Entrepreneurship in Africa

A Study of Successes

David S. Fick

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Contents

Preface

My wife and I were guests of the people of Kenya, Tanzania, and Ethiopia for two weeks in August 2000. We found ourselves impressed by the beauty of Africa and the hospitality of its people. The Ethiopia of 2000 reminded me of South Korea as it was in 1962 and 1963 when I had the pleasure of serving in Korea as a lieutenant with the U.S. Army's Transportation Corps. Our suppliers were from the private sector in South Korea, and it was the local entrepreneurs who became the engines of growth for the future development of South Korea. Having graduated from the Wharton School at the University of Pennsylvania in Philadelphia in 1961 and having spent my business career (1964–1988) as an entrepreneur in Kansas, I found myself becoming interested in the opportunities for entrepreneurs in Africa. Upon returning to the United States, I began researching for this study. In my search for successful entrepreneurs in Africa, I became aware of the opportunities and roadblocks that the cultural, economic, social, political, and physical environments provide in Africa. This newfound awareness has led me to search for actual or proposed projects and policy changes that are or could be of great benefit for the people of Africa and the entrepreneurial environment.

In 1870 my grandfather came over from Europe, which gave my father the chance to succeed in this land of opportunity. My father, Rudy Fick, was associated with the Ford Motor Company first as a manager, and then as a dealer, for his entire business career. He told my brothers and me the story of how in 1914 Henry Ford began paying his workers $5 per eight-hour day, so that they were soon able to buy a Model T Ford ($295) with sixty days of wages. The other manufacturers thought he was crazy for paying so much.

Ford replied that it was the workers of America who would provide the market for his cars and that they should be paid accordingly. My father was 42 in 1941 and too old to serve in World War II, and therefore Henry Ford put him to work keeping the Ford dealership network viable during the war, when new cars were unavailable. After the war, my father became an entrepreneur as a Ford dealer in Kansas City. He used to promise his managers that if they excelled he would help finance them in their own dealerships. Many managers became dealers by buying my father out with their share of the profits from the Ford dealerships that my father created or acquired for them to manage.

Currently, America is at last progressively becoming the land of more equal opportunity for all Americans. In Africa, entrepreneurial opportunities are getting better for Africans, Arabs, Europeans, Asians, and Americans, but these opportunities are still not nearly what they could be. Hopefully, in the future, continued and even greater improvements will be made in Africa's entrepreneurial and social environment.

Acknowledgments

Thank you, Professor George Ayittey, for helping to begin and conclude my study, "Entrepreneurship in Africa," and for the overall assistance you provided. Thank you, Professor Tom Lewin, for helping me appreciate Africa's history and culture. Thank you, Nate Bowditch, for allowing me to organize my first chapter around your book on Ghana and for introducing me to Greenwood Publishing. And thanks to Eric Valentine and Emma Bailey of Quorum Books, a business book imprint for Greenwood, for their patience in working with a first timer.

Thank you, Rob Marsh, Bos Gerber, Liesl Nicholson, Georges Jaumain, Professor Jeffrey Fadiman, Nimisha Madhvani, Mrs. Meena J. Madhvani, Indrias Getachew, P. Gitau Githongo, and Professor Gerry Muuka. Thank you, Pascal Belda, winne.com, Allan Greenblo, Claire Bisseker, the *Financial Mail*, Colleen Naude, *Finance Week*, Tamela Hultman, AllAfrica.com, the Panafrican News Agency, Mbendi, and all the other sources that I have diligently tried to acknowledge within my study.

In recognition of everyone's support, royalties due to me for the sales of this book are being signed over to Médecins Sans Frontières/Doctors Without Borders to support medical relief missions in Africa (www.doctorswithoutborders.org).

My deepest apologies to any source that I have inadvertently failed to cite. Please keep in mind if you have been overlooked that this study is meant to encourage a dialogue so that knowledge and ideas may be presented and exchanged with the goal of improving Africa and the world. In all the cases and commentary presented in this study, I have tried to retain the sense and substance of the information I have obtained. Be it from Web

sites, books, newspapers and periodicals, or from personal meetings, letters, e-mails, and phone calls with interested parties in Africa and around the world, I have tried not to color someone else's inspirations, ideas, or plans with my views of how the world should be. Wherever possible, I have endeavored to use the exact words of my sources in presenting or summarizing their ideas. When I mention a source, it is their ideas and words that I present. I do not claim credit for their ideas, only the blame if I have not adequately presented their ideas.

Introduction

Entrepreneurship in Africa is a study of those entrepreneurs who have achieved success, wealth, and fame by organizing and directing a business undertaking in Africa. It is a story about successful entrepreneurs who have assumed risk in pursuit of profit, who have tried to conform to ethical business standards and who have tried to contribute to the economic development and improve the natural environment and the education, health, and welfare of their community and nation. The philosophies underpinning their economic success and their endeavors to improve their communities have been included whenever correspondence with the entrepreneurs related them.

This book is a journey through the economic world of Africa. It is a search through Web sites, books, newspapers, and periodicals for entrepreneurs who have been successful in Africa, for the projects and policies that improve their road to opportunity, and for expert commentary on the best ways to accomplish the economic and social development of Africa. It is a self-educating dialogue through personal meetings, letters, e-mails, and phone calls with interested parties in Africa and around the world on the future well-being of the people living and working in Africa. It is meant to encourage a dialogue so that knowledge and ideas may be exchanged with the goal of improving Africa and the world. I hope that, by doing this, Africans and those who observe the region can learn from past mistakes and current successes and build a peaceful and better society for all of Africa's people.

Entrepreneurs are the engines that get the economic trains moving. Entrepreneurs organize and direct business undertakings. They assume the risk for the sake of the profit. Success often depends upon how skilled, innovative, and passionate entrepreneurs are about their ideas and dreams. An entrepreneur has exceptional vision, creativity, and determination and frequently creates entirely new industries. There is no shortage of entrepreneurs in Africa; in fact, over the centuries, there have always been entrepreneurs in Africa. Given the opportunity, entrepreneurs in Africa and from around the world will drive Africa's economic trains forward.

This study begins with an overall discussion of the ways that the economic and social environment for entrepreneurs in Africa may be improved. The study continues with a basic description of the economic and social environments and the entrepreneurial opportunities in each of Africa's five regions with profiles of successful entrepreneurs in each region. The profiles endeavor to enumerate the entrepreneurs' philosophy behind their economic success and their sense of social responsibility to improve their communities. The study concludes with the prospects for the continual improvement of Africa's economic and social environment and the continual creation of opportunities for skilled, innovative, and passionate entrepreneurs in Africa to successfully implement their ideas, achieve their dreams, and bring benefits to their communities.

After reading the profiles, Professor George Ayittey, author of *Africa in Chaos*, points out that the "profiles clearly demonstrate that entrepreneurial talent and skills exist in Africa. The disconcerting anomaly or paradox is the paucity of the number of entrepreneurs and their inability to drive African economies forward." Ayittey believes we should look at the modern environment in which businesses have to operate in Africa today. He says that "the environment may be such that it retards or inhibits entrepreneurship." In the 1990s, referring to Chapter 6 in his book, we find that the environment prevailing in many African countries was characterized by the following:

Government hostility to private enterprise
Stifling bureaucracy
Insecurity of persons and lack of property rights
Crumbling infrastructure
Rampant corruption among officials
Lack of economic freedom
Unstable environment
Elite mentality about wealth creation

Ayittey believes that if you improve this environment, there will be many more African entrepreneurs and better prospects for African development (Ayittey 1998).

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1

African Continent

Africa is the world's second-largest continent, after Asia. It has 54 independent countries—48 on the mainland and 6 island states—with a population estimated for the year 2000 at 784.4 million, 13 percent of the world. There are 16 cities in Africa with a population over 2 million. The United Nations estimates that Africa's population will increase at a compound rate of 1.6 percent per year until the year 2050, when it will stand at 1.766 billion, 20 percent of the world. In 2050 Nigeria will be the sixth most populous nation in the world, with 244.3 million people.

Global inequality is worsening rapidly for Africa. Africans today are poorer on average than they were four decades ago. African countries must improve their industrial, technological, and higher-education policies if the income gaps between the developed world and developing countries of Africa are to be reduced. Africa needs stable economies, debt relief, and an end to conflicts. Taking into account the catch-up effect, Africa's gross domestic product (GDP) will need to increase at the adjusted compound rate of 6.6 percent per year after inflation. Africa will need to look to its entrepreneurs to achieve this rate of economic growth, which will be necessary to provide the increased prosperity desired by all her citizens.

Reading David F. Gordon and Howard Wolpe's *United States and Africa* (1998), we learn that it is difficult and frequently counterproductive to generalize about the African continent. There is no single Africa. Africa is an array of diverse countries in vastly different climatic and geographic regions and is home to as many varieties of people. Africa is a massive continent encompassing an area over three times the size of the United States. For the purposes of this study, African countries should be broadly categorized on the basis of three criteria: their level of economic development, their potential for trade and investment linkages, and their governmental capacity to meet the needs of citizens and to address global problems. At least for the growing economies of Africa, the economic prospects appear to be brightening. The United States has an interest in helping to ensure that these developing African countries stay on the path toward economic reform and sustained growth. Not only will there be more economic benefits such as jobs and investment opportunities for Americans, but a wealthier Africa plugged into the global economy will be able to cope with its own problems and be in a better position to make its contribution to the solution of global problems. The single most important way to prevent complex emergencies arising in Africa is to support long-term efforts at political and economic development. Africa must be no less engaged than other regions in tackling such problems as drug trafficking, environmental degradation, the spread of infectious disease, and population growth (Gordon and Wolpe 1998).

University of Kansas history professor Tom Lewin, author of the book *Asante Before the British* (1978), teaches his classes about the history of Africa's merchants, artisans, local markets, regional markets, and ancient trade routes. Scholars agree that centuries before the coming of the Europeans, African markets served local areas and the continent's network of markets linked its distant regions together economically. Over 700 years ago, Africans had already developed a productive and sophisticated economic and trade system. Traders understood the laws of supply and demand and that, for a price, could supply almost anything to anyone.

Dr. Lewin's classes learn about

The historic trade centers such as Meroe, Axum, and the Swahili states in East Africa; Timbuktu, Jenne, and Gao—all polities on the Niger River in West Africa; and Great Zimbabwe in southern Africa.

The Dyula of Mali who were entrusted with the distribution of gold from West Africa five hundred years ago and who are still active in all phases of retail trade in West Africa.

The Kingdom of Asante's efforts from 1780 to 1820 to develop economic independence in their crafts and other industries, such as mining, smelting, brass works, and pottery, as well as their own textile mills (Lewin 1978).

The ancient transsahara trade routes exchanging subsaharan Africa's gold for trade goods from North Africa, Europe, and the Middle East.

The historic seasonal east-west sea routes from the Swahili states on the east coast of Africa to and from the Arab world, India, and China.

The various European colonial powers replaced traditional African institutions and administrative systems with their own colonial educational and administrative systems. The effects were the destruction of the indigenous organization, management, and technological systems, some of which had been more culturally appropriate for Africa. There was also the psychological destruction of African self-esteem and the subtle debilitating impact of that loss, which manifests itself in various forms and at various levels in modern African society (Gray 2001, 262–63).

With these historical examples of entrepreneurship in Africa in mind, we will now begin a discussion of the ways that the economic environment in Africa may be improved so that entrepreneurs in Africa can achieve their potential.

While there are often huge differences in their climate, culture, and traditions and in their political and economic systems, countries in Africa are often confronted by similar problems and challenges. Nathaniel H. Bowditch in the conclusion to his book, *The Last Emerging Market: From Asian Tigers to African Lions, the Ghana File* (1999), suggests the following five ways to grow the economy in Ghana and perhaps other African countries.

