



# **2012 ANNUAL REPORT**

## AFRICA GROWTH INITIATIVE

BROOKINGS

# DIRECTOR'S Message



Africa's impressive growth record over the past decade has replaced previous headlines of a "hopeless" continent to ones of a "rising" Africa. The continent has been home to some of the fastest growing economies in the world and the quality of growth has also improved with more diversification from commodities to services and technology-led growth. In addition, there have been broad improvements in macroeconomic management and Africa's regional integration project. African countries also continue to make strides in advancing good governance and improving the environment for business and trade.

Yet, despite all this progress, Africa's growth remains profoundly fragile. In fact, the growth experienced over the last decade has not been associated with parallel reductions in poverty and unemployment. Instead, many African countries have seen marked increases in inequality and joblessness. It is my belief that,

now more than ever, Africa's challenges and opportunities require rigorous analysis and research to inform policy decisions that will impact growth in a sustainable and equitable way.

Continued instability and political volatility in a few regions can compromise economic and social progress across the continent. While many African nations have an emerging middle class, economic gains rarely translate into direct benefits for all the citizens of these countries. Consequently, human development remains low even when growth rates are high. The fact that economic improvements in Africa have not been broadly shared has led to considerable skepticism about government reforms and their potential to translate into inclusive benefits for all. Creating enough jobs to absorb the increasing labor force also remains a particularly daunting challenge that African economies must confront head on.

The Africa Growth Initiative (AGI) at Brookings believes that a

commitment to these challenges requires quality policy analysis and research from African perspectives. Over the past year, AGI engaged in a wide array of activities with the core objective of addressing policy issues relevant to Africa's development. AGI and its think tank partners based in Africa have completed research on the development challenges that the continent faces in areas including agriculture, natural resource management, industrial policy, social protection, trade and investment, and the role of new partners like China, India and Brazil. Throughout the year, AGI has also positioned itself and its scholars as a leading African voice in Washington through its high-level engagement with the D.C. policy community. Since Africa's economic potential will be limited without effective national institutions, we have also examined policies on national and regional governance and convened a diverse group of African leaders, experts and stakeholders. With the collaboration of our think tank partners in Africa, we are cultivating new solutions to create economic models that will improve the livelihoods of Africans. All of our research and activities share a common purpose: to advance African-led research to support economic progress and development across the continent.

