

**AFRICA**  
**SOCIETY**  
UNIVERSITY OF OXFORD



**2023 Conference Report**  
**Africa's prosperity: A New Approach?**

**August 2023**

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# Report Synopsis

Against the backdrop of poly-crisis, including security challenges, coup d'états, debt burdens and poverty, the Oxford African Conference 2023 sought an alternative approach to Africa's prosperity. It challenged the rhetoric surrounding poverty reduction, advocating for a shift in the continent's development strategies.

With the participation of distinguished African leaders, such as Ambassador Sena Siaw-Boateng, the conference explored how good governance in Africa and effective foreign policy can contribute to Africa's sustainable development. Emphasis on national and regional security would create an environment conducive to business expansion and foreign direct investments. Africa's debt crisis, and strategies to alleviate the burden, including international remittances, were also discussed.

Renowned entrepreneurs, including Mo Ibrahim, Aigboje Aig-Imoukhuede and Abdul Samad Rabi, lent their voices to the joint role of good governance and collaboration to drive the pull approach of innovation. They acknowledge the importance of enterprise and homegrown innovation enabled by good governance. Mo Ibrahim's success story with Celtel in Africa's telecommunication industry, Abdul Samad's success with consumer goods/cement and Aig's success with banking demonstrates the transformative potential of investing in unconventional markets to drive prosperity. A similar trend is observed for new startups like Orda and others supported by Founders Factory Africa.

The conference shed light on the potency of the private sector in promoting the pull approach to development -

driving enterprise and innovation across Africa. Industry leaders highlighted the untapped potential of financial institutions and stock exchanges, extending beyond traditional manufacturing and real estate sectors. They argued that by actively supporting entrepreneurship and facilitating strategic domestic and international trade, the financial services industry could be a catalyst for Africa's competitive advantage. Africa could establish itself as a global industrial player by adding value to primary goods and reducing dependence on raw material exports.

The conference also underscored the importance of homegrown innovation in critical sectors that can drive Africa's prosperity, particularly in human capital development. The visionary work of Tunde Onakoya and Chess in Slums Africa provided a powerful example of leveraging unconventional strategies to empower underserved communities and strengthen human capital endowment. Using chess as a tool, children are equipped with valuable skills and instilled with resilience and strategic thinking abilities crucial for their future employability. Such initiatives should be expanded in capacity and geographical reach, ensuring that Africa's 98 million out-of-school children have transformative opportunities.

The Oxford African Conference 2023 explored frameworks for facilitating Africa's prosperity and addressing the continent's pressing challenges. It sought to answer pertinent questions on homegrown innovation, enhanced trade and transformative leadership. Ultimately, is Africa's prosperity achievable? If so, what are the necessary steps to ensure its achievability?



AFRICA



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# Africa's Prosperity: A New Approach?

Theme: Africa's prosperity:  
A New Approach?



# Africa's Prosperity: A New Approach?

## Africa and the Burden of Development

**"Africa wields power to shape its destiny by embracing its many opportunities amidst its multiple challenges." – Chukwuemeka Nwangele.**

Subsumed in challenges, does Africa have a pathway towards prosperity? Echoed differently, this question remains topical, especially given Africa's vast resources and its pivotal role in potential global transformation. Little wonder, global superpowers—China and the US keep jostling to have a share of its resources. What is the role of these international actors, and how does local governance drive development (push approach); should Africa rely on indigenous innovation driven by intra-continental trade (pull approach)? How can Africa derive the best sustainable development outcomes?

While opportunities may exist, Africa's challenges are numerous. Multi-dimensional poverty persists, with a staggering 430 million Africans, accounting for a third of the population, living below the extreme poverty line of less than \$1.9 a day in 2022 (Statista, 2022). The continent also grapples with inadequate healthcare systems, 98 million out-of-school children (UNESCO, 2022), and fragile security conditions characterised by the rise of terrorist groups and militias. The shortage of reliable electricity supply remains a significant obstacle, depriving approximately 600 million individuals of access (IEA, 2022). This distressing reality reflects the gravity of Africa's predicament.