1. African countries should organize peoples' development and vision plans now! Each country must develop its own vision for the future and the plan to get there. The people of each country—especially the business community—must be involved in building that vision. There must be a real vision for the future for potential markets and niches that may be particularly appropriate to each African country. There must be a serious partnership between government and business. This partnership is critical for the effective implementation of the plan (Bowditch 1999, 179).
2. Regional markets should be created now! Bowditch believes one could comprise Nigeria, Ghana, Côte d'Ivoire, Burkina Faso, Benin, and Togo. This is an essential step because the mainstream international business community will not seriously consider major investments anywhere unless there are sufficiently large consumer markets that are easily and freely reached (Bowditch 1999, 180). The Southern African Development Community (SADC) is becoming one of Africa's most developed trading blocs. By 2004 Kenya, Tanzania, and Uganda should be operating a uniform tariff regime, turning the East African Community (EAC) into a zero-tariff area that is subject to common tariffs in trade with noncommunity members.
3. Workforce and business management training initiatives should be launched now! Beyond universal compulsory education programs, African institutions must be prepared in the specific business and technology skills suited to the new millennium market niches that each African country's vision and development strategy plan must identify. Dependable legal mechanisms must be established to effectively adjudicate commercial disputes; otherwise, efforts to attract investors into Africa will always be met with a healthy dose of skepticism (Bowditch 1999, 181).
4. Overseas Africans must be brought home now! Returnee entrepreneurs have the potential to make major contributions. They have earned degrees, developed skills, gained experience, and created sizable savings. They are members of the African family and must be attracted back to their home countries in significant numbers. Nate Bowditch believes that they will move back (and they have moved back in Ghana, the country that Nate Bowditch knows best) when the political and socioeconomic conditions are such that they see opportunity and se-

curity—same reasons any entrepreneur will invest anywhere (Bowditch 1999, 183).

The former minister of finance of Ghana, Kwesi Botchwey, believes that it is important for African countries to upgrade their capacity to continually reproduce the expertise and the skills they need through the educational system, especially at the level of tertiary education. He emphasizes that Africa must create and maintain the necessary economic and political environment that will keep this expertise at home. He sees one major reason for optimism: He says the yearning to return home burns ever so fiercely in everybody's chest because foreign lands can never be a substitute for the bountiful hospitality of one's own land. He reasons that the trick is for African countries to capitalize on this natural yearning (Botchwey 1999).

Nigerian-born Phillip Emeagwali confirms that in today's world knowledge creates wealth, and unfortunately for Africa, one in three graduates of African universities lives and works outside Africa. One million African professionals are working outside Africa while 100,000 foreign experts are working in Africa at an estimated cost of some $4 billion annually. Emeagwali wonders why African nations are unwilling to spend a similar amount of money to recruit from the one million African professionals working outside Africa. He argues that Africa must offer meaningful employment and compensation to entice overseas Africans to return home (Emeagwali 1999).

5. Newly developed countries should be invited to share their technology along with their visions, plans, and strategies now! Malaysia and Thailand, Bowditch suggests, are examples of countries that could teach much to African countries.

In this regard, it is interesting to note that David Dichter, founder and member of the board of the Technology for the People organization in Geneva, Switzerland, made this very suggestion in the *International Tribune*. He proposes the transfer of production technologies and the relevant managerial know-how to African partner firms on commercial terms from partner enterprises in the rapidly industrializing countries of South and Southeast Asia. Such transfers, he believes, could be the wave of the future and give practical substance and meaning to the UN concept of economic cooperation among developing countries. African entrepreneurs must be willing to negotiate joint ventures or other cooperative arrangements with their world counterparts. Dichter believes that labor-intensive technologies are much more suitable to Africa's needs and much more affordable within their modest investment budgets. The technical and managerial support staff available from Asia can adapt themselves more easily to African circumstances and demand less in terms of fees and working conditions for their services than European or American consultants. His mission is to bring together entrepreneurs in developing countries and help them form profitable alliances. He has brokered some 75 profitable alliances between entrepreneurs in developing countries (Dichter 2000).

In 2001, Nate Bowditch formed Emerging Incorporated as a response to the need for training, technical assistance and capital for building the enterprises and creating the supportive government policies, regulations and programs necessary to enable Africa and the world's newly democratic, free enterprise nations to compete in a global economy.

Keith Marsden, in his book *African Entrepreneurs* (1990), confirms that foreign enterprises provide highly valued assistance to African entrepreneurs, as suppliers of machinery, materials, and professional services, as distributors of their products, and as technical, sales, or equity partners in their businesses. The relationship between foreign and African enterprises is often complementary, not just competitive. He also shows that market networks—composed of African firms of various sizes and ownership structures engaged in complementary, mutually supportive, activities—serve as vital mechanisms for the diffusion of information and expertise among the members of their networks (Marsden 1990, 21).

E.F. Schumacher, in his book *Small Is Beautiful* (1973), suggests that first the real needs of the local African communities should be determined and then the degree of technological solutions offered should be in tune with local resources, means, and culture. Ernesto Sirolli, in his book *Ripples in the Zambezi* (1999), builds on Schumacher's ideas by advocating enterprise facilitation as a powerful social technology that helps communities create economic diversity and sustainability that is people-centered and locally controlled. It empowers people to achieve their personal dreams and aspirations. He does not force economic development on people who don't want to be developed according to someone else's ideas. Sirolli challenges us to listen, keep it simple, and then do whatever it takes to make sure the entrepreneur has a strong team in place (Sirolli 1999, 156).

Sirolli would probably tell us that there are people in African cities, towns, and rural villages who individually or as a group have the passion to create products, goods, new markets, and quality services. Who, if believed and encouraged, could become a vibrant contribution to the African economy, providing diversity of employment and renewed hope for their cities, towns, and rural villages. African countries will achieve better economic performance when they get more and better people involved in creating wealth. The collective efforts of the African people will make Africa prosper. Equitable laws must create the foundations for peaceful social interactions, tolerance, and freedom; collective care for the young, the aged, the infirm; respect for the environment; and inalienable personal rights to growth, self-fulfillment, and happiness.

Sirolli would probably advocate the development of supportive African societies and of constitutions that would provide for the electoral defeat of governments of corruption and stifling bureaucracies. African societies must recognize the intrinsic value of individual, cooperative, social, and commercial enterprises and facilitate the transformation of good ideas into rewarding work (Sirolli, 111). Sirolli is an advocate of a civic economic system, which enhances participation in the creation of wealth. Civic economy can be defined as the economy resulting from generalized reciprocity, from people helping people to succeed, with the understanding that the well-being of each member of the community is to everybody's advantage (Sirolli, 143).

Anita Spring and Barbara E. McDade are the editors of the book, *African Entrepreneurship: Theory and Reality* (1998). The book covers information on businesses and entrepreneurs on the continent of Africa. These entrepreneurs are in the formal and the informal sectors, and they range in scale from large to small. The book discusses whether or not entrepreneurship is the same or different in Africa compared to elsewhere in the world, and the specific characteristics within the continent. It concludes that there are both standard, global business/management practices and distinctly African ones. African entrepreneurs tend to secure and train personnel through the traditional apprenticeship system, tutelage arrangements, and family members and acquaintances. African entrepreneurs raise start-up and operating capital from personal savings community resources such as rotating credit systems within social groups. They choose to diversify their investments, believing that owning several types of businesses guards against the risks that are common in the economic climates of many African countries. The methods used by owners of large companies in terms of management and supplier credit are given in the volume.

The importance of women entrepreneurs is interesting and inspirational, and includes small-scale traders in the informal sector who provision the large cities of Africa (e.g., Nairobi, Harare, and Douala), as well as their rural communities. As well there are women in formal-sector businesses and large-scale trade in the informal sector. However, the authors also note that the scarcity of both working capital and foreign exchange holds back the expansion of many African enterprises and that bureaucracy and government corruption often outweigh opportunities.

Recently, Spring and McDade have expanded their research on entrepreneurship to include the "new generation" of African entrepreneurs involved in modern, nontraditional enterprises. The authors note that entrepreneurs own medium- and large-businesses in many sectors, are linked in national, regional, and pan-African networks, and are involved in global business practices. They have carried out a six country pilot study on this new generation of African entrepreneurs and will do further research before completing a book on the subject, in the meantime, they will be publishing articles on their findings.

Jean-Claude Maswana says that in many of Africa's developing nations, a great deal of economic activity takes place outside the official economy. He proposes that Africa's economic picture needs to include this informal sector, which seems often to be, fortunately or unfortunately, the real image of Africa's economic dynamism. He believes that the informal sector, in many countries such as his native country the Democratic Republic of

Congo (Kinshasa), is so extensive that informal businesses should not be regarded as marginal or supplemental, but rather as the way such economies really work. He concludes that any attempt to neglect this feature distorts the analysis and subsequent policies. Therefore, throughout the present study, policies and programs that help the informal sector become a dynamic part of the official economy have been included.

Globalization presents a paradox in light of the tendency toward regionalization in world trade and investment and the emergence of the three economic superblocs, the Asia-Pacific Rim, North America, and the European Economic Community. The Third World countries and regions in Africa, Latin America, and elsewhere are left out of the action. Felix Moses Edoho is the editor of *Globalization and the New World Order: Promises, Problems, and Prospects for Africa in the Twenty-First Century* (1997) and an associate professor of management in the College of Business at Lincoln University. His work fills a void in the scant literature on the impact of globalization on Africa's development problems and prospects. The book is a collection of twelve essays by a group of African business and social scientists resident at American universities. The contributors focus on the effects of economic globalization and political marginalization on Africa now and in the twenty-first century. They view the current economic crisis as both a dilemma and an opportunity for Africa to adjust to the changing environment of international relations. The book summarizes the fundamental problems that face Africa, calls the attention of the world policymakers to the problems, and proposes answers and solutions.

In the opening chapter, Edoho examines fundamental questions concerning the cumulative ramifications of globalization for subsaharan Africa. He assesses the prospects for Africa's economic transformation, political renaissance, and "sociocultural reengineering" in the new world order. The second chapter discusses military regimes and their impact on African economic development. An analysis of economic instability and Africa's marginal role in the new world order, a look at problems of resource allocation in the broader context of sustainable development, and a critical evaluation of the impact of recent structural adjustment programs on the persistence of economic crises in Africa occupy the third chapter. The next three chapters examine the globalization of technology. In Chapter 6, Edoho discusses the ramifications of rapid scientific breakthroughs and technological innovations in the context of Africa's economic and technological backwardness, identifying both problems and opportunities. Chapter 7 is an incisive analysis of the implications of rapid population growth in the context of sustainable development in Africa. The book's remaining chapters focus on such topics as trade and regional cooperation, governance, and international development assistance (Edoho 1997).

Gerry Muuka, an associate professor of management at Murray State University, points out that once some of the major impediments are removed—or at least reduced—and there is a greater integration and exposure of African business to the global economy, companies in Africa will benefit from easier access to new ideas, technologies, and products. He also advocates better economy-wide resource allocations, wider product and service options for consumers, and greater access to cheaper international sources of finance for investment and reinvestment. Companies could also realize tremendous cost economies by centralizing production, instead of maintaining plants in smaller economies of several member states.

With a combined population of about 785 million in the year 2000, African economies are rich in potential human resources. Yet people have been relatively neglected, badly educated, and in poor health, and their capacities frequently underused. The consequence is low labor productivity and lack of competitiveness, despite very low wages. Many African nations generally still depend on the West for imports of raw materials and manufactured products, even in cases where products of comparable quality may be available within the region. This runs counter to the rationale for creating bigger markets to facilitate the growth of viable production ventures.

The transport infrastructure for intraregional trade (including roads, rail systems, air, and some shipping) is not only inadequate, but in many cases nonexistent. Individual systems may also not always be fully compatible, especially in terms of intermodal transfer of goods. Lack of information has hindered the development of intraregional trade and is a direct result of inadequate economic infrastructure in Africa, especially in telecommunications and transportation facilities, directly hindering interaction among African countries. High-quality communications are essential for countries that aim to participate in global production structures (some established by multinational corporations); to respond promptly to rapidly changing market conditions; or to participate in new export markets for long-distance services such as data processing, software programming, and customer support (Muuka 1998).

