

Africa communications is rising too

Africa is rising. Africa's communications are rising too. In my opinion, there are six main reasons for the rise of Africa as an investment destination and each of them has an impact on the practice of effective communications across the continent.

By [Robyn de Villiers](#) 30 May 2018



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The six reasons are:

1. Better governance and regulatory environments

Over the past 30 years, many African nations have improved their governance and regulatory environment providing potential investors with improved opportunities and less risk. This has had a positive impact on how business is done, including in the areas of government relations and stakeholder engagement.

There are 55 countries on the continent, each with its own set of regulations, political regime and government processes and there is an enormous number of cultures and religions. From a communication perspective, experience has taught me that to be effective in each country, it is critical to have a local partner with local connectivity and insights and a solid understanding of local cultures and norms.

2. Political stability

African nations enjoy increasing political stability which, naturally, has an effect on the business environment. In 1991 there were eight democracies in Africa. By 2011 there were over 30, meaning more than half of the continent was being run democratically, albeit with varying levels of freedom.

Politically speaking, the continent has made tremendous strides in the last 25 years. 2017 was an important year for the advancement of democracy in Africa. Several key elections were held, including those in Rwanda, Angola and Kenya, and Zimbabwe and South Africa saw significant political leadership changes.

From a business perspective, as it relates to government relations, it is important to remain impartial

politically and to engage effectively with all parties. Taking sides is always a risk, especially in emerging markets where change can be unexpected and rapid.

3. Demand for resources

Africa is the most mineral rich continent and the increasing demand for minerals is seen to have had both positive and negative effects on the continent. Mineral riches have given African governments more bargaining power and have led to new forms of relationships.

China, for example, is a customer, a big trade partner, a banker and a development partner to many countries across the continent. In Africa, investment is often done in partnership with governments, and transactions can, therefore, be susceptible to political volatility/political changes/the agenda of opposition politicians/political interference.

Effective communications play a significant role in managing perceptions in the area of resources, and must continue to do so – both in highlighting the positive effects of resource richness on the continent, but also showcasing the negatives and working to eliminate them.

Behaviour change and effective communication is needed to dispel perceptions around economic colonialism – companies perceived to be taking advantage of unsophisticated, naïve locals and to be plundering riches and leaving little behind in terms of benefits to locals or the country/community.



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4. Expanding labour force

Unlike many parts of the Western world, Africa has a young and growing population. By 2040, Africa will have the largest labour force in the world with 1.1 billion Africans of working age. To put that into perspective that is larger than the labour forces of China or India. Labour costs are also significantly lower than those in Central Asia, Latin America and Eastern Europe.

There are, of course, challenges facing business on the continent. Unemployment is a social and political risk. Poor levels of education/skill mean that many young people are only capable of filling low level jobs, which leads to anger and frustration. In certain instances, global companies are employing foreign workers rather than locals and there is sometimes exclusion of locals from management and senior management positions.

There is also a lack of skills transfer and skills development, not to mention low wages. Managing these issues proactively and showcasing efforts to counter them helps to build reputation. Effective employer communications is also critical in the Africa context.

5. Urbanisation

By 2050, 60% of Africans, about 800 million people, are expected to be urbanised. Urbanisation on the continent is currently at about 40%, which is comparable to China and higher than that in India. There are challenges to be addressed in order for this growth in urbanisation to take place. These range from

infrastructure challenges like housing, transport and traffic congestion to social challenges like unemployment, overcrowding and health problems.

6. Emerging middle class

On balance, Africa's economies are growing, with the resultant increase in urbanisation and the emergence of a growing middle-class consumer base. Consumer spending power is on the rise. In 2010, the continent had 875 million consumers and this figure is expected to increase to 1.3 billion by 2030. These consumers can be broken down into the middle class, who are typically city dwellers who take care of their appearance and for whom education and investment are important.

There is also a smaller group of very affluent people (the elite) that is expected to grow by 6.9% a year. Adopting a 'one size fits all' approach to communication in Africa does not work. Businesses need to adjust strategies and expectations per country to be effective in their targeting of products and services appropriately for each market.

In conclusion, the opportunities for business in Africa are immense. Effective communications will help those who decide to invest in Africa to reap the rewards they deserve. Equally, the continent has its challenges and effective communications serves not only to highlight these, but to make a contribution to seeing them resolved.

In my experience, an understanding of the continent is critical to effective communications in its 55 nations but most importantly, local connectivity and insight are the key.

ABOUT THE AUTHOR

Robyn de Villiers is chair and CEO, Burson Cohn & Wolfe Africa. Burson Cohn & Wolfe Africa boasts 25+ years of working in Africa, and has learnt the lessons of effective communications across the continent, and enjoys long-standing partnerships with its teams in 53 of the 55 countries which make up this exciting continent.

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