

EVA REPORT:

Searching for the Star of Africa

Executive Summary

MP **Pekka Haavisto** urges Finns to realize the consequences of the rise in Africa's importance. A new race to Africa is in full swing. Globalization of the economy has spread from Asia to Africa. China in particular is investing in Africa, previously regarded as a lost continent. "Finland and Finnish actors should look at Africa with new eyes and participate in this development," Haavisto states in his report.

Haavisto points out that Africa, despite its difficulties, is an expanding and demographically young market region whose business opportunities have been largely unexploited by Finland.

"Africa is building new infrastructure and, for example, use of mobile phones is now growing faster in sub-Saharan Africa than anywhere in the world. Although there is still a long way to go before a borderless Africa including a common currency is established, African integration is progressing quickly," Haavisto observes.

There is room for improvement in exploiting business opportunities as well as political cooperation. Finns look at Africa through the eyeglasses of traditional cooperation, even though times have changed. Asian countries' pragmatic cooperation with African countries and the African Union challenge the old models of cooperation. According to Haavisto, here lies an opportunity: "Unlike many other European countries, Finland has no colonial baggage and we have a good reputation for expertise. Seizing the opportunities, however, requires a new grip on African policy. "

The report's main findings can be summarized as follows:

China's relationship with Africa is deeper than we think. Many see China only as a new robber of Africa's natural resources. China is, however, an important economic and political ally of Africa. Africa looks to China and Asia when searching for models of economic growth and prosperity. To China, Africa means oil, minerals, timber, foodstuffs, increased security of supplies - but also an important political ally. To Africa, China represents large infrastructure projects, low-cost consumer goods and models of education and healthcare extended to all citizens. The Chinese government also supports the expansion of Chinese

entrepreneurs to Africa. The market economy is now coming to Africa from the east.

Africa is undergoing a third wave of investment. Africa is now building new infrastructure - roads, railways, telecommunications. The first wave was spawned by colonialists' need to get the raw materials out of the continent. The second wave was fuelled by the Cold War competition between East and West for Africans' political support. The third wave is now in progress: Asian and African techno-economic cooperation. New infrastructure is now being built in Africa.

African Union has become a real player. The African Union aims to create an economic union of 53 countries and a common currency. The journey is long, but the AU has focused on conflict resolution, peacekeeping and support of democracy on its own continent. The AU's headquarters in Addis Ababa, Ethiopia, has become a bustling centre of Africa policy.

Africa's youth can become its strength. If Africa were one country, its economy would be the ten largest in the world. Every sixth person in the world is African. Population growth is one of Africa's problems, but it also means a young continent, where people move around, learn new things - and need education. Africa's youth can become its strength.

Africa disappeared from Finland's radar. Finland has not invested in economic and political cooperation with African countries. Finland's network of embassies and consulates in Africa is inadequate. Africa is looked at only as a target for development, not as a political partner. For example, the challenges of climate change will nevertheless require the development of political cooperation between Europe and Africa. Finland's foreign trade with Africa is still in the flyweight class - the continent accounts for two per cent of Finnish exports.

Finland could develop into an African expert. Finland is economically and politically a small player in Africa, compared with, for example, our Nordic partners. However, Finland has a good reputation regarding its expertise, and we have no burden from colonial times, as in many EU countries. Finland could become an African expert - we can expand both political and economic interfaces with Africa. This will nevertheless require a new grip on Finnish-African policy. Finns should now be interested in Africa for at least the following ten reasons:

1. Land of a billion people

A billion people live in Africa. It accounts for 23 per cent of the world's landmass. If Africa were one country, its economy would be the tenth largest in the world. Every sixth person in the world is African.

2. Africa's economy follows China

China and other Asian economic powers have systematically built a presence in Africa. They are seeking raw materials, markets for their products and political cooperation. After the Cold War, Africa vanished for a moment from the Europeans. In recent years, Africa's economic development has followed the rapid growth of the Chinese economy.

3. Third wave of infrastructure

Africa is now building new infrastructure - roads, railways, telecommunications. The first wave was spawned by colonialism's need to get the raw materials out of the continent. The second wave was fuelled by the Cold War competition between East and West for Africans' political support. The third wave is now in progress: Asian and African techno-economic cooperation. New infrastructure is now being built in Africa.

4. Africa has many doors

European economic relations with Africa were formed during the colonial period. Although South Africa remains an important door to the African market, it is no longer the only one. Africa's different regions and countries are now competing for investments.

5. African integration is a reality

Borderless Africa and a common currency are still far away, but Africa's regional integration is progressing rapidly. The African Union and regional organizations have ambitious plans. African Union has developed quickly into a crisis solver and the provider of peacekeepers on its own continent.

6. Good governance spurs economic growth

In Africa - except for the oil-producing countries - good governance, democracy and economic growth are correlated. Investments are preferably made in politically stable countries. Supporting democracy and human rights and the fight against corruption are not luxuries, but rather key pillars of economic development. Poor governance spawns economic uncertainty and discourages investment.

7. Africa is a continent of values

At least one-third of Africans are Christians, and demographic developments may turn Africa into the world's most Christian continent. At the same time Islam is spreading via the Middle East and North Africa. The world's main religions coincide in Africa. In some villages and towns churches and mosques are located right next to each other. African Islam has always been marked by tolerance.

8. Continent of sustainable development

Africa's share of global greenhouse gas emissions is about four per cent. At the same time, the desert is expanding and climate change is affecting e.g. rain and flooding. Africa can create carbon sinks, and switch to renewable energy sources. Major environmental changes hit poor people with no options the hardest. That is why sustainable development in Africa

is of pivotal importance.

9. Young and urban region

Africa will account for a third of the entire world's population growth from now until 2030. Although family planning is becoming more prevalent, it will take a long time to change this trend. Africa is a young continent in need of a lot of education. Youth is also related to mobility and the ability to quickly learn new things. This can become Africa's strength.

10. Africa is on the phone

Sea cables are being laid on Africa's coasts. Communications are improving. Use of mobile phones is now growing faster in sub-Saharan Africa than anywhere in the world. Africa speaks on mobile phones, and accesses the Internet via mobile phone. Information, management of people's daily lives, and mobility are increasing. Authorities are crumbling.

The full report can be read in Finnish on EVA's website www.eva.fi.

About the author:

Pekka Haavisto is a Member of Parliament and Special Envoy for African Horn and Sudan (Ministry for Foreign Affairs of Finland). Haavisto is a development and environmental expert, and served as Finland's Minister of the Environment (1995-1999). He has worked in Africa for UNEP addressing post-conflict environmental problems in Liberia, the Great Lakes region and Sudan (2003-2005), as the EU Special Representative for Sudan and Darfur (2005-2007) and as UN adviser in the peace process in Sudan (2007). In recent years Haavisto has regularly participated in African Union summits.

Additional information:

MP Pekka Haavisto
tel. 050-512 1829 or haavisto@fin.la

MP Pekka Haavisto's personal assistant Ville Hulkkonen
puh. 09-432 4009

Communications Manager Johanna Sipola, EVA
tel. 050-352 1172 or johanna.sipola@eva.fi