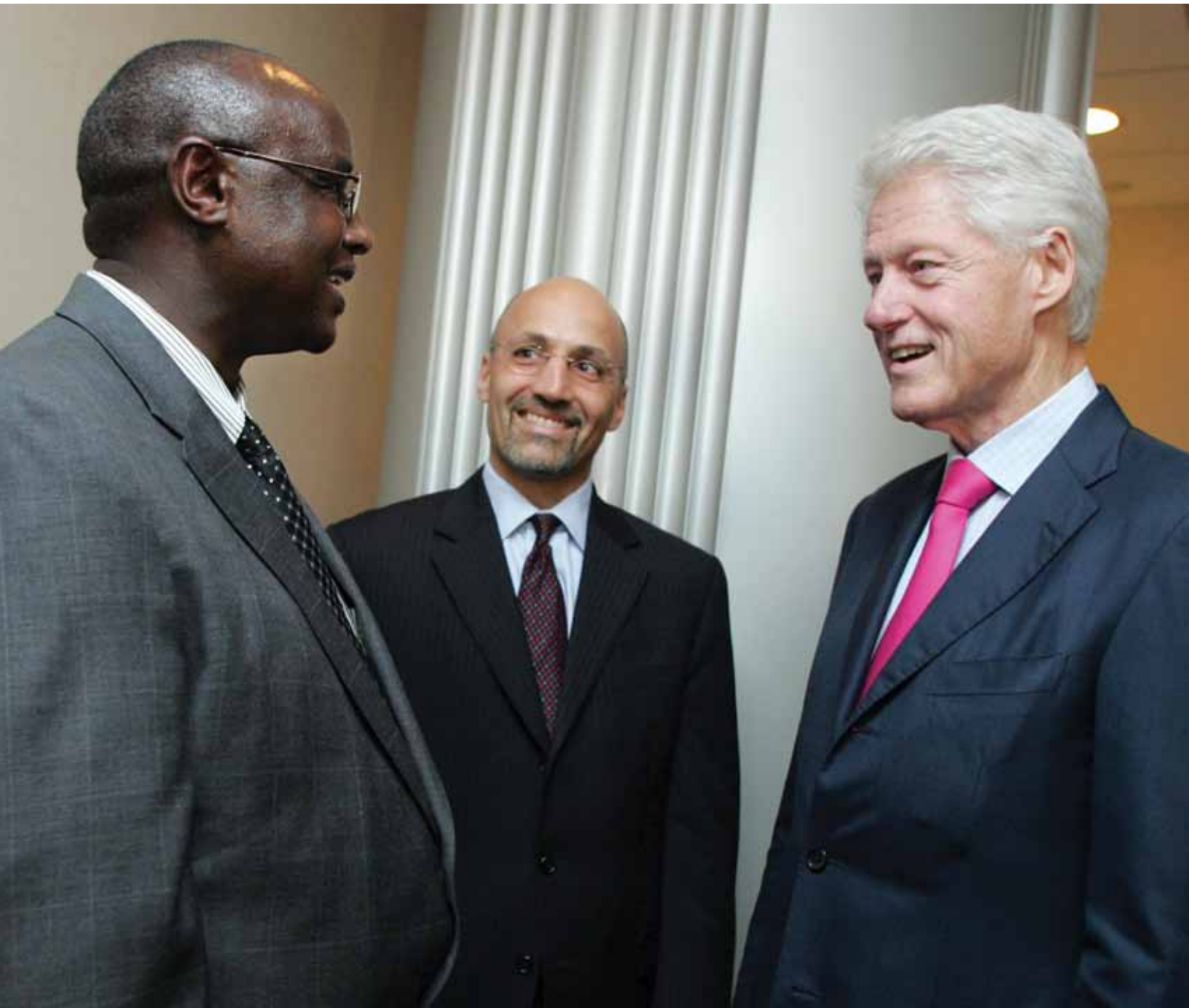
In all its activities, AGI is guided by the core principles of Brookings: quality, independence and impact. Upholding these guiding principles has allowed the initiative to become an informed and influential voice in driving the policy change needed to move Africa's growth and development toward a sustainable and inclusive path.

**Mwangi S. Kimenyi**  
**Senior Fellow and Director**  
**The Africa Growth Initiative at**  
**Brookings**

# EXPANDING TRADE

## for Africa's Growth and Development

**President Bill Clinton speaks with Brookings Managing Director William Antholis and AGI Director Mwangi Kimenyi** at a Brookings forum on the African Growth and Opportunity Act (AGOA). During his administration, President Clinton signed AGOA into law, moving the U.S. away from a strategy focused on development assistance and disaster relief, and introducing trade with America as stimuli for economic development and poverty reduction in Africa.



**T**here is little argument about the importance of trade for Africa's development. African leaders reaffirmed this fact this past February when they committed to establishing a continental free trade area by 2017 as a part of the 18th African Union Summit. While a notable achievement and a significant step toward implementing this bold initiative, the free trade area remains just one of many political challenges confronting efforts to expand trade within Africa and with other parts of the world. During this past year, the Africa Growth Initiative (AGI) at Brookings and its think tank partners based across the region helped African and international policymakers to better understand these issues and to identify the policies needed to promote trade and investment across Africa.

***“I think you are just beginning to see Africa’s moment in the sun. I think the topsoil, the labor force, the innate ability, the energy resources that you see in Africa mean that the next decade will be better than the last if we deal with these few but profoundly important fundamental challenges.”***

—President Bill Clinton

“At AGI, we maintain a diverse research agenda, but trade and investment has always been a priority for our scholars,” said Mwangi Kimenyi, Brookings senior fellow and director of the Africa Growth Initiative. “We believe that identifying better policies to support trade will help African countries meet their ambitious development goals.”

During the past year, Kimenyi led the initiative's work on the complex trade dynamics impacting development and growth in Africa. In July, he testified before the U.S. Senate Foreign Relations Committee on “Economic Statecraft: Increasing American Jobs through Greater U.S.-Africa Trade and



**Senator Richard Durbin (D-IL) speaks at a Brookings event** on recent bipartisan legislation that he cosponsored to increase jobs both in the U.S. and in Africa. During his speech, Senator Durbin stressed that “African markets are the markets of the future.”

**AGI Director Mwangi Kimenyi (left) escorts U.S. Trade Representative Ambassador Ron Kirk (right)** through Brookings for a conference on America's commercial relationship with Africa.