## Legacy Solution Frameworks

African governments have relied on foreign aid for constructing large-scale infrastructure such as dams, highways, and industrial complexes to address these chal-

lenges, often disconnected from local needs and priorities. In 2021, Foreign Direct Investments (FDIs) in Africa reached \$82 billion. The World Bank Group (WBG) approved \$12 billion in financing for Sub-Saharan African countries to support their COVID-19 response and recovery efforts. Since its inception in 1944, the World Bank Group has invested over \$150 billion in African loans and grants. Similarly, the International Monetary Fund (IMF) has invested over \$66 billion. For the 17th time since its independence in 1957, Ghana secured a fresh \$3 billion loan from the IMF in May 2023. These loans come at enormous costs, including currency devaluations and structural adjustments. The high-interest rates of these loans mean that although Africa has a generally lower debt-to-GDP ratio, funders still consider it risky to invest in Africa.

**"We need to re-focus the debate of what prosperity means in the context of social mobility. Apart from financial remittances from Africa's diaspora, there now also exists massive intellectual remittances by African diaspora" Ambassador Sena Siaw-Boateng.**

Considered the 6th region of Africa due to its large size, Africa's diaspora is an untapped potential for Africa's prosperity. In 2021 alone, US\$95 billion in remittances were sent to Africa, impacting over 200 million Africans. Africa's diaspora is now at the forefront of leading innovations, using their intellects to address pressing needs. Diaspora funding is less of a trojan horse compared to debts from international funders. It enables the efficient use of resources while strengthening local currencies and boosting economies. Deployed judiciously, foreign investments and diaspora remittances form building blocks for development.

## Complementary Development Approaches

Leveraging innovation and entrepreneurship to drive prosperity, the 'pull approach', may be crucial. An example is the visionary work of Sir Mo Ibrahim in the 1980s. By establishing Celtel, he converted what was initially considered an un-investable market into a critical economic sector. Celtel successfully transformed a significant challenge—the lack of information flow—into a billion-dollar opportunity.

Since the widespread adoption of telecommunications, Africa has derived multi-level benefits. Telecommunications contributes over 8% to Africa's GDP, amounting to \$150 billion (GSMA, 2022). It has created employment opportunities, facilitated ease of business, and enabled the growth of sectors like fintech, e-commerce, and logistics. Mobile money transactions in Africa reached \$500 billion (Mpofu, 2022), with mobile phone penetration approaching 50%. Despite this success, over 90% of African transactions still rely on cash, demonstrating a vast opportunity.

Similarly, African conglomerates have been essential for driving industrialisation and infrastructure development by implementing import substitution strategies and innovating local products to tackle local challenges. An impressive example of this is observed in the Niger Republic, where 50% of the cement used for construction originates from the BUA factory based in Nigeria. This achievement demonstrates the significant economic potential when nations transition from relying solely on extractive industries to developing processing capabilities. By attaining self-sufficiency in cement production, Nigeria now fulfils its domestic consumption needs and has a surplus for exportation.

As the world races towards energy transition, countries like the Democratic Republic of the Congo (DRC) possess a remarkable advantage due to their abundant reserves of minerals such as cobalt and copper. By leveraging these resources, the DRC has the potential to become a prominent player in global efforts towards sustainable energy. However, for the DRC to fully realise this potential, it needs to shift from an economy primarily focused on extraction to one prioritising processing and value addition.

