

South African economy improving

By Shamin Chibba 7 Oct 2014

South Africa's economy is on the mend, if the 2014 Ibrahim Index of African Governance is anything to go by.



South Africa's position on the 2014 Ibrahim Index of African Governance improved from fifth to fourth thanks to improvements in the economy and infrastructure development. (Image: Brand South Africa)

The country's level of sustainable economic opportunity score improved to 71.9 points out of 100, up more than three points on the previous year. Out of 52 African countries surveyed, South Africa came out second in this particular category, behind Mauritius, which has 79.7 points.

The sustainable economic opportunity category is divided into four sub-categories: public management, business environment, infrastructure, and rural sector. These analyse 31 features that make up a country's economy, such as fiscal policy, level of bureaucracy, access to water for low income and rural populations, and road, rail and air transport.

The 2014 Ibrahim Index, published on Monday, 29 September, ranks a country's overall governance within the African context. It is based not only on economic opportunity but also on safety and rule of law, participation and human rights, and human development. Taking all these categories into account, South Africa's overall position also improved, from fifth in 2013 to fourth this year.

The index is named after billionaire Sudanese-British mobile communications mogul Mo Ibrahim. He established the $\underline{\text{Mo}}$ $\underline{\text{Ibrahim Foundation}}$ in 2006, and created the index the following year .



Sudanese-British mobile communications mogul, Mo Ibrahim, warned major African states like South Africa to remain vigilant and avoid complacency. (Image: Mo Ibrahim Foundation)

Infrastructure development boosted

Brand South Africa chief executive Miller Matola was encouraged by this year's results, particularly regarding the improvements the country has made in infrastructure development. "Good infrastructure is attractive to investors and makes it easier to conduct business more efficiently and effectively," he pointed out.

In the index, South Africa's infrastructure development score shot up from 67.5 in 2013 to 77.1 this year. The country now ranks third in this category behind the Seychelles and Mauritius. This comes after the World Economic Forum (WEF) and the Institute of Management Development (IMD) also announced South Africa's improvement in infrastructure development. In the WEF's Global Competitiveness Report for 2014-2015, the country moved up from 66 to 60 out of 144 countries. In the IMD's 2014 World Competitiveness Yearbook, South Africa improved by three places from last year to 55.

Despite these advances, Matola was concerned by the drop in rule and safety - from seventh in 2013 to eighth this year - and in participation and human rights - from third last year to fourth. "These issues impact equally on our competitiveness and ability to attract inward flows of investment," he said.

African governance improvement too slow - Ibrahim

Writing for the Institute for Security Studies weekly online newsletter, Independent Newspapers' foreign editor, Peter Fabricius, said the Ibrahim Index suggested overall governance in Africa was slowing down.

According to the index, governance on the continent rose by just 0.9 points out of 100 over the last five years, whereas before 2009 it improved by 1.2 points. "African governance as a whole has improved in some ways and deteriorated in

others, resulting in this slight net improvement," wrote Fabricius.

For Ibrahim, Africa was still progressing but "the story is complex and doesn't fit the stereotypes". He also warned that the continent should remain vigilant, avoid complacency and adopt Afro-realism as a stance instead of Afro-pessimism or the current Africa Rising narrative.

"More pertinently perhaps," wrote Fabricius, "the index suggests that Africa still has a long way to go, and has to move much faster, if it is to overcome its chronic problems of poverty, underdevelopment and insecurity."

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