**Nonresident Fellow Witney Schneidman (left) speaks with Rosa Whitaker (right),** CEO and president of the Whitaker Group, on the role of the private sector in Africa's growth.

Investment.” Together with scholars from AGI’s partner think tanks—the Kenya Institute for Public Policy Research and Analysis, the Nigerian Institute for Social and Economic Research, and the Economic Policy Research Center in Uganda—the

***“Positive trade figures translate into good jobs and higher incomes, not only in Africa, but also for American workers, as well—demonstrating that increased trade with Africa is having a tangible impact on both sides of the Atlantic.”***

—Ambassador Ron Kirk,  
U.S. trade representative

initiative published a flagship report on improving the region’s growth through increased intra-African trade. The report examines the major barriers to intraregional trade and presents concrete policy recommendations for African governments and regional bodies.

In the United States, debates on trade with Africa focused on the approaching expiration of the African Growth and Opportunity Act (AGOA) in 2015—a historic piece of legislation that provides duty-free access to U.S. markets for nearly 6,400 product lines from sub-Saharan Africa. The initiative continued its efforts to support AGOA with the publication of a comprehensive policy paper looking at the future of AGOA. The paper, authored by Nonresident Fellow Witney Schneidman, argues that current trends in U.S. exports to the African region could be substantially increased given the continent’s

robust and rapid economic growth. AGI also convened a high-level policy forum with U.S. and African policymakers to discuss this research and to connect decision makers with expert opinion and analysis. Bringing together both African and U.S. perspectives on AGOA helped highlight how policymakers from both sides of the Atlantic can work together to strengthen trade partnerships in the future.

“Going forward, AGI will continue to actively engage on issues of trade,” Kimenyi said. “We want to provide policymakers with African perspectives on how to improve trade and investment conditions in Africa to support better development outcomes.”

**The Honorable Hannah Tetteh, Ghana's minister for trade and industry,** describes how foreign investment impacts national development goals at a Brookings event on African trade.



**Along with Brazil, India, China and Russia, South Africa is a member of the BRICS**—a term used to describe a group of leading emerging economies—and is often considered the gateway for investment in Africa. Haroon Borat—director of AGI's think tank partner in South Africa, the Development Policy Research Unit—shares his insights at a Brookings discussion on how the BRICS will shape Africa's economic future.



# Bringing **AFRICAN VOICES** to Washington and Beyond

**Founder of the Center for Strategic Analyses and Research Peter Biar Ajak** (right) discusses the state of affairs in South Sudan on its first anniversary of independence as John Prendergast (left), co-founder of the ENOUGH Project, looks on.





**Brookings Africa Research Fellow Julius Agbor** discusses the unique challenges facing Francophone Africa as Doudou Ndiaye from AGI’s partner think tank, the Center for Social and Economic Research in Dakar, looks on.



**Sanusi Lamido Sanusi, governor of the Central Bank of Nigeria**, speaks at AGI’s monthly congressional briefing on Africa. The briefings, co-hosted with the Congressional African Staff Association, offer the opportunity for Capitol Hill staffers and members of Congress to engage and network with African academics and experts.

**F**or Africa to achieve transformational growth, African voices must be part of the policy dialogue. However, in far too many cases, global policy debates on African issues move forward without sufficient or informed African-led analysis and research. The Africa Growth Initiative was founded with the specific mission to change this by building a strong and effective network of African think tanks to materially transform the quality, capacity and impact of the research and analysis produced by African scholars.

“AGI’s commitment to bringing African voices to policy debates here in Washington and across the globe is the foundation of our initiative and all of our work,” said AGI Director Mwangi Kimenyi. “Brookings shares our belief that research from an African perspective is a critical

component of any policy decision on African development.”

During the past year, AGI has sought to bring the voices of leading African experts to Washington and to provide U.S. and international policymakers with quality and in-depth research and analysis from African sources. In January, AGI welcomed Osita Ogbu—an economic advisor to former Nigerian President Olusegun Obasanjo—as a visiting fellow. During his time at Brookings, Ogbu informed Washington policymakers about Nigeria’s development priorities and wrote a policy brief on strategies for more inclusive growth in Nigeria. In the paper, Ogbu stressed that that “economic development not only raises incomes, but it also raises the voice of citizens, their political participation, and their ability to demand government accountability. Poverty weakens



citizen participation, which in turn exacerbates poverty.”