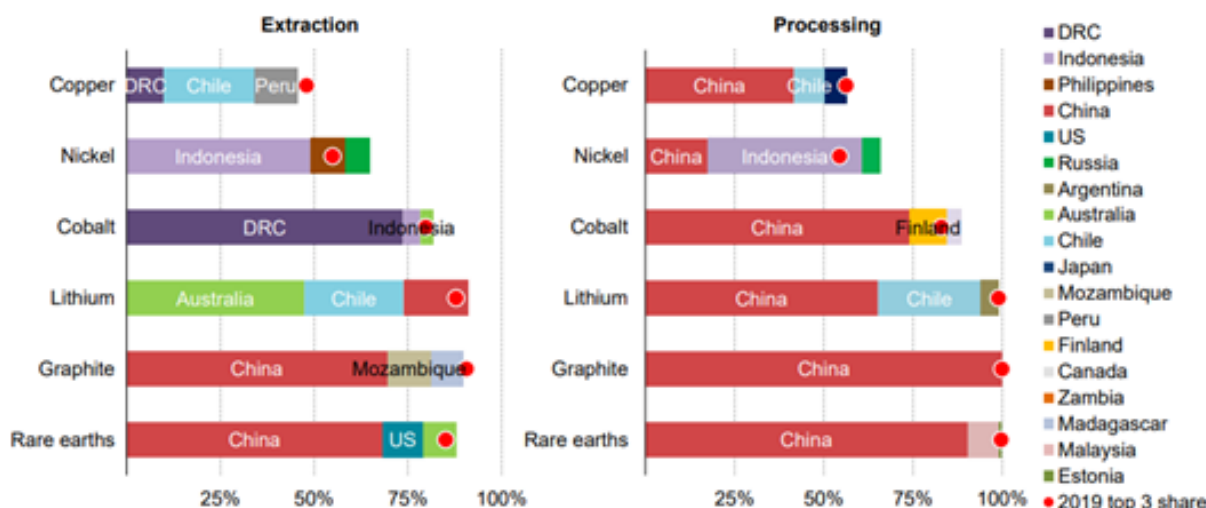


Figure 1: Global Extraction and Processing of Mineral Resources Source: IEA. (2022)

Africa stands to gain substantial value in the coming decades through large-scale innovation across sectors such as education, agriculture, infrastructure, and soft power. Education represents a critical intervention point for Africa's progress. However, the traditional approach to education, primarily focused on literacy development within the confines of a classroom, does not address the continent's skills gap. Consequently, questions have arisen regarding the adequacy of Africa's education curriculum in meeting its evolving economic needs. The lack of robust engagement between education planners and industry players results in stagnant syllabi that fail to keep pace with changing industry requirements. Students often report cases where their lecturers rely on moribund materials from notes taken as far back as the 1980s to instruct their students after over three decades. Nevertheless, Africa possesses a significant concentration of young individuals who can be trained and leveraged as a valuable resource. Recognising this potential, initiatives within the education sector are beginning to emerge to address these challenges.

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**"I ask our academics in Africa –when did you last sit with businesspeople? When was the last time you asked them (businesses), what kind of workers do you need?" - Mo Ibrahim.**

The innovative work of Tunde Onakoya of "Chess in Slums Africa" is one such initiative. It utilises chess to empower children in underserved communities in rural and semi-urban Africa. By promoting strategic thinking, patience, and problem-solving skills, chess has been proven to be a transformative tool. Through chess, children learn valuable skills to overcome life challenges and develop intellectual capacity for future employment. This model has demonstrated its effectiveness in Lagos, Nigeria, impacting a thousand homeless street children who lack access to formal education. The initiative facilitates entry into the fields of technology and digital skills and explores other critical learning aspects critical for the 4th Industrial Revolution. For this nascent frontier to have a significant impact, it must expand in capacity and geographical reach to impact the 98 million out-of-school children, potentially driving growth as in the telecommunications sector.



**Figure 2:** Chess in slum students playing chess with the Canadian High Commissioner to Nigeria, Kevin Tohar. Source: Chess in Slums Africa.



The agriculture sector is also low-hanging fruit. Africa’s arable land covers 1.1 billion hectares out of the global total of 5 billion hectares (Hannah Ritchie Max Roser, 2022). It possesses the potential to generate an annual output of \$2 trillion, compared to the estimated \$400 billion generated in 2021. Despite its extensive arable land cover and vast resources, the Russia-Ukraine war had far-reaching effects across Africa. It led to a rise in the cost of wheat and sugar, driving inflation and pushing many people into poverty while straining government budgets. However, this challenge is a significant opportunity spanning the agricultural value chain: from land cultivation, animal husbandry, and food processing to restaurant chains. One of the least connected continents in the world, Africa is also a potential hot spot for infrastructural advancements.