Pearl Duncan author of an upcoming book, *DNA Dawns: Talking the Talk,* describes her search for African ancestors. She says “humans have always migrated in and out of Africa. At the DNA level, we’re all African. We’re all multiracial. We’re all multicultural.” Using high-tech DNA, folksy family nicknames, genealogy, and slaveowners’ journals, Duncan traced her American family to ancestors in Ghana and Scotland 15 generations ago in the 1600s. When she visited Ghana, she was visiting her ancestral cousins, farmers, at their fall harvest festivals in the villages of Akropong, Aburi, Lateh, Mamfe, and Mampong in the Akuapem Hills, overlooking Accra, the capital city and the beaches on the coast. She commends African American Joseph Kwaku Williams, a student she taught in New York City, for retiring to Ghana and building a library, the MOREeducation Library, in Mampong, Ghana. She believes “more Americans, Europeans and Asians will continue to do the same." In her book she concludes that "the mark of a people is the extent to which they help others, not of their immediate group." She says, "Bravo to the African-Americans who are helping Africans rebuild and develop. Africa is not a ghost continent. It is not dead, it has only been sleeping."

Through Emmanuel Nnadozie's personal observations, knowledge, interviews, and research, *African Culture and American Business in Africa: How to Strategically Manage Cultural Differences in African Business* (1998) provides an analysis of cultural characteristics that define the African business culture and suggests strategies for successfully managing cultural differences. The author emphasizes that

> From Tunis to Cape Town and from Dakar to Mogadishu, African societies exhibit unparalleled dynamism and changing attitudes. Several countries are currently linked to the information superhighway; some of them even have CNN or other European networks. This is a market ripe for picking by American business. But the American businessman and woman must understand that they must compete with Europeans who have several centuries of historical relationship with Africans as well as Asians, who currently are aggressively pursuing African markets. The American entrepreneur also needs to see that a company's success or failure in Africa will depend on its ability to understand and adjust to Africa's dynamic market. He or she must educate himself or herself about African culture and approach African business with an open mind.

This book deals with the most important reasons to do business with Africa; the differences between American and African business cultures; the most common cultural characteristics that define African business culture; and how to manage cultural differences in African business. The book also gives information about the African continent and its enormous business and profit potential. This is an excellent reference for understanding and managing the African business culture and learning how to succeed in African business. Whether you are planning to trade with or invest in Africa, already doing business with Africa, or trying to have a better understanding of African culture and how it affects American business with Africa, you will find this book educational. Nnadozie holds a bachelor's and master's degree from the University of Nigeria and a doctorate from the Sorbonne. He is presently an associate professor of economics at Truman State University. His current research focuses on entrepreneurship development, African economic development, and international economic policy analysis (Nnadozie 1998).

David J. Saunders is a member of the board of directors of the Africa Travel Association (ATA) and cofounder of Venue International Professionals (VIP). VIP is a privately owned full-service African American travel and tourism management-consulting group based in the Washington Metropolitan Area. VIP was created in 1996 out of a desire to focus the collective experiences and expertise of individuals involved in the promotion of travel, tourism, and trade-related opportunities to the continent of Africa. Saunders says that the travel and tourism industry of Africa offers unlimited potential for economic growth opportunity with those African nations that choose to market their resources to the African American traveler. He believes it also presents great investment opportunities for many savvy African American investors who can take advantage of the African Growth and Opportunity Act (AGOA), a trade bill with the aim of removing barriers to free trade and economic opportunity for Africans who are working hard to catch up to the global economy and for African Americans who want to work with them. The future of trade and investment opportunities in Africa is brighter as a result of Africa's determination to build future prosperity in free markets, coupled with its readiness to engage in a new spirit of mutual respect, support, and cooperation with American businesses. The power of tourism to bridge both the cultural and economic gap between Africans and African Americans in Saunders's opinion is where African Americans can have the most impact. Given the diversity of tourism attractions and the progressive investment policies being channeled in this lucrative industry by the African nations, the future of the travel and tourism industry for the African continent looks very promising. While there are many challenges ahead, Saunders advises that those who invest early and wisely will ultimately reap the benefits for themselves and for Africa as a whole.

As part of a new strategy to market Florida's business climate to sub-Saharan Africa, Lieutenant Governor Frank Brogan led a Team Florida mission to Johannesburg and Cape Town, South Africa, February 12–17, 2001, in an effort to strengthen Florida's market share in South Africa. The team included Anita Spring and Barbara McDade of the University of Florida. The Team Florida initiative was coordinated by Enterprise Florida, a partnership between Florida's government and business leaders and the principal economic development organization for the State of Florida. South Africa is among Florida's top 50 trade partners. In 1999 Florida exported more than $140 million worth of goods to South Africa, while the U.S. as a whole exported more than $2 billion.

In May 2000 the Trade and Development Act of 2000 was signed into law. The measure includes the African Growth and Opportunity Act, which expands two-way trade opportunities for U.S. exporters and creates incentives for the countries of sub-Saharan Africa to continue reforming their economies and participate more fully in the global economy. South Africa's market of 43 million people and its infrastructure and probusiness environment will likely make it the largest beneficiary of the act, thus offering excellent potential to Florida companies seeking to export and find joint-venture or strategic alliance partners.

"The strengthening of trade channels between the U.S. and South Africa, as well as the significant political and economic changes South Africa has experienced over the past few years, should present excellent market opportunities for many Florida businesses," says Brogan. The best prospects for Florida's exports to South Africa include agriculture, cellular telephony, computer software and services, ecotourism, electronic commerce (Internet-related software and services), mining, managed health care, cosmetics and hair care products, security and safety equipment, project finance and management, and infrastructure projects in agriculture, mining, energy, chemicals, tourism, and manufacturing.

Team Florida delegates had the opportunity to take advantage of the trade facilitation services provided by the U.S. Commercial Center in Johannesburg and Cape Town, which coordinated Team Florida's South Africa activities. Team Florida—South Africa events also included one-on-one appointments between Floridian delegates and prescreened South African companies, a market briefing, social events, and networking opportunities.

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I

West Africa

The Economic Community of West African States (ECOWAS) is a solid geographical bloc of 14 states from Nigeria in the east to Senegal in the west. The countries of Mali and Niger are in the southern stretch of the Sahara, while the remaining countries except for Burkina Faso are splayed out along the coastline. As a result of their respective colonial histories, these countries are divided into French- and English-speaking states. The French-speaking countries include the republics of Benin, Burkina Faso, Togo, the Ivory Coast (Côte d'Ivoire), Guinea, and Senegal; the remaining states of Nigeria, Ghana, Liberia, Sierra Leone, and the Gambia have English as their official language. The Republic of Guinea Bissau is a Portuguese-speaking state to the south of Senegal.

The West Africa region has a population estimated for the year 2000 at 219.0 million. The major countries in this region are Burkina Faso (11.9M), Côte d'Ivoire (14.8M; capital Abidjan, 3.9M), Ghana (20.2M), Guinea (7.4M), Mali (11.2M), Niger (10.7M), Nigeria (111.5M; capital Lagos, 13.1M), and Senegal (9.5M; capital Dakar, 2.4M).

2

Nigeria and Ghana

NIGERIA

Karl Maier, in his book, *Into the House of the Ancestors* (1998), introduces us to Seni Williams, one of Nigeria's most dynamic Internet entrepreneurs and managing director of Tara Systems in Lagos. Williams works in the complex world of silicon chips, megabytes, and microprocessors in pursuit of his dream of Tara becoming a world-class computer software developer. Tara is located in Lagos, the sprawling commercial capital of the giant West African nation of Nigeria. Tara has opened operations in the neighboring African countries of Benin, Ghana, and Sierra Leone. Tara has developed a cooperation agreement with California-based Oracle, the giant software developer and second-biggest software producer in the world. Tara has developed a highly flexible software package for its major clients in the banking sector. The system is called Autobank and the attraction is the fact that it does not fix a particular kind of account and the bank does not have to reprogram their system. It allows banks to create their own accounts. It may be for one person. This allows the banks to tailor their products much more closely to their customers. Tara's goal is to have its banking system running in every single branch in every single bank in Africa (Maier 1998b, 22–26).

Williams plans to transform Nigeria from a technology backwater into a nation of cyber-boutiques. He believes that the whole concept of electronic trading plays straight down the line with the Nigerian trading mentality and that the minute Nigerians lock onto it, Nigeria will see a massive array of things for sale. No longer will Nigerians be locked into buying imports from local sources. They will be able to buy directly. He sees e-mail cyber-boutiques becoming the substitute for low-end business on the street. Williams, who already runs an Internet service provider (ISP), is ready to bet money on his predictions. He has launched Nigeria's first cyber-shopping site, which allows customers to buy wine from all over the world. The site also offers theater tickets, books, and music (Turner 2000).

Williams is the son of Akintola Williams, a distinguished and widely respected accountant. Akintola Williams attended Yaba High College through the UAC Scholarship and graduated with a diploma in commerce. In 1946 he graduated from London University with a Bachelor of Commerce Degree, majoring in banking and finance. He qualified as a chartered accountant in 1949. He is an honored officer of the Order of the Federal Republic of Nigeria (OFR) for services to the accountancy profession in 1982. He was the first gold medalist of the Institute of Chartered Accountants of Nigeria in 1988 and in 1992 the Howard Business School Association of Nigeria named him the Business Statesman for the Year. In 1997 he was named an Honorable Commander of the most Excellent Order of the British Empire (CBE) for services to the accountancy profession, the promotion of arts, culture, and music through the Musical Society of Nigeria (MUSON). Akintola Williams is a committed Christian and a man of unimpeachable integrity. He is happily married to Oye Williams, and they are both blessed with a daughter and a son, Tokunbo and Seni.

Karl Maier writes that Seni Williams and dozens of entrepreneurs like him provide the evidence of Africa's vast reservoir of potential. In an increasing number of cases this entrepreneurial potential is becoming realized, despite the best-laid plans of their often corrupt and inept leaders to thwart them. It may be premature to declare the arrival of an African renaissance. However, after four decades of disappointments and setbacks that followed in the wake of European decolonization, the increasing boldness of the African civil society has put the continent in a better position than ever before to celebrate its long-anticipated economic and political revival (Maier 1998a). This chapter, and the following fifteen chapters, profile more than 200 of these entrepreneurs.

Attia A. Nasreddin, vice chairman and chief executive officer of the manufacturing conglomerate Nasco Group, created by its founder in 1963 in Jos, Nigeria, deplores the fact that most products are imported into Nigeria. He believes that the potential of Nigeria's agribusiness is great and with a good policy, a good sense of direction, and mechanized technology, Nigeria stands a good chance to be self-sufficient and to export agricultural products. Spurred by enterprise and innovation, Nasco is progressively churning out products such as confectionery, carpets, soaps, detergents, cosmetics, industrial chemicals and food products, and packaging products that pervade every home in Nigeria. Nasco has grown into a formidable array of companies. All the companies put together provide employment for about 1,500 men and women in Nigeria, thus making Nasco one of the main employers of labor in the private sector. Nasreddin says the dream of Nasco's founder over the last 38 years has been to expand into those operations that are linked to Nasco businesses.

Nasco is also actively involved in backward integration. Farmers, through the company's buyers, are encouraged to grow good-quality grains that are converted into finished products at the Jos factory. Major products are biscuits, corn flakes, wafers, confectionery, detergents, soaps, chemicals, cosmetics, carpets, blankets, and synthetic fibers. Nasco Marketing provides key marketing functions for the products of the associate companies in the Nasco Group. Marketing is centralized and facilities and functions are not duplicated.

Nasco Marketing is involved in product development, package designs, sales, distribution, advertising, market research, sales promotion, and related functions. Currently, there are 450 distributors, 150 direct cash customers, and 85 designated supermarkets. These customers are serviced via 8 depots strategically located around the country.

Nasco's vast experience in real-estate development has resulted in the creation of "Nasco Town," a commercial and residential estate of about 3 million square meters near Lagos with 3,600 meters facing the sea. The project will be made up of well-planned residential and commercial areas on two-thirds of the property and the remaining area will be used for accessories and service facilities to create maximum comfort for occupants. This endeavor shall serve as a pioneer project, which will be duplicated within Nigeria and other African countries. Nasreddin says Nasco's founder is motivated not only by profit but that he believes in perfection, improvement, and contribution, and that he hopes these projects will succeed in setting a good precedent for better planning. Besides its operation in Nigeria, Nasco Group has investments in Europe, Morocco, Turkey, and Eritrea. In 1992, the Italian textile firm Carrera set up a joint venture in Tangiers with the Nasco Group's Morocco subsidiary, Nascotex (WINNE 2000).