AGI is also committed to providing an African voice to policy debates throughout the world. In the past year, Mwangi Kimenyi has participated in several high-level meetings on Africa’s development. Kimenyi joined the advisory council meeting of the Mo Ibrahim Foundation’s Index on African Governance and served as a reviewer for the United Nations Development Program’s inaugural “Africa Human Development Report 2012: Towards a Food Secure Future.” Kimenyi also attended the Rockefeller Foundation’s Nairobi-based conference on “Poverty Reduction through Digital Employment,” and provided the keynote address at the Poverty Reduction, Equity, and Growth Network’s (PEGNet) conference in Dakar on “Institutions of Governance, Power Diffusion, and Policies for Inclusive Growth.” The PEGNet conference was convened jointly with AGI’s think tank partner in Senegal, the Center for Social and Economic Research.

Africa Research Fellow Julius Agbor also presented his research internationally. In September,

Agbor participated in a workshop on the diverging developing world, organized by the School of Economics and Management at Lund University in Sweden.

Twenty-twelve also took AGI’s attention to the highly contested presidential election in Senegal that brought international interest to the West African nation. Long considered a leader in African democracy, threats to representative governance posed questions for U.S. policymakers concerned about democracy and stability in the region. AGI responded to these

concerns by providing an African perspective on the Senegalese elections and its implications for democracy during a public forum at Brookings. The forum featured several experts from Africa including: Mamadou Diouf, director of the Institute for African Studies at Columbia University; Chris Fomunyoh, senior associate for Africa at the National Democratic Institute for International Affairs; and Vera Songwe, country director for Senegal, Cape Verde, Gambia, Guinea Bissau and Mauritania at the World Bank.

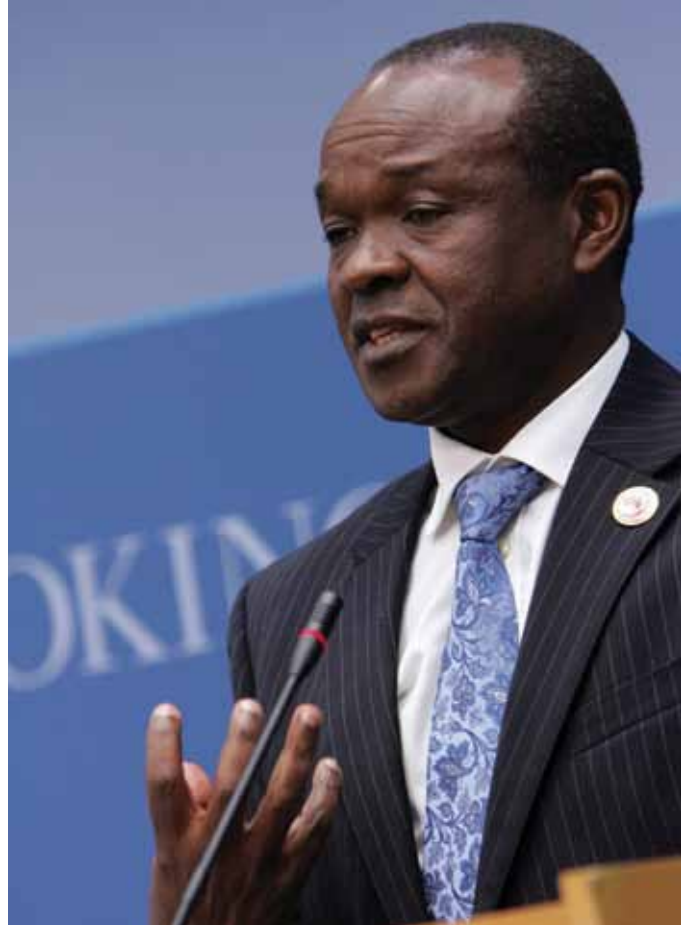


**Ngozi Okonjo-Iweala, finance minister of Nigeria,** presents her vision for global economic development through job creation and economic diversification, as well as policies to support youth and empower women.



**AGI Visiting Fellow Osita Ogbu** (left) shares insights with AGI Fellow Melvin Ayogu during a Brookings event on the top issues facing Africa in 2012.

