

## US should scrap trade barriers with Africa

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Nearly fifty African heads of state are due to kick off the first U.S.-Africa leaders' summit in Washington DC today. Over the last two decades, Africa has made great gains in global economic integration and poverty reduction. Its importance as a trading partner is likely to grow in the future. American leaders should keep that in mind and help to forge a relationship between the United States and Africa that focuses on mutual gains from trade, not aid.

Sub-Saharan Africa, a region once synonymous with war, poverty and mismanagement, is back in the news as one of new millennium's success stories. Since 2000, growth has hovered around 5 per cent per year, increasing the average per capita income by 32 per cent.

Africa's improving economic performance is partly attributable to the high price of commodities and partly due to the continent's economic liberalisation. At the end of the Cold War, for example, Africa's rating was 4.71 out of ten on the Fraser Institute's Economic Freedom of the World index. By 2011, the data from the Canadian think-tank shows, it grew to 6.12.

As a consequence of greater economic freedom and higher growth, the proportion of people living on less than \$1.25 a day dropped from 56 per cent to 48 per cent between 1990 and 2010. While not as impressive as in other regions, poverty reduction in sub-Saharan Africa is quite an achievement, considering that that population increased from 507m to 865m over the same time period.

Child mortality has declined from 177 per 1,000 births to 98, a decrease of 45 per cent.

The percentage of population with access to improved drinking water sources rose from 48 per cent to 63 per cent, while the percentage of population with access to sanitation facilities rose from 26 to 31 per cent.

Undernourishment has fallen from 33 per cent to 25 per cent. Average per capita calorie supply rose from 2,150 to 2,430. The number of countries with calorie supply below 2,000 calories, a commonly accepted minimum, fell from 13 African states to three. Calorie intake in Ghana,

Mauritius and South Africa is higher than that in European Union members Bulgaria, Latvia and Slovakia.

Along with those improvements came some salutary social developments. The position of women, for example, is improving. According to the World Economic Forum's Gender Gap Report, which examines the parity of men and women in economic participation and opportunity, educational attainment, health and survival, and political empowerment, the African gender gap has narrowed somewhat between 2006 and 2012. Africa's gains are particularly visible in education, with record number of girls enrolled at all levels.

Last, but not least, the continent has grown more democratic and peaceful. According to the Freedom House, an American non-governmental organization, in 1990 there were only four politically free countries in Africa. By 2014, there were ten free African countries. According to the researchers at Uppsala University, the number of conflicts remained the same between 1990 and 2013. Most of Africa's conflicts today, however, are minor conflicts (between 25 and 999 deaths per year), not wars (over 1,000 deaths per year), which have declined from eight to three.

The Washington summit comes eight years after the China-Africa leaders' summit in Beijing that focused on the expansion of trade and investment between the two markets. The economic relationship between China and Africa has blossomed since then. Between 2006 and 2012, the volume of trade between the two increased from \$55bn to \$200bn – twice as much as the volume of trade between Africa and the United States. The percentage of Chinese investment going to Africa is four times higher than that of the United States.

While it is true that much of the Chinese investment in Africa has been state-driven, research indicates that Africa has become an attractive destination for tens of thousands of Chinese private sector companies eager to do business in the risky African environment.

For a long time, many Americans have tended to see Africa through the prism of foreign aid. Today, it is clear that economic freedom, not aid, is a key contributor to growth and prosperity. As Bono, the well-known campaigner against global poverty said during his 2012 speech at Georgetown University: "Aid is just a stop-gap. Commerce [and] entrepreneurial capitalism takes more people out of poverty than aid."

If President Obama wants to help Africa, he should promise to work with Congress to eliminate the remaining tariff and non-tariff barriers to trade with the African continent. If he does so, the U.S.-Africa leaders' summit will turn out to be both meaningful and lastingly beneficial.

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