Noblehouse Consultants Limited of Lagos, Nigeria, was established in 1994 to provide services for the "development of Africa through the private sector initiative." They had identified a need for consultancy services with special knowledge of the emerging markets of Africa. Their goal was to create an organization of people who think globally, cooperate internationally, and act regionally. Their mission is to contribute to the improvement of organizational management through excellent professional services in project management, human resource management, capacity building, and small-enterprise development. In just five years, Noblehouse Consultants has undertaken very diverse specialized assignments for some of the best agencies in the world. They have established themselves as the key provider of specialized products and services for the development of small enterprises and the support of micro-credit in Africa. Their founder, Inyang E. Inyang, is a senior financial analyst who specializes in investment banking, micro-finance and small-enterprise development. He has more than 20 years of experience in private sector development in Africa in various sectors: finance and banking, telecommunications, privatization, investment, and export development. He has strong skills in policy analysis and strategic institutional change. Inyang consults regularly with and directs projects/programs for many corporations and industries, foreign governments, regional, state, and local governments and bilateral and multilateral agencies in the developing countries of subsaharan Africa. Some of the clients he has worked with include the World Bank Group, United Nations Development Program (UNDP), the British Council, OECD, African Project Development Facility (APDF), and United Nations Economic Commission for Africa (UNECA). He provides non–fee paying consultancy services to the African Business Roundtable (ABR), where he sits on the Board Financial Management Committee, and the West African Enterprise Network (WAEN), where he is the treasurer.

Gulf Bank of Nigeria Plc is a leading financial service institution that has progressed over the years to become tested, trusted, and a force to be reckoned with in the Nigerian banking industry. The bank, was established in March 1990 and commenced operations in June 1990. It is highly technology-driven, providing high-quality products and services through effective utilization of modern state-of-the-art technological devices, all of which are designed to ensure total customer satisfaction. Babajide Adebola Rogers, is the bank's managing director and chief executive officer. Rogers, an experienced and astute banker as well as reputable and versatile financial analyst and administrator, holds a bachelor of science degree in agricultural economics from Oklahoma University, Stillwater, a master of science degree in agricultural economics from Ohio State University, Columbus, and MBA degree in finance from Xavier University, Cincinnati. He began his career in banking over two decades ago at First Bank of Nigeria, from where he joined First City Merchant Bank (FCMB), which in 1987 appointed him to single handedly establish its branch in Kano, Nigeria.

Rogers left FCMB in 1993 as assistant general manager and head of Northern Operations to join another financial service organization as general manager/chief operating officer, after which he joined Gulf Bank in March 1994 as managing director/chief executive officer. Rogers has attended several courses both within and outside the country, among which were the Citibank Correspondence Banking course at the Citibank Training School, Athens, the International Banking course in Manchester University and Columbia University, New York.

Rogers has continued relentlessly and successfully to pursue the corporate mission of the Gulf Bank. The mission is driven by the bank's desire "to always exceed every expectation of its customers through a highly motivated and professional team applying state-of-the-art technology in order to maximize return on shareholders' investments while being conscious of its social responsibility." Gulf Bank is well capitalized and financially strong. With an authorized share capital of N2 billion ($20 million U.S.) out of which N1 billion ($10 million U.S.) has been issued and fully paid up, Gulf Bank is not only poised but also fully equipped to service the financial needs of its customers. The bank is equipped with large credit reserves, a very strong deposit base and liquid assets, improved efficiency ratios, and impressive financial performances, as well as good credit ratings. Furthermore, the bank has steadily continued to build close and enduring relationships with its clients, thereby constantly gaining clear insight into their financial needs and goals. The many successes recorded by the bank in the past few years can be attributed to Rogers's exceptional leadership style and managerial acumen, which today has made the bank a major player in the Nigerian banking industry.

Rogers says his bank decided to identify with the Kanu Nwankwo Heart Foundation as part of its social responsibilities to the Nigerian society. "It is our bank's mission to be a socially responsible organization," Babajide Rogers says. "This is a fact clearly stated in our mission statement and over the years we have been trying to meet and fulfill that mission. That's why we have identified with the Kanu Heart Foundation. We have often been involved with sports-related charities. For instance, on a yearly basis we take part in the Hope Walk where we sponsor disabled athletes. We believe all this is part of our social responsibility." The Gulf Bank chief executive says that as the "official bank" for the Kanu Heart Foundation, they "manage the funds of the foundation pending the time the funds would be required." Gulf Bank deposits the funds of the foundation in "interest-yielding investments" so as to "make more money for charity."

In March 2000 Gulf Bank celebrated its tenth anniversary. Part of the anniversary celebration included visits by the bank's executives and staff to motherless babies and mental homes again in support of charity. Gulf Bank doled out N2 million to become "the official bank" for the Kanu Heart Foundation in a deal brokered by Pamodzi Sports Marketing. It is instructive to mention that, apart from the Kanu Heart Foundation, Gulf Bank has been involved in and sponsored quite a number of charitable and philanthropic projects, including the Women Trafficking and Child Labor Eradication Foundation (WOTCLEF). The WOTCLEF is the pet project of Her Excellency, Chief (Mrs.) Amina Titi Atiku Abubakar, the wife of the vice president of the Federal Republic of Nigeria. The bank has also continued to sponsor its yearly charity breakfast in honor of the needy and underprivileged in the society while bankrolling many other charity projects.

Alhaji Bamanga Mohammed Tukur is the group chairman for BHI Holdings Limited (Daddo Group of Companies) of Lagos, Nigeria. Their business includes interests in shipping, agriculture allied industries, real-estate development, construction/civil engineering, manufacturing, trading (import/export), and transport maritime, among other pursuits. He is chairman of the African Communications Agency, the company that owns the sole advertising rights for CNN in Africa, and also heads up Ecomarine, an initiative of the Economic Community of West African States, which aims to streamline shipping activities in the region.

In the year 2000, Tukur was elected executive president of the African Business Round Table (ABR), which is a continent-wide private-sector organization, set up in 1990 by the former president of the African Development Bank, Dr. Babacar Ndiaye. It moved from its Abidjan headquarters to Johannesburg in 1997. The ABR has positioned itself to be part of the African Renaissance, and Tukor promises to turn the ABR into a major economic contributor. He argues that Africans must stop selling anything outside Africa that they have not added value to and that Africans are still suffering from colonial hangups. He says too many people are ignorant of why they are suffering in the midst of plenty and that the stranglehold on economies by people who are only serving their own selfish interests has to be broken. He proclaims that the ABR is the future of the businessman in Africa and that the ABR wants to make sure that the private sector speaks with one voice and takes its rightful role in promoting economic development, since it is best placed to tackle poverty by creating wealth. He says the private sector is taking on its rightful role of growing the economies of the African states, and governments in Africa need to take the private sector more seriously and allow it more input into policy debate.

Tukur, as a former industry minister and state governor in Nigeria, is well placed to straddle the government–private sector divide. He says that in order to develop an efficient and effective working relationship between the public and private sectors, it is necessary to examine how the public sector perceives the role of the private sector and vice versa, and that we need also to identify the objectives of each sector and their role conflicts. He listed some of the roles and objectives of the public as follows:

Provide security of life and property
Ensure that law and order prevail
Provide infrastructural facilities
Provide macro-economic framework
Maintain a just and equitable system through consistent regulatory framework, etc.

The roles of the private sector, on the other hand, are, among other things, to:

Mobilize resources in land, capital, and labor for development activities
Produce and distribute goods and services
Add value to the process and ensure appropriate return on investment
Create jobs and employment
Enhance and maintain productivity
Ensure and sustain growth in the gross domestic product (GDP)

Deborah Brautigam, professor of politics at American University, has written about the entrepreneurs of Nnewi, which is a rural town in eastern Nigeria. This region is the home of the Igbos. The characteristics of Igbo culture, most notably individualism, competitiveness, and receptivity to change, fuel entrepreneurialism and capitalism in the region. Igbos invest heavily in education and training and have rules of inheritance that encourage capital accumulation. During the early 1980s, when total manufacturing output was falling rapidly in Nigeria, an industrial boom was underway in Nnewi. In the space of just two years (1983–1984), 23 medium to large sized factories and engineering shops were started by Nnewi businessmen. Half of these new enterprises produced motor parts and the remainder produced a very wide range of products, including electrical wire and cables, switch-gears and electrical fittings, bottled liquor, plastic electrical accessories, toilet paper, and road-construction equipment.

In trying to understand the Nnewi phenomenon, Brautigam argues that this dynamic, geographically tight cluster of indigenous capitalist manufacturers has largely "substituted for the state." They have "successfully filled the gaps left by the failures of both the market and the state. In particular, they have reduced the high transaction costs typically faced by African entrepreneurs seeking to enter industry." They have "reduced information uncertainties and agency problems and have enhanced trust" by means of the "personal relations and culturally grounded institutions that act as sophisticated networks" within Nnewi society (p. 1065).

Brautigam points out that most industrialists in Nnewi were originally traders. Many others originally ran shops selling spare motor parts. At least half started their working lives as apprentices to successful motor traders. Nnewi traders have developed tightly controlled but decentralized lineage-based distribution networks that ensured that relatives were in charge of the central parts of the business groups. In making the transition, therefore, to manufacturing production, not only did Nnewi traders have a strong base of relevant knowledge and skills, but they have also continued to rely on a very supportive network of relationships that are cemented together by a high degree of trust and cooperation.

Trading networks have engendered a form of cooperative competition, which has been transferred to manufacturing. In particular, sharing of equipment and lending of skilled personnel is common. Close trust-based relationships also ensure that key information travels quickly among both producers and traders. Furthermore, Nnewi entrepreneurs have over a number of years developed close links with spare motor part producers and wholesalers in Taiwan and other Asian countries. These links proved especially valuable when Nnewi traders began to develop their own production activities. And when they began to obtain detailed advice and other technical assistance from their Asian suppliers about the type of machinery and other technologies they should acquire and the specific skills they needed to operate efficiently (Brautigam 1997).

The Ibeto Group is a big family of limited-liability companies based in eastern Nigeria. It is an umbrella establishment over a host of companies engaged in diverse fields. The lineup is like this:

Union Autoparts Manufacturing: lead acid battery and automotive spare parts manufacturing

Ibeto Industries Ltd.: processing of color photographic prints

Ibeto Petrochemical Industries Ltd.: lubricants for automotive and special uses

Kings Palace Hotels Ltd.: lodging and accommodations

Odoh Holdings Ltd.: real-estate investments and development

Palmex Agencies Ltd.: merchandising and export

Union Autoparts Manufacturing includes the following plants:

Battery factory: manufacturers of first-class, completely dry-charged motor/motorcycle batteries. Most common sizes of lead-acid batteries for vehicles are produced, such as 150AH, 60AH, 45AH.

Brake pad and lining factory: brake pads, brake linings, clutch facings, and clutch fibers.

Lead recycling factory: producing pure lead (up to 99.98% purity) and lead alloy (antimonial lead). The special quality-control computer known as "atomic absorption spectrophotometer" that this recycling factory uses ensures that their product conforms to the international standards. Their products have often been exported to Europe, Asia, and East Africa.

Plastics accessories factory: producing plastic spare parts for motor vehicles and motorcycles, such as rear light covers, fan blades, wheel covers, front grilles.

Ibeto Petrochemical Industries Ltd. includes the following plant:

Petrochemical factory: producing lubricants for automotive and marine engines and special uses, for example, engine oils, gear oil, and automatic transmission fluids. It also has and operates petrochemical products storage facilities located at the sea-front in Lagos, in 2001, the largest in Nigeria.