**Deputy Chairperson for the African Union Erastus Mwencha** speaks at Brookings about instability on the continent and how new partners and regional integration can influence governance and accountability.



**Senior Researcher John Omiti (far right) of the Kenya Institute for Public Policy Research and Analysis** discusses leveraging cross-country research through AGI's think tank partnerships with colleagues Helen Odiwe of the Nigerian Institute for Social and Economic Research and Ibrahim Kasirye of the Economic Policy Research Center in Uganda.



# Perspectives on the **U.S.-AFRICA RELATIONSHIP**

**The U.S. House and Senate recently acted to extend the Third Country Fabric provision of the African Growth and Opportunity Act**, which eases regulatory burdens for Africa's nascent textile industry. At an AGI congressional briefing on the topic, Gregory B. Simpkins from the House Subcommittee on Africa, Global Health, and Human Rights discusses the bipartisan approaches U.S. congressional leaders are taking toward African issues.



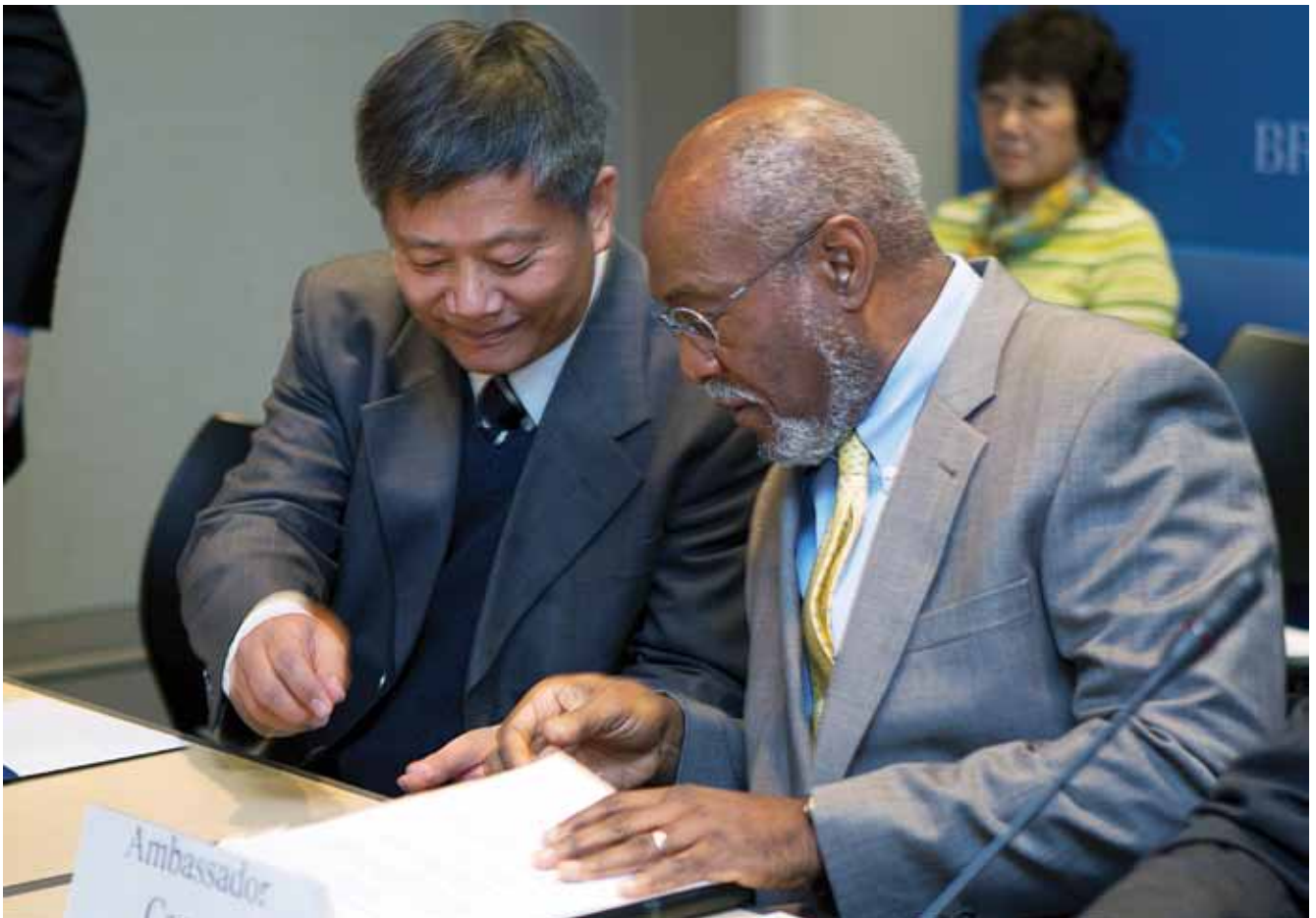
**American companies increasingly look to Africa for investment opportunities.**

President and CEO of the Corporate Council on Africa Stephen Hayes discusses the role of the private sector at a Brookings event focused on the challenges and opportunities for investment in Africa.