Some challenges: government bureaucracy, lack of in-

frastructure, limited access to capital, the insensitivity of international organisations towards Africa, the lack of trust within the continent and limited trade impede innovation. Mo Ibrahim highlighted a striking example of government inefficiency and bureaucracy that stemmed from the colonial past between Kinshasa, DR Congo, and Brazzaville, Congo. Despite being separated only by the Congo River, calls between the two cities had to be routed through Brussels and Paris, resulting in high costs of \$7 per minute. Celtel proposed a direct connection, reducing the mobile call tariff by 95% to \$0.30 per minute. However, due to bureaucratic resistance, negotiations took one year to convince both countries to embrace this solution and drive prosperity. In another example, Abdul Samad decried the nightmare faced by African entrepreneurs who require a visa to gain entry to most parts of Africa, slowing movement and trade.

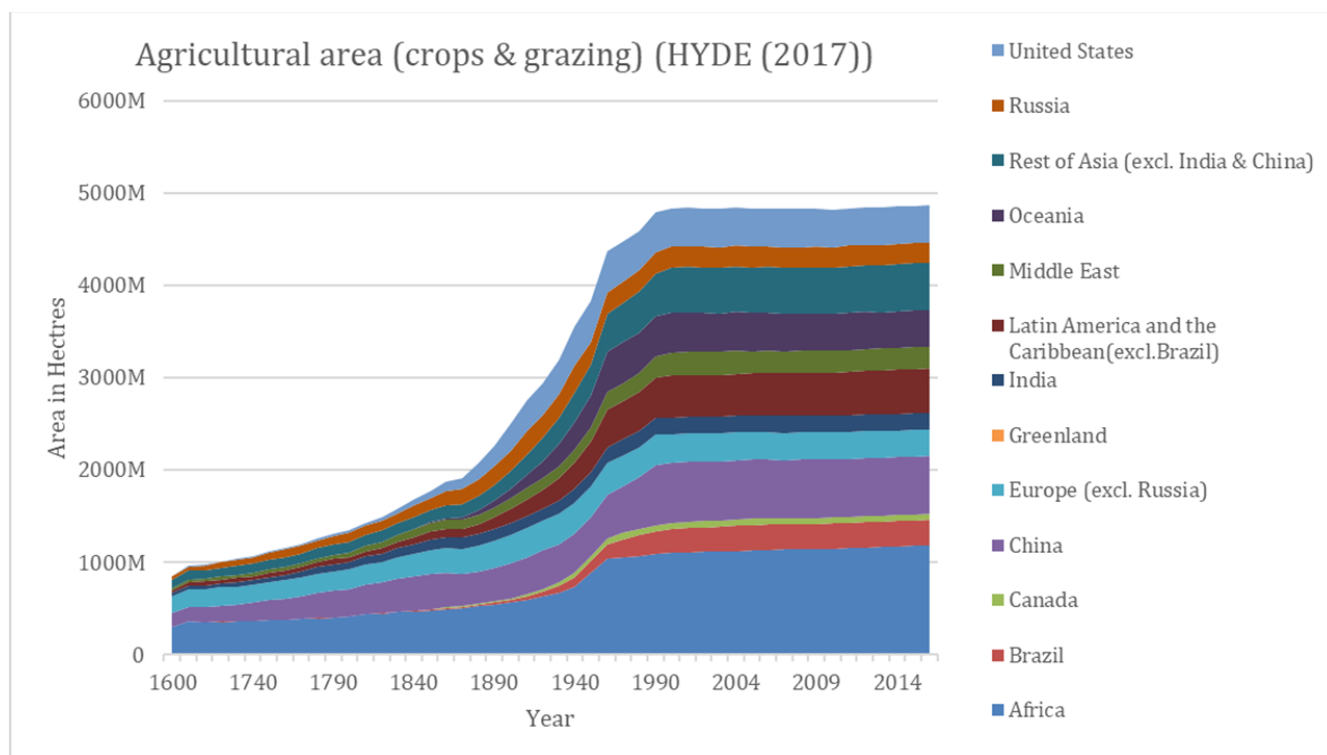


Figure 3: Global land reserve for agriculture. Source: Our World in Data

## Opportunities and Limitations

The lack of access to capital remains unaddressed. Africa's startup ecosystem funding, which has since plateaued, grew 500% in capital inflow between 2020 and 2021. But it is only 1% of global venture capital funding (The Economist, 2022). Hurdles faced by startup developers in securing investment funding limit their growth potential. For national economies, too, funding is a challenge. The World Bank Group and the International Monetary Fund are predominantly Western-focused in line with global banking structures. For instance, high tax-paying African companies with high growth rates and profits, such as Celtel in the early 2000s, were denied access to finance by international funders. However, their Western counterparts had a 1:1 debt-to-equity ratio leverage. This contrast indicates the disparity in global finance systems' responses to businesses. For African innovation to thrive, a comprehensive review of the international funding framework is necessary for a conducive environment. The trust deficit between African companies and funding institutions, customers, and governments also poses a challenge. Such scepticism hampers access to finance, partnerships, and government licenses, stymying the advancement of innovations. Africans should embrace African products and trust African ideas, while innovators should create durable products to reinforce trust.