The Ibeto Group is the largest enterprise based in the industrial town of Nwewi. After a period of apprenticeship to the motor-parts trade, the group's founder, Cletus Ibeto, set up his own business. He opened a shop in Nnewi and traveled to Lagos to buy spare motor parts. In 1976 he began direct importation of auto parts. After the battery and plastic motor accessories plant was commissioned in June 1988, he ended the direct importation of auto parts and concentrated on manufacturing. By the year 2001, thanks to a highly motivated work force of more than a thousand experienced men and women, Union Autoparts had become one of the nation's leaders in spare auto parts manufacturing with a number of factories located around Nwewi (Forrest 1994, 165–66):

Professor Tom Forrest's *Advance of African Capital: The Growth of Nigerian Private Enterprise* (1994) provides a detailed and extensive account of medium- and large-scale African business. Up-to-date and comprehensive, it examines the growth of private enterprise in Nigeria, giving profiles of the country's key entrepreneurs, such as

Chief T. Adeola Odutola (1902–1995), industrialist, pp. 60–63
Alhaji M.K.O. Abiola (1937–1998), industrialist/politician, pp. 98–102
Sir Louis Odumegwu Ojukwu (1909–1966), industrialist/transporter, pp. 75–76
Alhaji Garba Nautan Hamza (b. 1934), transporter/sports, pp. 212–13
Chief Igbinedion (b. 1934), industrialist, pp. 97–98
Chief Mathias Nwafor Ugochukwu (1926–1990), industrialist, pp. 64–66
Chief Henry Fajemirokun (1927–1978), industrialist, pp. 93–96
Chief Anastasios George Leventis (1902–1978), industrialist, pp. 62–63
Alhaji Aminu Dantata (b. 1931), industrialist, pp. 205–9
Sir Mobolaji Bank-Anthony (1906–1991), industrialist/philanthropist, pp. 72–74
Chief Michael Ibru (b. 1932), industrialist, pp. 131–32
Chief Lawrence Omole (b. 1915), industrialist, pp. 79–82
Chief Samuel Adedoyin (b. 1935), investor, p. 98
Chief Akintola Williams (b 1919), management services, pp. 110–12

Present day Nigerian entrepreneurs will recognize virtually this entire list of Nigeria's classical entrepreneurs—some of whom are very dear, but long departed. Many of these men helped each other get a start in business. They effectively created the primary venture capitalist channel in Nigeria's postindependence era when it seemed that the British were being pushed out but without truly viable Nigerian replacements that were ready to handle the size of opportunity and structures that were handed to them.

Combining ethnographic and historical perspectives, Forrest examines the strategies and patterns of development employed by businesspeople from the colonial period to the present. Through a series of highly readable case studies, he provides a broad picture of the Nigerian private enterprise's forms of capital accumulation and advances in trade, transport, manufacture, agriculture, finance, and other services. The case studies are set within the context of changing economic opportunities, shifts in power and policy, relations with foreign capital, and attitudes toward private business and the state.

Not only an invaluable digest of Nigeria's business activity, Forrest's study also challenges the existing views about African enterprise and is highly relevant to policymakers concerned with economic development. More than 300 personalities who distinguished themselves in Nigeria's public and private sectors were honored by the government on the year 2000 "Millennium Award List." The list included acknowledged leaders in business and industry such as the new-generation business executives Atedo Peterside, Jim Ovia, Mike Adenuga (Forrest 1994, 104), Alhaji Aliko Dangote (Forrest 1994, 214–15), and Yinka Lijedu. It also included distinguished business leaders of the older generation such as Chief Sonny Odogwu, Chief Wahab Iyanda Folawiyo (Forrest 1994, 96–97), Chief Wole Adeosun, Chief Augustine Ilodibe (Forrest 1994, 157), Gamaliel Onosode, and Chief Pascal Dozie.

Alhaji Aliko Dangote (b. 1957) is a business mogul and one of Nigeria's richest young men with interests in virtually every sector of his country's economy. By all standards, he is a business magnate of international repute. A leading multimillionaire commodity merchant, he also has his hands in textiles, property, shipping, oil services, mining, fishing, manufacturing, and banking (he is chairman of Liberty Bank). Dangote is said to have made his money through sharp business acumen. He is the head of the octopodal Dangote Group, one of Nigeria's foremost diversified business conglomerates, with a reputation for innovation, know-how, and depth in its business areas. Since inception, the group has experienced phenomenal growth from the quality of its goods and services, the experience and quality of staff at all levels, coupled with excellent financial performance of member companies. Thus, from a modest beginning, the Dangote Group has grown into a multibillion-dollar enterprise and a business leader in West Africa. The group is a leading and responsible corporate organization in West Africa, with its operational headquarters in Lagos, Nigeria. While recognizing and understanding the inherent constraints of operating in a developing economy, the Dangote Group is committed to excellence and high ethical standards. At the manufacturing facilities of the Dangote Group in Lagos you will see young people at work with dignity and pride, state-of-the-art technology, and high-quality products that would be competitive anywhere. Africa's success is inextricably linked to the success of businesses such as the Dangote Group. They fuel Africa's growth. They are Africa's engines.

GHANA

Ken Ofori-Atta was born in 1959 and grew up in the small town of Kibi, later moving to Accra, where he had his secondary school education at Achimota School. He studied economics at Columbia University in New York before joining Morgan Stanley in 1984. Later he earned a master's degree in business administration at Yale University and worked in corporate finance and Mergers & Acquisitions for Salomon Brothers. In 1990 Ofori-Atta left Wall Street and returned to his native Ghana to found the country's first investment bank, Databank Financial Services Limited Ghana, which provides a variety of services in corporate finance, stock brokerage, privatization, and portfolio management. Databank has advised on numerous initial public offerings and privatizations on the Ghana Stock Exchange. The firm's stock brokerage subsidiary is the dominant brokerage firm trading on the Ghana Stock Exchange. Ofori-Atta is a founding executive director of the West African Enterprise Network. He was the national coordinator of the Enterprise Network of Ghana from 1993 to 1998. His company, Databank, is structuring a US$30 million private equity fund with relationships in Côte d'Ivoire, Mali, Nigeria, and Senegal for the purpose of investing in West Africa. He has become one of the leading investment bankers in West Africa. Ofori-Atta is a Crown Fellow at the Aspen Institute and a member of the Global Leaders of Tomorrow of the Davos Economic Forum. He is committed to linking up the next generation of African entrepreneurs to lead Africa forward. His goal is to transform Databank into a regional financial services firm in West Africa.

"We have the same access to knowledge and technology as everybody else in the world and that is a tremendous opportunity that we've never had before in the history of developing countries such as Ghana," says Nii Quaynor of Network Computer Systems and Ghana.com. Quaynor saw what modernization could do when he went to study computer science in the United States. But when he returned home in 1969 to spread the technology gospel, he was too advanced. Computer science was too new. Twenty-four years later, Quaynor finally hooked his country into the Web. In 1993 his company brought the Internet to West Africa, and in 1995 Ghana became the second subsaharan nation to have full connectivity.

By March 2000, Quaynor was advising African governments that Africa would need at least two million locally trained information and communication technology (ICT) experts yearly if Africa was to overcome the challenge of ensuring sustainable economic development through the use of the Internet.

Nii Quaynor is Africa's representative on the board of the Internet Corporation for Assigned Names and Numbers (ICANN), which oversees policies and protocols related to Internet domains and addresses. This international consortium decided on November 15, 2000, to make the World Wide Web wider for cyber surfers by expanding the Internet's naming system to include seven new suffixes (.biz, .info, .name, .pro, .museum, .aero, and .coop). Quaynor is the current chairman of AfriNIC, the African Address Registry, an ASO Regional Registry under development.

Mark Davies was born in Cardiff, Wales, to a Welsh father and South African mother. Davies's first real taste of Africa was a 1981 journey overland from Nairobi to London, through the magnificent Sudan. After studying anthropology at Cambridge University he moved to New York in 1986, where he worked in theater, television, and publishing for ten years. Davies wrote television commercials, bussed tables, interviewed celebrities for Channel 4's "Big Breakfast," wrote columns for *Paper Magazine* and

Stagebill, wrote five children's books, and founded a print catalog design company. In 1995 he shifted focus to Internet publishing, founding the award-winning city guide Metrobeat, the first content-driven online city guide, which was voted New York's Best Web site in 1996. A year later, he merged with another group in California to develop the award-winning service Citysearch, which has since opened offices in over 70 urban markets worldwide and is publicly traded on Nasdaq. By 1998, after helping seed Citysearch across North America, Davies moved back to England, where he founded the international networking phenomenon First Tuesday with Adam Gold and Nick Denton. In 1999 he toured West Africa. In 2001 he returned to Ghana to launch BusyInternet, a series of technology centers that will create a network of digital entrepreneurship across Africa. Davies lives in Bahia, London, and Accra.

BusyInternet's mission is to create an enabling environment with state-of-the-art equipment and outstanding customer service. They provide a range of services for individuals, organizations, and businesses to achieve their goals in an increasingly technology-dependent world. BusyInternet is working in partnership with certain African investors to build a network of large-scale commercial Internet development centers in capital cities throughout Africa. By bringing together the people, programs, and services needed for rapid IT development, they hope to have a long-term impact on IT and e-commerce for small and medium-sized businesses and on governments and communities making policy decisions. Each center has three main areas: the access hall with 100 computers for public Internet access; the learning center for seminars, workshops, and exhibitions; and office space for Internet-related businesses and programs. The facilities will act as incubators, encouraging the development of the IT sector by concentrating the necessary resources—people as well as technology. BusyInternet will also develop an international network for education specialists, digital entrepreneurs, and investors, promoting the exchange of best practices as well as commercial opportunities.

Davies believes that there is no reason that Africa cannot develop an industry of technology entrepreneurs and information workers and participate in the new global economy without Africans leaving Africa. That's the future he is interested in promoting. With plans to launch two new centers each year, BusyInternet seeks to rapidly spread across Africa, creating a network of centers of excellence where participants and businesses can share best practices and help each other exploit new opportunities. Herman Chinery-Hesse, founder of SOFT, the leading software development company in Ghana, is working with BusyInternet. He believes BusyInternet is exactly the sort of partnership Africa needs—working in partnership with the private sector in the United States and elsewhere to market Africa's skills and talents at home and expanding the industry for Africa.

In 1988, Yaw Akrasi took the major step of setting up his own "chop bar," the Country Kitchen Restaurant, whose specialty of serving the very best in Ghanaian cuisine has made it a major tourist spot and rendezvous for Ghanaians. Yaw Akrasi also has two other restaurants in Accra, one at the famous La Beach and the other at the National Theatre. Through his pioneering role in modernizing the chop bar concept, Yaw Akrasi has joined the rare breed of university graduates who are raising traditional ways of doing business to higher scales and, in the process, helping to boost the tourist industry. His aim is to ensure that Ghanaian cuisine will find the same respectability and popularity that those of other African countries enjoy.

Mona Boyd is a cofounding member of U-Save Car Rentals (now Avis Ghana) and Land Tours Ghana with her husband, Eric Kuma Kumahia. Since the formation of these two companies, Boyd has held the position of managing director and is responsible for marketing, business development, and planning for both Land Tours and Avis. Prior to moving to Ghana, Boyd held a wide range of management positions in several fields including human resource, sales and marketing, and real-estate management. Boyd is a native of the United States of America and is of African descent. She holds a bachelor of science degree from Boston University and has completed extensive training in fiscal operations, human resources, sales, and marketing. Her guiding role has repositioned tourism in Ghana through providing customized packages and has propelled Land Tours to the forefront of tour operators in Ghana today.

In just six years Boyd and Kuma Kumahia have combined their international experience and expertise to grow both companies to prominent market positions in Ghana's transportation, tourism, conferencing, and hospitality industries. Both companies enjoy an excellent reputation for delivering high-quality service and boast a long, prestigious list of local and international clients. Avis and Land Tours have a strong symbiotic relationship and benefit from sharing each other's clientele. Both companies have enjoyed the same level of market and financial success. Land Tours opened its doors in 1995 to meet the growing demand for ground handling services that were frequently being requested by U-Save's clients. Whereas U-Save was capable of providing and meeting the transportation needs of its clients, the company was not structured to provide the ground handling services required for successful tour operations. Thus Land Tours Ghana was born. Land Tours offers an array of tour packages, including cultural, heritage, and ecological tours. Land Tours also offers customized and specially tailored tours for the adventure tourist who wishes to experience the real Africa, without any staging.