**Ambassador Princeton Lyman (right), U.S. special envoy for the Republic of Sudan and South Sudan,** describes the role of the United States' government during the heated negotiations between South Sudan and its northern neighbor. AGI Nonresident Senior Fellow John Mukum Mbaku looks on.

**U.S. Assistant Secretary of State for African Affairs Ambassador Johnnie Carson (right)** speaks with Yang Guang, president of the Chinese Academy of Social Sciences, during a Brookings forum on the trilateral relationship between China, the United States and the African continent.



The relationship between the United States and the countries of Africa continues to be a pressing issue for leaders in Washington and across the African continent. The expectations that many held for a reinvigorated American approach to working with Africa under President Barack Obama were heightened by his administration's new "U.S. Strategy Toward Sub-Saharan Africa," published in June. However, many feel that real progress toward more U.S. strategic engagement with Africa has been mixed. Throughout the past year, Africa Growth Initiative scholars and their colleagues in Africa helped U.S. policymakers navigate and better understand the dynamics of U.S.-African relations in order to identify mechanisms to optimize economic and diplomatic engagement.

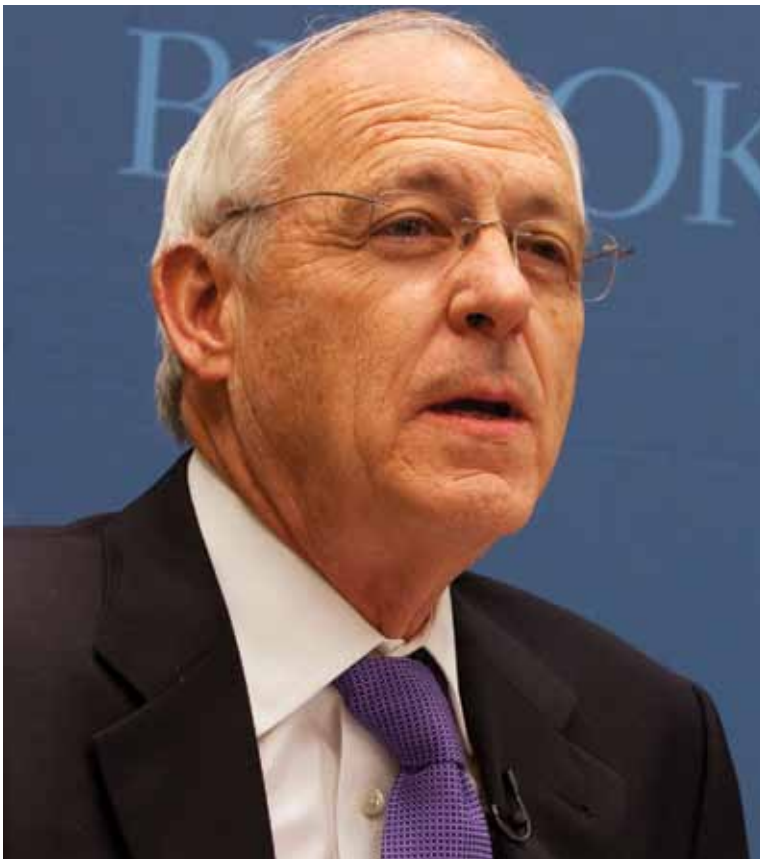
AGI Nonresident Senior Fellow Richard Joseph was particularly active on issues of U.S.-African

relations. A former Carter Center fellow, Joseph worked with AGI on exploring how the U.S. can support better African governance and the current administration's approach. In a policy brief about the issues, Joseph argued that "the forthcoming American presidential election could determine whether the gap between U.S. ideals and interests narrows or widens further in Africa."