**"Majority of what Africa exports, it does not consume, and most of what it consumes, it does not produce. It is imperative for Africa to have the capacity to feed itself." - Abdulsamad Rabiu.**

Africa's trade is also suboptimal, with deficient Intra African trade. Of the \$438 billion imported to African countries, only \$44 billion was intra-continental—similarly, intra-continental export forms only 17% of the total \$371 billion in 2021. The EU accounted for 26% of African exports between 2018 and

2020. Despite an increase in the proportion of intra-African exports as a percentage of overall African exports from approximately 10% in 1995, it remains low in comparison to Europe (69%), Asia (59%), and North America (31%). Africa needs to wean its dependency on other continents. There is an opportunity for Africa to take the driver's seat in the endeavour towards African prosperity through intra-continental and more strategic international trade. By trading, Africa can gain a competitive advantage and ultimately add value to primary goods rather than maintain its long history of exporting raw materials and importing those same materials back for resale after they are processed, altered, or enhanced by non-African countries. Policies promoting intra-African trade will also enable African businesses to have access to a large single market (a market of 1.3 billion people and 3.1 trillion USD in GDP) instead of fifty-five relatively inconsequential markets (the largest being Nigeria with 220 million people and 477.39 billion USD in GDP). But why is African trade subpar?

**"Africa can drive significant value by converting its vast raw materials to finished product" - Abdul Samad Rabiu.**

African countries are represented independently on the global stage. As a result, the bargaining power in international trade and aid deals afforded to single African countries is much lower than that of a single European country represented by the European Union. By adopting the African Continental Free Trade Area (AfCFTA), the African continent can trade amongst member countries and reduce exposure to continent external trade shocks. The policy presents an opportunity to unite Africa through infrastructure, creating a sizeable economic player globally with much more influence than any single country. Resistance to ratifying the agreement's provisions, including ignorance regarding the AfCFTA and how African firms may benefit from it, and the lack of political will underscores the pivotal role of proactive governance in development conversations.

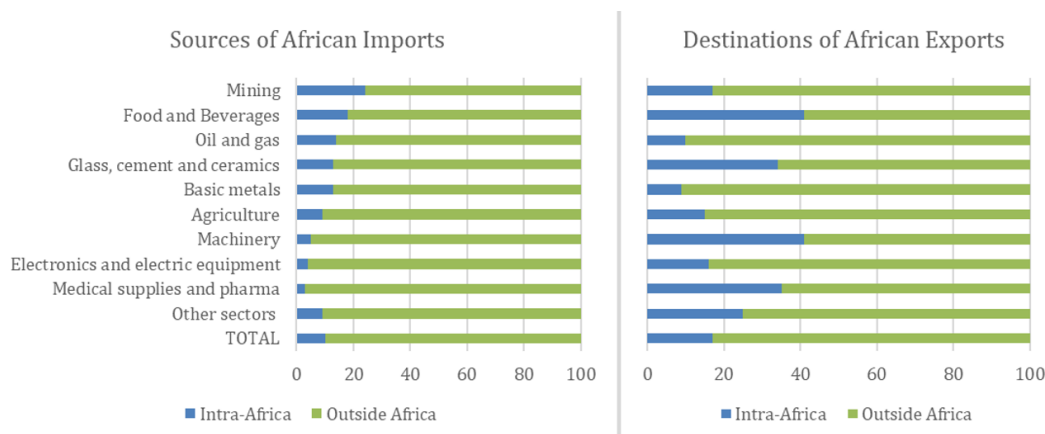


Figure 4: % distribution of imports to and exports from Africa in 2021. Source: McKinsey Co