Land Tours operates in five other countries in the subregion: Togo, Benin, Mali, Burkina Faso, and Côte d'Ivoire. The Avis international car rental company has relaunched its services in Ghana. Land Tours has acquired the Avis franchise for Ghana and has renamed U-Save to Avis

Ghana. According to Boyd, their goal is to build a regional car rental network that can match the standards of service anywhere in the world within the next two years. "This regional network will enable our clients to rent a car in Accra, visit Lome, Togo, and finally drop the car off in Cotonou, Benin." Ghana's tourism industry is experiencing a boom. Tourism officials say the number of visitors to the country has tripled since 1990. The country is delighted at the development that is helping to strengthen what is largely a weak economy. Tourists are bringing in badly needed foreign currency. Land Tours was honored as the National Tour Company of the Year for 2000 by the Ghana Tourist Board.

In November 1997 Kennon A. Brennen, president and CEO of Phyto-Riker Pharmaceuticals Ltd. (PRP), announced that his company had successfully acquired the largest generic (nonproprietary) pharmaceutical manufacturing plant in West, East, and Central Africa from the government of Ghana. Brennen helped coordinate a six-member team that had to get used to the long hours of traveling, inadequate telephone systems, and bureaucratic red tape. Perseverance was a key to the successful acquisition. "You need a lot of stick-to-itness," he contends. The plant, which originally cost more than $9 million, now manufactures and distributes generic medicines at affordable prices to at least eighteen African countries. In October 1999 PRP began production and to date has exported several million dollars of affordable generic medicines to West, East, and Central Africa. Over the next five years the company expects to be selling medicines in every African country. The company expects that its generic medicine sales will generate more than $250 million in revenue.

This project offers both humanitarian and economic rewards to the people of Ghana and subsaharan Africa and showcases the high-quality products and workmanship that American companies bring to the table. PRP's objective is to become the largest primary supplier of essential generic drugs in Africa. Essential drugs represent about 80 percent of the estimated $1–2 billion regional market, of which about 50 percent consists of low-cost generic products. The market is highly fragmented and suffers from chronic supply shortages and frequent dumping of inferior products. PRP intends to manufacture and resell products that meet European quality standards, to offer "just in time" delivery, Internet-based communications, and other value added services to its clients. PRP is also very much involved as a pioneer in the commercial processing and scale-up production of traditional herbal medicines, from which it hopes to derive one or more international "blockbuster drugs."

On February 28, 2001, the Export-Import Bank of the United States (Ex-Im Bank) signed a memorandum of understanding (MOU) with the Republic of Ghana and PRP, expressing their commitment to expand access in Ghana and other African countries to HIV and AIDS-related medicines, equipment, and services. The parties to the signing expect that up to $250 million in Ex-Im Bank loans, guarantees, and insurance will be provided for purchases of medicine and related equipment by Ghana and other African countries under the MOU. The agreement is part of a $1billion Ex-Im Bank program, established in July 2000, specifically earmarked to support Africa's fight against HIV/AIDS. A similar MOU was signed with Nigeria in August 2000. "Because Phyto-Riker has a proven distribution system that is already in place delivering locally made and imported drugs to Africa, we can supply the missing link that is essential in getting vital U.S.-manufactured drugs to those infected with HIV-AIDS virus," says Brennen.

Stephen D. Cashin, an American national, was born in North Africa. The son of a U.S. Foreign Service officer, Cashin has spent most of his life living and working in Africa. He has spent his career as a financier working to develop financial institutions and markets and promoting entrepreneurship within sub-saharan Africa. He is active on the boards of a number of private voluntary groups supporting basic human needs in Africa. Until recently he cochaired the Finance Working Group on Africa for the Center for Strategic and International Studies, which focused on the development of new financial products to spur growth in the African markets. Cashin has written numerous articles on Africa's financial markets, focusing on the introduction of credit ratings into the African markets.

Cashin is the managing director of the Modern Africa Growth and Investment Company LLC. Modern Africa is a direct equity investment fund established to invest in sub-saharan Africa, exclusive of Botswana, Namibia, and South Africa. Cashin's responsibilities include codirecting the fund's overall policies and strategies and managing Modern Africa's Washington office. Modern Africa's guiding investment principles include investing in projects that are private and independent of political alliances, significant to the host country, usually involving the build-out of existing infrastructure, and linked to international markets in order to generate reliable hard currency revenues.

Cashin began his career as a Peace Corps volunteer from 1979 to 1981 in Zanzibar, Tanzania. Prior to launching Modern Africa, Cashin spent 12 years at Equator Bank, a member of the Hong Kong and Shanghai Banking Corporation. Cashin opened Equator's office in Nairobi, Kenya, and was responsible for developing the bank's relationships with central banks, international agencies, and corporations in Ethiopia, Kenya, Tanzania, and Uganda. In 1993 Cashin was appointed the bank's representative in Washington, D.C. In that capacity, he managed the bank's relationships with U.S. government and international agencies, trade organizations, and financial institutions. Later he assumed responsibility for managing the corporate finance portfolio of the bank, advising investor groups, structuring transactions, developing new financial products, and implementing privatization transactions.

The fund, which Cashin cofounded with Francis Nyirjesy, Niles Helmboldt, and Timothy Woods, invests in companies with strong growth prospects in Africa's deregulated economies. Modern Africa has brought together investment capital, leading financial expertise, and an unparalleled understanding of Africa's diverse markets. Investors in the fund include Citigroup, Société Générale, Archer Daniels Midland, Equitable UK, AIG-SunAmerica, and Microsoft. Modern Africa is capitalized at US$105 million, composed of US$35 million of equity leveraging US$70 million of debt guaranteed by the Overseas Private Investment Corporation (OPIC). OPIC is a self-sustaining U.S. federal agency that offers finance and insurance to U.S. businesses in developing countries. Modern Africa has operating offices in Johannesburg, Washington, D.C., and Abidjan. Modern Africa currently holds an ownership stake in Databank, Phyto-Riker and the following seven companies:

African Broadcast Network (ABN) is a UK-registered company with offices in London and Johannesburg and affiliate offices in Ghana, Nigeria, Kenya, and Zambia. ABN, which was launched on January 29, 2001, provides branded programming to television companies across the African continent. ABN seeks to create a vibrant, globally relevant, electronic communications industry and develop high-quality television audiences throughout Africa. To date, commitments to the network have been secured from Ghana Broadcasting Corporation (GBC), Africa Independent Television Network (AIT) in Nigeria, Independent Television Ltd (ITV) in Tanzania, Kenya Broadcasting Corporation (KBC), Zambia National Broadcasting Corporation (ZNBC), and Zimbabwe Broadcasting Corporation (ZBC). ABN is currently in discussions with other African broadcasters to provide additional branded programming.

Comstar Cellular SA is a mobile telephone company operating on a GSM platform. Headquartered in Abidjan, Comstar offers a growing spectrum of mobile telephony services to subscribers in Côte d'Ivoire. Comstar has completed a major system upgrade in the greater Abidjan area to be followed by a rollout in Côte d'Ivoire's other major cities and along the country's principal trunk roads. The new system upgrade utilizes the best available technology and is capable of delivering high-quality voice mobile services and wireless Internet services, which will be introduced by 2002.

Flamingo Holdings is a newly formed UK company combining Kenya's Homegrown Ltd., Africa's largest exporter of vegetables and flowers, with Flamingo UK, a horticultural packing and distribution company, and Flower Plus, leading purveyors of horticultural products in the UK and Europe. The CEO of the newly formed company, Dicky Evans, says, "We are aiming to create a genuinely international group. Coupling the resources that exist in Africa with the technologies that exist globally for both responsible production as well as value added processing and distribution where the growing and the added value can be combined to provide top-quality product for major supermarket customers." Homegrown Ltd. has approximately 6,000 employees in Kenya and accounts for more than 15 percent of Kenya's horticultural exports. The company specializes in high-quality premium and prepared vegetables and cut flowers. Homegrown is a major supplier to most of the leading UK supermarkets.

NetAfrica (Ghana) Ltd. is a Ghanaian company developing a state-of-the-art telecommunications and high-speed data transmission network throughout Ghana. Utilizing a range of IP-based technologies, NetAfrica is establishing private networks for Ghanaian banks, businesses, and government agencies to link their offices around the country and is also developing the country's long-distance capacity in cooperation with other Ghanaian carriers. NetAfrica's initial network will consist of a satellite-based VSAT hub and a central microwave tower in Accra. The permanent network will utilize microwave and fiber-optic infrastructure, with the initial satellite links to be redeployed to more remote areas of the country.

Warsun International Communications is a company registered in the United States offering telecommunications carriers, businesses, and Internet service providers in Africa, Europe, the Middle East, and the United States a broad range of telecommunications services, including international call termination, Internet Backbone, IP DAMA, and other multimedia applications. From its facilities in the United States, Europe, and Africa, Warsun offers integrated and seamless state-of-the-art telecommunications products and services. Through its WebStar Telephony, WebStar Internet, and Global Gateway Services using advanced IP DAMA satellite technology, Warsun provides its African and global customers one-stop telecommunications shopping together with economic and efficient consulting, system design, system integration, and gateway services.

Founded by a Cameroonian national, Cyrille Nkontchou, Liquid Africa provides a platform for brokers in all of Africa's bourses to communicate and supply information on equities in their markets. Liquid Africa also provides a vehicle for international investors to invest in African equities. Nkontchou is a former head of subsaharan equity research (ex. South Africa) at Merrill Lynch & Co. in London. He was ranked in *Financial Mail* 1999 Analyst Survey and Greenwich 1999 Emerging Markets Survey. Before joining Merrill Lynch, he was a manager of Andersen Consulting in Paris, specialized in financial markets information systems and management. He holds an MBA from the Harvard Business School and a B.A. in economy, with distinction, from Institut d'Etudes Politiques de Paris.

Afsat provides broadband coverage throughout Kenya, Tanzania, and Uganda. Afsat's platform facilitates wireless communication for corporate customers throughout East Africa. Afsat installs and operates VSAT and microwave networks, in addition to building and/or acquiring regional Internet service providers and IP-based networking facilities. Afsat's investments are positioned to capture the high-end corporate and institutional customer segment within East Africa.

The name of Ghanaian economist and lawyer Alan Kyerematen is etched in the history of Empretec, an international model for entrepreneurship development in the small and medium enterprise (SME) sector. Listed by *Time International* magazine in 1994 as one of the 100 most promising global leaders for the new millennium, Kyerematen was the first national director of a successful Empretec project in Africa, Empretec Ghana. The record of Empretec in Ghana has indeed been phenomenal and, as a result, international experts cite it as an example of a "best practice" institution in SME development. Empretec started in Ghana in October 1990 with UNDP, Barclays Bank of Ghana Ltd., and the National Board for Small-Scale Industries (NBSSI) as sponsoring agencies and Kyerematen as the project director. From the onset Kyerematen set out to build a "center of excellence" and a "one-stop service" provider suitable for the Ghanaian environment. Under his dynamic leadership, Empretec Ghana expanded rapidly from a staff of 4 to 70 and from the national capital Accra to four other regional centers. Kyerematen's primary objective was to radically transform the UN-funded enterprise development project into a self-sustaining and financially independent organization, putting into practice the hard-nosed commercial orientation it preached to its SME clients.

In just three years, Empretec Ghana has transformed itself into an independent business development and service institution. Kyerematen assumed the title chief executive officer, putting to rest the image of a "donor-funded project." Empretec offers a comprehensive and integrated range of business development services including entrepreneurship training, management skills training, business diagnosis and counseling, business plan preparation, credit facilitation, an accounting aid scheme, specialized consulting and extension services, subcontracting, foreign linkages facilitation, equipment procurement services, and networking amongst beneficiary companies. Kyerematen was instrumental in negotiating funding support from the Overseas Development Administration (ODA) of the UK, the World Bank, and the European Union for Empretec Ghana under terms that rightly treated Empretec Ghana as a professional nonprofit management consulting company that was entitled to a performance-based management fee.