Congressional legislation on issues related to Africa was also a major priority for the initiative. Earlier this year, Senator Richard Durbin (D-IL) and Congressman Chris Smith (R-NJ) mobilized rare bipartisan support for the "Increasing American Jobs through Greater Exports to Africa Act." The bill seeks to triple U.S. exports to the African region and is considered by many to be the most significant piece of legislation on Africa in the past 10 years. AGI has followed the progress of the bill very closely and played a leading role in informing

key policymakers on its potential benefits for the United States and Africa. In an editorial for *AllAfrica.com*, AGI Director Mwangi Kimenyi and Nonresident Fellow Witney Schneidman offered their perspectives on the challenges to America's role in Africa and the importance of this signature piece of legislation. As Kimenyi and Schneidman wrote in their op-ed, "The disconcerting reality is that the U.S. seems to have turned its attention away from Africa's commercial potential at a time when many other countries have undertaken significant efforts to capture a share of that market."

U.S.-African relations also experienced a tremendous loss this year with the tragic passing of Congressman Donald M. Payne (D-NJ). "Congressman Payne's career was filled with many extraordinary accomplishments, but to many of us he will be most remembered for his unwavering commitment to Africa," wrote Kimenyi and Schneidman shortly after the congressman's passing. "Whether it was working to end apartheid in South Africa, genocide in Rwanda and Sudan, to achieve stability in Somalia, or to secure the passage of the Africa Growth and Opportunity Act, Congressman Payne pursued his work in Africa with an unceasing commitment, knowledge and skill."



**Reed Kramer, CEO of AllAfrica.com**, moderates a panel discussion on African economic growth and development at Brookings.

**In celebration of International Women's Day**, Africa Research Fellow Anne W. Kamau talks about how gender dynamics in Africa impact the region's economic growth in a Brookings podcast.



**U.S. Congressman Chris Smith (R-NJ)** argues that U.S. commercial engagement with Africa can help create American jobs during a speech at Brookings.



**Testifying before the U.S. Senate Foreign Relations Committee**, AGI Director **Mwangi Kimenyi** urged that “the next few years are when the U.S. must reestablish itself in Africa.”

# AFRICAN PARTNERSHIPS

## that Inform Policymaking

**Continuing to expand Brookings's reach beyond Washington** and to new policy audiences, this year the Africa Growth Initiative continued to solidify its research partnerships with six leading think tanks from the continent. AGI Assistant Director Andrew Westbury (far right) and Project Coordinator Annie Moulton pose for a photo with John Omiti (left) from AGI's partner in Kenya and Doudou Ndiaye from AGI's partner in Senegal.





**Partnerships to advance growth and development in Africa** was the theme of this year’s annual AGI conference with its think tank partners. Scholars and staff from AGI and its partner think tanks gather for a group photo in front of the Brookings Institution.



**Abdoulaye Diagne, director of the Center for Social and Economic Research in Dakar**, listens to discussions on agricultural research at a meeting of AGI partner institutions at Brookings in September.

**P**artnerships with leading African think tanks and scholars are a central component of the Africa Growth Initiative’s research agenda. With the help of our research partners in Africa, Brookings taps into the latest trends and data from the region, accesses local expertise and knowledge, and works to elevate the voice of African scholars in policy discussions in Washington and across the globe.

Throughout the past year, AGI and its think tank partners have leveraged the African perspective to impact policy in Washington. In August, U.S. Secretary of State Hillary Clinton made a multi-country tour of the African continent, visiting seven countries and discussing critical issues including trade, investment, security, and the growing influence of China in the region. Scholars from AGI worked with their colleagues based in Africa to offer informed,

local perspectives on the secretary’s visit and U.S. foreign policy goals for the African region.

The initiative organized a press briefing with scholars from both Washington and Africa. As a result of the briefing, Haroon Borat—director of AGI’s South African partner think tank, the Development Policy Research Unit at the University of Cape Town—was quoted in several U.S. and international media outlets on Secretary Clinton’s trip to Africa. The *Christian Science Monitor* quoted Borat’s insight that “South Africa is a middle-income country with perhaps the highest inequality in the world.” Borat added that for South Africa to achieve its potential American support would be crucial.

The initiative and its partners also collaborated on several research projects over this past year. The Center for Social and Economic Research (CRES) in Senegal and





**Brookings Senior Fellow John Page** discusses his research on industrial policy in Africa during the 2012 Brookings Blum Roundtable, an annual conference where academics, senior policymakers, and business and NGO leaders discuss innovative ideas to alleviate poverty.



