity, which is highlighted in the chapters of the book, is not neutral. It reflects the multidimensional nature of the process that enables the transition from growth to development. To illustrate this process and the differences observed across the continent, we can use the five indicators summarised so far (Table 1.1).

- The first two are directly related to economic growth: gross domestic product (GDP) per capita and annual GDP growth rate.
• The last three are associated with societal development conditions: the Human Development Index (HDI), Ease of Doing Business (EODB) and the Ibrahim Index of African Governance (IIAG).

Table 1.1, which presents the data for the year 2018, makes it possible to identify contrasting situations. High-growth countries, such as Rwanda and Benin, are characterised by a relatively low HDI. At the same time, countries with relatively high HDIs, such as Algeria and South Africa, have lower growth rates than many countries on the continent. We can also point out that countries with more flexible regulatory practices and more transparent governance practices, Rwanda and Mauritius, appear to have relatively high growth rates.

These observations illustrate the complex interweaving of the concepts of growth and development, but the indicators generally used to assess this interweaving do not sufficiently highlight the role of enterprises in

| Pays          | GDP per capita (US dollars) | GDP growth (annual %) | HDI<sup>a</sup> | EODB<sup>b</sup> | IIAG<sup>c</sup> |
|---------------|----------------------------|-----------------------|------------------|------------------|------------------|
| Algeria       | 4.115                      | 1.4                   | 0.759            | 49.65            | 50.2             |
| Benin         | 902                        | 6.9                   | 0.520            | 51.42            | 58.7             |
| Burkina Faso  | 715                        | 6.8                   | 0.434            | 51.57            | 57.1             |
| Cameroun      | 1.534                      | 4.1                   | 0.563            | 47.78            | 46.2             |
| Egypt         | 2.549                      | 5.3                   | 0.700            | 58.56            | 49.9             |
| Ethiopia      | 772                        | 6.8                   | 0.470            | 49.06            | 46.5             |
| Ivory Coast   | 1.716                      | 7.4                   | 0.516            | 58.00            | 54.5             |
| Madagascar    | 528                        | 4.6                   | 0.521            | 48.89            | 49.0             |
| Mauritius     | 11.239                     | 3.8                   | 0.796            | 79.58            | 79.5             |
| Morocco       | 3.222                      | 3.0                   | 0.676            | 71.02            | 58.4             |
| Niger         | 414                        | 6.5                   | 0.377            | 56.08            | 51.2             |
| Nigeria       | 2.028                      | 1.9                   | 0.534            | 52.89            | 47.0             |
| Rwanda        | 773                        | 8.6                   | 0.536            | 77.88            | 64.3             |
| South Africa  | 6.374                      | 0.8                   | 0.705            | 66.03            | 68.0             |

Source: World Bank (2019), World Bank Group (2019), UNDP (2019), Mo Ibrahim Foundation (2018)

<sup>a</sup>Composite index (three topics) ranging from 0 (lowest level of development) to 1 (highest level of development)

<sup>b</sup>Composite index (10 topics, 41 variables) ranging from 0 (worst performance) to 100 (best performance)

<sup>c</sup>Composite index (4 topics, 95 variables) ranging from 0 (lowest level of development) to 100 (highest level of development)
the economic and social development of countries. In order to go beyond the regularly published and widely disseminated macroeconomic indicators, this book presents research in Management Sciences to understand how it is possible for firms operating in Africa to contribute to the transition from cyclical growth to more structural development. Even if the concepts of growth and development are not always explicitly mentioned in this book, they are indeed the common threads that give a generic meaning to the chapters.

Before presenting the outline of this volume, it should be noted that the title chosen should not be misleading. The terms *Doing Business* are not a direct reference to the World Bank Group’s EODB. To develop the theme of this book, they reflect the need to integrate the various managerial dimensions that condition the operation of various players (governments, companies, NGOs, etc.) in a market. These different dimensions, pillars of societal development, are studied or discussed in four parts.

- The first is concerned with the process of internationalisation. This process strengthens the growth dynamics of economies. In this part, the notions of cooperation, integration, commitment and political relations are particularly studied.
- In the second part, the conditions of economic exchanges are at the heart of the analyses. Trade is at the source of value creation, which is why the concepts of global logistics, supply chain, infrastructure and trade relations are developed here.
- In the third part, we look at corporate social responsibility. This responsibility ultimately ensures the conditions for more sustainable development that respects the stakeholders involved in economic exchanges. In the research presented at this level, we address the themes of ethics, commitment, involvement and ecology.
- In the fourth and final part, we develop one of the key foundations of social responsibility: trust. This psychological state is a key condition for ensuring the commitment and involvement of people and companies in business relationships that often need to be long-term to be successful. Here, issues of governance, communication, partnership relations and rumours are dealt with.
The keywords that we have just cited to characterise the parts of the book (cooperation, integration, supply chain, business relations, involvement, ecology, governance, communication …) reflect the complex and complementary dimensions which form the basis for the societal development of countries.

In this book, 29 academics from 12 countries study how to do business in 11 economies and 5 areas of the African continent. This broad contextualisation is essential for understanding the transition from economic growth to societal development in an area characterised by recurrent and well-known inhibitors (institutional weaknesses, political instability, corruption, etc.). This contextualisation is furthermore enhanced by the preliminary chapter on the notions of culture and ethnicity. The pivotal values that derive from these concepts condition the decision-making and action logics of people and organisations working in Africa. They seem to be indispensable for achieving the objectives of Agenda 2063 established in 2013 by the African Union.

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