It is not surprising that Kyerematen preaches and practices a highly commercial approach to sustaining enterprise development services. Prior to taking up the mantle of leadership at Empretec Ghana, he had had an extensive and successful professional career in the private and public sector for twenty-two years. He was a senior corporate executive with a subsidiary of Unilever International in Ghana and later worked for a number of years as a principal consultant and head of public systems management with one of the leading management development institutes in Ghana. He is also a Hubert Humphrey Fellow of the School of Management at the University of Minnesota. According to Kyerematen, providing business development services as well as facilitating access to financial capital for SMEs from a variety of sources, including stock markets, can promote private enterprise expansion and thus stronger national economic growth. "If you have stronger companies in Africa that have greater access to financial capital as well as all nonfinancial services critical for their growing businesses . . . then there is the potential for creating more sustainable jobs which can also lead to a reduction in poverty," he says.

Since 1998 Kyerematen has moved on from Empretec Ghana to promote and implement Empretec across the continent as the regional director of Enterprise Africa a regional program mandated by the United Nations Development Programme to replicate the Empretec program in 20 African countries over a five-year period. "If Africa is to be considered as the last frontier of economic development, then we have to take our small and medium enterprises seriously. It has been established that any country that has achieved sustained growth reengineered the small and medium enterprise sector," says Kyerematen of his new mission. Under the umbrella of the Enterprise Africa program, Kyerematen has already successfully expanded the Empretec presence in Africa (from only Ghana and Zimbabwe) into eight other countries: Botswana, Ethiopia, Namibia, Nigeria, Mauritius, Mozambique, South Africa, and Uganda. Swaziland is also likely to have Empretec programs soon, and Kyerematen's sights are also set on francophone Africa, with Cameroon and Senegal already in the pipeline. With such a regional network of SMEs—consisting mainly of existing and startup companies in the manufacturing, agribusiness, and service sectors, and including tourism, information technology, construction, and transport—it will certainly be much easier to realize one of Enterprise Africa's primary objectives. This objective is of bringing African SMEs together to do business with each other and thereby responding to the growing need for greater intraregional trade and investment in Africa.

As Africa's women begin to rise up and demand their rights, women in business are making giants strides forward into a realm officially confined to men. Lucia Quachey of Ghana began her business career in 1969, making ready-to-wear apparel in her home. She now owns a clothing factory. Today her success inspires others. She has combined marriage, business, motherhood, and activism as the founder and president of the Ghana Association of Women Entrepreneurs (GAWE) and the secretary general of the African Federation of Women Entrepreneurs (AFWE), two organizations dedicated to the progress of women entrepreneurs. GAWE is the brainchild of Quachey and a small group of Ghanaian women who in 1993 recognized the need for women entrepreneurs to become more actively involved in international markets and to advocate more liberalized policies on trade and investment. GAWE's 650 member companies make the presence of women entrepreneurs felt in virtually all the economic sectors in Ghana. The businesses cover a broad range: food processing, handicrafts, clothing and fashion accessories, timber and wood furniture, rattan furniture and products, textiles, batik and tie-dye, the beauty industry/hairdressing saloons, pharmaceuticals, hotel and tourism, real estate, interior decoration, horticulture, aluminum households utensils, computer forms, agriculture machine fabrication; food production machinery, audiovisual production, script consulting, production of documentaries, book and magazine publishing, advertising, hauling, business law, consulting, interpretation and translation, journalism, insurance, accounting, banking, the art industry, and private day-care centers and schools.

GAWE's most innovative initiative to date is to establish a central processing unit , which will provide the facilities for women exporters to standardize their products, increase production, and ensure quality control to meet international requirements. It also established an academy to train youths and women in employable skills for self-employment. Quachey is proud to represent self-employed African women who operate computers, who employ people, who generate resources to help in the growth of their nation's economy. She has conducted a survey and discovered that learning the basics of business would help many rural women out of poverty. Women's World Banking and AFWE are active in many countries. They address the lack of credit for women entrepreneurs by acting as collateral grantees and providing matching funds to give poor women better access to credit. Women's World Banking advocates the establishment of a continental bank for women. Quachey launched a five-year campaign on culture for self-employment to help reduce high unemployment among the youth and reduce underemployment among women.

To enable women to understand what globalization is all about, Quachey initiated and organized the First Global Women Entrepreneurs Trade Fair and Investment Forum in June/July 1996. The program brought together 650 participants from 38 African countries, including women from: Canada, the United States, the United Kingdom, Mexico, Malaysia, Germany, and Trinidad and Tobago; eight UN specialized agencies, including the World Bank family, the Organization of African Unity; and the government of Ghana, including government agencies responsible for trade, industry, investment and export promotion. The Forum gave the opportunity to women to network and to get to know investment opportunities in each country that participated and to know the roles of the UN and donor agencies in promoting SMEs and the private sector in a global economy. Participants strongly recommended the exchange of technology and communication and for the use of technology by women to enable them to compete effectively. Participants at the end of the Forum issued the Accra Declaration, reaffirming their potential as a formidable force for economic growth and expressing their determination to promote equity within the male-dominated world of business. Subregional and regional affiliations of women entrepreneurs also have emerged and have identified key areas of action. They act as pressure groups in the global market, network with each other, form regional and global alliances, and aim to direct resources and attention to women and issues that promote SMEs in general. The Global Women Entrepreneurs Trade Fair and Investment Forum met in Addis Ababa, Ethiopia, in October 1998 and Miami, Florida, in 2000, coming out with recommendations for action in response to the Accra Declaration. Based on the Accra Declaration and the Addis Ababa and Miami recommendations, GAWE has launched a five-year campaign on entrepreneurial culture for self-employment. The objective is to instill the culture of entrepreneurship and to eradicate poverty and reduce unemployment amongst women and youth. Poverty in the midst of plenty is one of the greatest challenges in Ghana in particular and Africa in general. Since Africa is part of the global economy, what affects the world affects Africa also.

The campaign is focused on skills development and entrepreneurial and management training and to encourage entrepreneurial culture in all spheres of African society, most especially among the first- and second-cycle institutions in order to inculcate the spirit of self-employment in the youth. Africa needs to get on the path of sustainability, pro-poor growth that provides opportunities for all, a voice in decision making and protection from shocks due to high rates of inflation and unstable currencies. Fighting poverty is both a moral and a practical necessity for a stable society. Therefore, Africa needs the global community and African governments to assist women entrepreneurs with policies that promote low inflation, realistic and stable exchange rates, reasonable fiscal deficits, effective integration into the global economy, and building private sector capacity as an engine of growth. Africa also needs investments in physical and financial assets of poor people (most especially in the informal productive sector), adequate schooling and skill development, transparency and accountability, which contribute to well-informed public debate, and a broad participation to improve the management of public expenditures.

Takyiwaa Manuh, a law professor at the Institute of African Studies, University of Ghana, points out that most economic programs in Africa tend to overlook the unpaid economy, where women predominate. They also assume that males and females respond to incentives in the same way, thereby ignoring gender and power relations within households and communities. But gender biases and rigidities may strongly affect women's access to productive resources and markets, ultimately frustrating economic reform policies. Manuh proposes that it therefore makes economic sense to take into account gender biases and tailor planned interventions to improve women's ability to take advantage of incentives, thus enhancing overall economic efficiency. She insists that governments and local authorities must demonstrate commitment to removing legal impediments and sociocultural obstacles against women, especially in the rural areas where the majority of women live and are economically active. The constraints on women's access to land, credit, extension services, inputs, and new technologies must be removed, and opportunities should be created for their enterprise. Measures to improve women's access through institutional reforms must be pursued and monitored for effectiveness. Governments must build partnerships with the emerging associations of women bankers and entrepreneurs to create an enabling policy environment. This should include making credit available to women at affordable rates, with the private sector assisting government efforts to get credit to women. "If you want to develop Africa," affirms Soukeyna Ba of Senegal, "you must develop the leadership of African women" (Manuh 1998).

Ghanaian Irene Dufu registered her fishing company, Cactus Enterprise Ltd., in Tema, Ghana, in 1978. She had commenced operations informally two years earlier. After a career in nursing in England, she took her retirement bonus back to her native fishing village in Ghana and used it to go into business. She started with a small wooden vessel, a crew of 12, and 3 office workers, including the entrepreneur herself. Fourteen years later, sales were at $1.2 million and she was employing 65 fishermen on three boats, including a 350-ton deep-sea trawler and an 80-ton tuna vessel, and 12 sales and administrative staff. The tuna ship allowed Dufu to break into the market for canned tuna by supplying the U.S. Starkist company, which has canning operations in Ghana. In the 1990s, she bought a new shrimper with refrigeration on board. Dufu enjoys challenges and relishes her achievements. She is pleased to be able to provide regular employment for Ghanaian fishermen and to add to her country's foreign exchange earnings. Many more people would follow Dufu's example if bureaucracy were less of a hindrance and capital less scarce (Marsden 1990, 23–25).

University of Florida professor Barbara E. McDade's research interests are entrepreneurship, business, and economic development in Africa. Until 2000, her primary research area has been West Africa, specifically Ghana. Her research includes micro-, small-, and medium-scale businesses in the informal and formal sectors. How these enterprises interact within their economic environment is important; for example, how local industrial districts allow related business such as auto repair, auto parts manufacturing, and auto finishing to network. Traditional artisan enterprises such as cane and rattan furniture making, textile weaving, batik and tie dyeing, and tailoring provide employment and deliver services and goods in the domestic economy. However, they are also becoming a part of the global economy as Ghana seeks to diversify its export base. McDade sees international and interregional trade as important to expanding the economic markets of small-scale enterprises. The earnings from these export products provide revenues for individual business owners as well as to their local communities. One example is kente weaving. This traditional Ghanaian textile has become very popular in the United States and Caribbean. Certain village communities are known for their expertise in producing particular crafts. Bonwire and Wonoo in the Ashanti Region are the two best-known areas for kente cloth production.

Bridging the gap between local artisans and business expertise is important in developing traditional crafts exports. For example, Nana Asante Frempong is a Ghanaian businessman who learned to weave kente cloth as a child in Wonoo. He was able to use earnings from weaving to send himself to secondary school and to college. Now he is a successful businessman who travels around the world promoting kente and other Ghanaian crafts. For over 20 years he has used his knowledge of kente and international trade to provide steady employment for the kente weavers of Wonoo and surrounding areas. He built a workshop and equipped it with weaving looms and electrical lighting, so that weavers can work in fair and rainy weather. The infusion of steady incomes into this community has helped the residents build houses, churches, and a community center and pay their children's school fees, among other things. In 1997, Frempong assisted Wonoo and other communities in his district to install telephone service for the first time in the villages themselves. Previously, village residents had to travel several miles to the nearest town to use the phones. After shunning a career in politics, Frempong decided in the 1990s to enter the political system in Ghana in order to help change economic policies and regulations to encourage indigenous business development. He was recently elected to a second term in Parliament and now chairs the Parliament Committee on industry and trade.

Economic growth strategies must address all of the productive sectors of African economies, both traditional and nontraditional. McDade has expanded her research to study the "second generation" of African entrepreneurs. This group is composed of owners of modern enterprises in such areas as information technology, housing development, glass and metal technology, computer services, Internet service providers, and tourism. McDade and professor Anita Spring began their research on this group in Ghana in the summer of 2000. McDade visited Botswana and South Africa in October 2000 and February 2001 to study these "modern" entrepreneurs. Spring visited Ethiopia and South Africa. McDade and Spring continued the research in Kenya and Uganda during the summer of 2001. They will do further research before completing a book on the subject, in the meantime, they will be publishing articles on their findings.

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Côte d'Ivoire, Senegal, Etc.

CÔTE D'IVOIRE

Adou Nioupin is an entrepreneur and the 1994 founder and general director of Compagnie des Produits Agricoles (COPAGRI), which is a Côte d'Ivoire—managed private structure that assists rural cooperatives and ensures the sale of their production. They interact with 300 cooperatives organized around 23 warehouses and they own a fleet of a hundred vehicles. Their six bases are in Abidjan, Aboisso, Divo, Fresco, San Pedro, and Soubre. COPAGRI supervisors spread quality control techniques. They work to ensure that Côte d'Ivoire's agriculture sector meets the great challenges of the twenty first century. Their strategy of proximity via warehouses provides them with an active role in the growth of the agricultural sector. They foster rural development by increasing the sale and processing of crops such as coffee, cocoa, rice, karite, cashews, and coconuts. By creating jobs in rural areas, they give young Ivorians a chance to spread progress into the rural world.