**Africa Research Fellow Anne Kamau** discusses the impact of the eurozone crisis on African economies and currencies with her colleague John Adeoti, deputy director of the Nigerian Institute for Social and Economic Research.

other partner think tanks contributed to the initiative's signature *Foresight Africa* report on the upcoming trends and challenges for the continent in the coming year. In the report, CRES Scholar Mbaye Diene identified youth employment as the biggest priority for Senegal in 2012. Diene wrote, "Many youth do not possess the skills for employment and young entrepreneurs often face challenges of limited resources and business networks."

AGI and its partner think tanks also came together for an annual meeting in Washington this September. While the meeting primarily served as an important

opportunity to discuss research collaborations between AGI and its partners, it also served as an opportunity to provide U.S. policymakers with expertise from African researchers. Directors and senior scholars from AGI's partners met with staff members from Congress, the U.S. Treasury Department, the U.S. State Department, and the U.S. Agency for International Development to discuss issues concerning Africa's economic growth and development. Mwangi Kimenyi and Sarah Ssewanyana, director of AGI's think tank partner in Uganda, participated in a taping of *Voice of America's* "Straight Talk

Africa" program and explained how AGI's partnerships in Washington and across Africa are helping to advance development for the region.

AGI's partnerships with these think tanks have also helped create new demand in Africa for Brookings research and analysis. By engaging with African academic and policy audiences through social media, this year's *Foresight Africa* report received more page views from new audiences across the continent, and for the first time Nigeria and Kenya ranked in the top 10 countries of origin for international visitors to the Brookings website.

## African Think Tank **PARTNERS**

The Africa Growth Initiative is working with the following partner think tanks based in Africa to elevate the voice of African scholars in policy discussions in Washington and around the world:

- Economic Policy Research Center (EPRC) in Uganda
- The Kenyan Institute for Public Policy Research and Analysis (KIPPRA)
- The Center for Social and Economic Research (CRES) in Senegal
- The Institute of Statistical, Social, and Economic Research (ISSER) at the University of Ghana
- The Nigerian Institute for Social and Economic Research (NISER)
- The Development Policy Research Unit (DPRU) at the University of Cape Town

**John Omiti (left) and Felix Muriithi (center) from the Kenyan Institute for Public Policy Research and Analysis**

discuss Kenya's upcoming elections with Wendy Abt, USAID deputy assistant administrator for economic growth, education and environment, at a Brookings reception celebrating AGI's think tank partnerships.



## Acknowledgements

The Africa Growth Initiative is grateful for the dedication, commitment and hard work of its scholars and staff. We would also like to thank the Brookings Global Economy and Development program for its continued guidance, especially Mao-Lin Shen, Kirsten Gilbert, Christina Golubski, Kristina Server, Yamillett Fuentes, Jacqueline Sharkey and Barrett Mihm for their ongoing support of the initiative. We are grateful for the contributions of former Visiting Scholar Osita Ogbu, former Fellow Melvin Ayogu, and former Africa Research Fellow Olumide Taiwo, who have returned to respective organizations in Africa. The initiative would also like to thank our think tank partners in Africa: the Center for Economic and Social Research (Senegal); the Development Policy Research Unit (South Africa); the Economic Policy Research Center (Uganda); the Institute for Statistical and Social Economic Research (Ghana); the Kenyan Institute for Public Policy Research and Analysis (Kenya); and the Nigerian Institute for Social and Economic Research (Nigeria). We would like to express our gratitude to the many institutions and individuals that have supported our activities over the past year. Finally, we would like to thank Brookings President Strobe Talbott and Vice President Kemal Derviş for their commitment to the initiative.

## Scholars

**Julius Agbor**, Africa Research Fellow  
**Ernest Aryeetey**, Nonresident Senior Fellow  
**Richard Joseph**, Nonresident Senior Fellow  
**Anne W. Kamau**, Africa Research Fellow  
**Mwangi S. Kimenyi**, Director and Senior Fellow  
**Mukhisa Kituyi**, Nonresident Senior Fellow  
**John Mukum Mbaku**, Nonresident Senior Fellow  
**John Page**, Senior Fellow  
**Witney Schneidman**, Nonresident Fellow  
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