## Robust Governance as an Enabler

**"Africa's private sector may be the engine for development on the continent, but the public sector/government is the driver. It is crucial for the people always to choose their economic vehicle's driver and hold them accountable." – Aigboje Aig-Imoukhuede.**

Rather than focus on delivering public goods and services to its people, African governments currently contend with many issues, including the impacts of climate change, terrorism which is inextricable from bad governance. The 2023 Global Terrorism Index identified the Sahel region as home to the world's fastest-growing and most deadly terrorist groups. Since 2020, there has been a wave of coups across West Africa, posing a severe threat to near-term hopes of prosperity. The sad ongoing conflict in Sudan has economic, social, and political implications. The crisis in Libya, which started over a decade ago, still impedes development in Africa as the proliferation of small arms, a direct consequence of the crisis, led to increased insecurity across the Sahel.

Against this backdrop, African governments must promote good governance and development. Collaborative efforts among African governments to improve African governance and development by limiting the likelihood of conflicts is critical. Such collaboration should be extended to ensure all countries on the continent ratify the AfCFTA. United, African leaders can also hold the world accountable, demand proper compensation and negotiate better deals to build climate mitigation strategies and drive the renewable energy transition. African govern-

ments should be responsible and be held liable by their citizens to build trust. They should shun corruption, respect the rule of law and boost investor confidence.

Right ecosystems for prosperity and innovation require developing and implementing dynamic Afro-centric policies. Eliminating bureaucratic red tape and bottlenecks is crucial, and governments should create an environment of trust where contracts are enforceable, encouraging investment in Africa. Efforts should also be made to inform stakeholders about these policies, as they often remain confined to the shelves of policymakers. With information on policies, innovators can maximise their potential and hold the government accountable. Ultimately, Africa's prosperity relies on collective efforts from local and international players, innovators, funders, governments, and consumers.

**"It is heartbreaking to see how poor Africans are when you see how rich Africa is." - Mo Ibrahim.**

Africa's numerous challenges present unique opportunities. Africans must seize these opportunities and make progress towards continental prosperity. Efficient and effective governance are crucial foundations for innovation, which, in turn, drives value. Encouraging Intra African trade, as proposed by the AfCFTA, will boost such innovation. International players also have a role. They should not place the continent at an undue disadvantage by just scrambling for her resources while depriving her of development incentives such as equitable finance. With the right building blocks, Africa can employ the best mix of pull and push strategies to drive developmental advancements in an ever-evolving world centred around the Mother Continent.

## Conference Speakers

1. Sir Mo Ibrahim.
2. Abdulsamad Rabi
3. Aigboje Aig-Imoukhuede.
4. Ambassador Sena Siaw-Boateng.
5. Kamissa Camara.
6. Thabiso Foto.
7. Titi Akinsanmi.
8. Dr. Marcela Tarazona.
9. Thapelo Tsheole.
10. Luiz Vieira.
11. Guy Futi.
12. Tunde Onakoya.
13. Tobi Mohammed.
14. Constant N'zi.
15. Folarin Lajumoke.

## Conference Team

1. Chukwuemeka Godwin Nwangele
2. Varun Shankar
3. Lisha Jeena
4. Adeola Fayemiwo
5. Jeremiah John Enoch
6. Elizabeth Abubakar
7. Ruth Nanjala
8. Gloria Wawira
9. Lynn timer Ngugi
10. Olivia Ayim
11. Adebisi Adenipekun
12. Tichinashe Mabugu
13. Charden Moutsouka
14. Luena Ricardo.

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