COPAGRI's goals for the future are to extend the warehousing network, build an information center, promote maritime fishing. Establish a herd of 10,000 livestock, improve the agricultural financing structure, build new plants to process agricultural products, rehabilitate 500 hectares of forest, build new irrigation systems in rural areas, improve the distribution network for goods, establish an agriculture technique center, and establish the Santa Maria family rest and meditation center at the recently acquired Palmindustrie's Fresco coconut plantation. This magnificent site should be an ideal location. Visitors could learn of the richness and diversity of Côte d'Ivoire's agriculture. Nioupin believes that the modernized Ivorian agricultural sector is ready to play an active role in the development of the African elephant. COPAGRI aims to become a major player in the third millennium, the African millennium (WINNE 2000).

Nearly all countries in West Africa are home to thousands of very successful second- and third-generation Lebanese African entrepreneurs whose forefathers emigrated from Lebanon when it was French. Their story is very sad and funny sometimes. They were sold tickets to America by French or British agents, and when they landed in West Africa, they were told that they were in America. They had to remain, since they did not have a single penny. The lucky ones went to Brazil or Argentina. They usually keep a very low profile in West Africa, but you can find some of them in top organizations. They have a strong influence on the way business deals are conducted in West African countries. They control more than 50 percent of the economic activities in some countries (Côte d'Ivoire, for instance) and they also have strong connections with many top politicians. In the Democratic Republic of Congo, Angola, and Sierra Leone there is a new generation of Lebanese that came during and after the wars in Lebanon.

The situation resembles the one on the east coast of Africa, where many large and successful businesses are owned by second- and third-generation South Asian Africans. From Somalia to Tanzania and even in Madagascar most large and successful businesses are in the hands of people whose forefathers emigrated from India. These facts offer a clear insight into some present problems and also into the way business is done in Africa. One of the keys of the future economic well-being of Africa will be closely linked to the activities of African entrepreneurs whose forefathers immigrated to Africa. Since they have so much economic power and influence, they could also ensure that, in the future, the politicians play a clean game and reinvest their own money in Africa instead of overseas. But is this possible?

Saliou N'Dione is the director general and principal shareholder of Pêchazur S.A., one of West Africa's largest exporters of products harvested from the pollution-free sea near Côte d'Ivoire. It also imports large quantities of frozen fish for sale on the local market. Pêchazur has more than 100 full-time employees and hires up to 500 daily workers for the decorticating, cleaning, fileting, and packaging of the fish, lobster, and shrimp after they have been brought ashore by suppliers. Pêchazur collaborates closely with 2,000 local fishermen who are grouped into cooperatives based at different villages along the coast. Pêchazur even provides poor fishermen with nets and ice to preserve their catch. Pêchazur continually develops its sources of supply and its storage, processing, cooking, and packaging facilities. Its French office in Marseilles is staffed with French sales representatives who sell directly to good restaurants and supermarkets under the Pêchazur brand name. Expansion and modernization projects have enabled Pêchazur to expand output, lower processing costs, maintain consistent quality standards, diversify sales to other European countries, and increase profitability. Its main concern is to be attentive to the market evolution and adapt its marketing approaches to always satisfy its clientele's needs (Marsden 1990).

BENIN

Wakil Adjibi is the project director for VITA Microbank Benin, a rapidly expanding institution that provides financing, promotion, and development services to micro-enterprises in Cotonou and Parakou, Benin. Individuals able to provide a guarantee may receive initial loans of approximately $500 and future loans up to $3,000. For those without a guarantee, VITA Microbank offers solidarity group lending, where small groups of at least three members guarantee each other's loans of up to $250. Eighty percent of VITA Microbank's clients are women. Mensah Didier Koffi is a young tailor with a certificate in dressmaking and design. After he received his certificate, he opened a modest workshop. Although he was talented and able to create his own beautiful designs, he barely had enough money to buy essential equipment, much less the materials that would turn his designs into clothing he could sell. Then a friend informed him about VITA Microbank Benin. After studying his case, VITA granted him a loan of FCFA 400,000 ($600), using his equipment as a guarantee. A week after he received his loan, Didier was offered a FCFA 500,000 ($750) contract for making ready-made shirts. Thanks to the loan, he had enough working capital to buy the materials he would need and was able to accept the contract. With his profits, he has expanded his workshop, recruited two employees, and takes better care of his family. And with money to buy the fabrics for his creations, he is now better able to use his training and talent to reach his true potential as a designer.

BURKINA FASO

Microcredit is the extension of small loans to entrepreneurs too poor to qualify for traditional bank loans. It has proven an effective and popular measure in the ongoing struggle against poverty, enabling those without access to lending institutions to borrow at bank rates and start small businesses. In 1976 when Muhammad Yunus and his colleagues started giving out tiny loans under a system that later become known as the Grameen Bank, they never imagined that someday they would be reaching hundreds of thousands, let alone two million, borrowers. At about the same time, they also became involved in providing training and other support to people from other Third World countries that wanted to adapt the Grameen methods and encourage poor borrowers to form groups that cross-guarantee each other's loans.

In the Grameen model, one of a group of rural women takes out a microscopic loan, often as little as $25, to start a business. Only when she repays it can the next woman in the group borrow. Peer pressure makes sure that default rates are minimal. The idea has spread. All told, about 14 million poor people now borrow from micro lenders, a number that has increased by more than 80 percent in two years, according to the Microcredit Summit Campaign (MSC), a lobbying group. Each borrower is thought to support about five family members. Most borrowers are women. Micro lenders prefer to lend to women because they are likely to use any increase in income to feed and clothe their children. Microcredit works better than handouts for two reasons. First, it fosters enterprise rather than dependency. Second, a well-run microcredit scheme can be self-sustaining. Repayment rates of more than 98 percent are common. The business plans backed by micro financiers tend to be breathtakingly simple.

Take Pakmogda Zarata, a successful micro entrepreneur from Burkina Faso, one of Africa's poorest countries. Zarata runs a restaurant in a marketplace near Ouagadougou, the capital. The place cost almost nothing to build: Roughly hewn logs prop up a ceiling of thatch and old dustbin liners; there are no walls to speak of. The menu is unpretentious. "We only serve rice," she says, "but we do cook it." By taking out a series of small loans from the local branch of the Fédération des Caisses Populaires du Burkina Faso, the country's main micro lender, Zarata was able to buy rice wholesale rather than retail. Her profits rose. She now employs seven people, she can pay her children's school fees, and she swaggers around town on a second-hand motorcycle. The MSC hopes to see 100 million poor borrowers receiving micro loans by 2005. To reach such an ambitious target, micro lenders will need much more capital. Support from donors is buoyant, but not enough. To expand faster, micro lenders need to tap capital markets ("Africa's Women" 2001).

SENEGAL

The port of Dakar, one of the finest of western Africa, is equipped with modern cargo handling facilities, including warehouses, a fueling station, and loading piers. The city's strategic location, midway between Europe and South Africa and Europe and South America, has made it an important air and maritime center. The railroad and highway center of Senegal, Dakar is also connected with other important African cities by air as well as by rail. In recent years it has become an important fishing port, particularly for tuna, as well as a fish-processing center. In Senegal, maritime fishing represents about 2.5 percent of the country's aggregate gross national product. It provides employment for about 600,000 people and makes up more than 30 percent of export revenue, fishing has become the main source of exports in Senegal. At the national level, fish products play an important role in national nutrition, providing more than 70 percent of animal protein for most Senegalese, who consume an average of 26 kilograms of fish per annum.

The contribution of fishing to the balance of payments, employment, and the Senegalese diet indicates that the sector merits priority attention.

European and Asian fish companies are pirating Africa's coastline and inland lakes in a devastating rush to cash in on the continent's lack of basic equipment and ability to enforce game and fishing laws. If Africa is to safeguard the last of its fishery resources from foreign exploitation, its off-shore stocks, prawn farming developments, and in-shore fisheries have to be managed and protected by local citizens on behalf of the continent's future generations. "The life of the planet and the dependent health and welfare of humanity must not be sacrificed to the greed of the few," declared Father Thomas Kocherry in June 1999 on being awarded the Sophie's Prize, created by Norwegian novelist Jostein Gaardner, for his environmental work. Famed for his powerful oratory, this Catholic priest helped to create the World Forum of Fish Harvesters and Fish Workers in 1997, of which he is now a coordinator. He proclaims that "Whether in India, the U.S., or Europe, small boats and small communities have no chance of survival. Everywhere the pattern is the same: only the big will survive, and the rest will be wiped out. But globalization's victims can change the situation. From Senegal to Brazil, from Canada to South Africa, fisher people are struggling against destructive fishing and the stronghold of multinationals" and he believes that "local communities should be the custodians of this natural capital."

Founded in 1994, PROMEL S.A. is a private company based in Dakar, Senegal. PROMEL S.A. owns a processing factory situated at La Zone Franche Industrielle in Dakar, ten shrimping trawler freezers with a 30- to 40-day autonomy at sea, and a fishing armament at Dakar seaport. The armament comprises a repair shop managed by high-level technicians for the trawlers' maintenance and repair. The processing factory is equipped with ultra-fast freezing tunnels and modern pressure cookers. Senegal exports most of its fish and fish products to Europe. The European Union has approved Senegal's fish inspection and quality-control services and the factory has a European Union health agreement. The average daily production of sea products is between 12 and 20 tons. The factory employs about 500 people.

In subsaharan Africa, there is only one telephone line for every 200 people. One small Internet café located in the heart of the West African city of Dakar, Senegal, is providing crucial access to hardware, software, and phone lines, as well as training and support for developing collaborative Web-based art projects. In fact, the hottest gathering place in Dakar these days is not a discotheque but a cyber-café called Metissacana. Situated at 30 rue Thiong, close to the Sandage market in the heart of Dakar, the Metissacana Café is a multidisciplinary space comprising an Internet café, a restaurant, and a huge terrace, which can accommodate concerts and a multitude of events. Inaugurated in July 1996, the Metissacana is the first

Internet café in West Africa. Its founders are quite unique. Michel Mavros, a French film producer, met his wife Oumou Sy, a Dakar fashion and costume designer, on a film set in Guinea Bissau. In Dakar, they both founded an event production company called Dandé Maio ("on the river's edge" in the Pullar language) and called on the Swiss computer technician Alexis Sikorsky to help jumpstart the Internet café. This convivial place is open 24 hours a day, 7 days a week, providing 24-hour Internet links for a mostly young crowd that lines up at its 20 computer terminals to send e-mail or do online research for school and university projects. The couple has also turned Metissacana into an Internet service provider with 1,000 subscribers and is planning forays into electronic commerce (Hawthorne and Robinson 2000).

Metissacana claims to be the region's first Internet café. It offers more than basic access to a computer with a modem. Besides operating a restaurant and sponsoring arts events, in February 1999, Metissacana hosted Dakar Web, a three-week series of workshops that resulted in the production of the first Senegalese online artworks by a group of 20 artists, writers, and musicians. In this first effort, the Dakar Web artworks rely heavily upon traditional media: The projects use photographs of original sculptures, drawings, and paintings and follow a linear narrative with simple "click-through" navigation. However, the compelling content of the work, as well as the enthusiasm of the participants, promise a future of interesting Web projects by the Senegalese artistic community. "The Internet has taken Senegalese artists by storm," claims Aziz Abdoul Sall, a workshop collaborator. "The workshops by Senegalese artists represents one more step in bringing Africa towards the Internet."

The Dandé Maio concept went beyond a simple Internet café and opened up several local cultural development projects. Oumou Sy and Michel Mavros established, for instance, the Ateliers Leydi, a training and production center for the various design professions, in the working-class Medina neighborhood in which they live. They have also created two large-scale events aiming to develop local heritage and creative production: the Semaine Internationale de la mode de Dakar (Simod, Dakar's International Week of Fashion), and the Journée du Carnival (the Carnival Day), a popular and fantastical parade. Among other projects related to the local development of the Internet, Dandé Maio illustrates the need to establish community "telecenters," especially in rural regions. Metissacana is looking for partners: join virtual Africa!

In May 2001 Oumou Sy was called an urban hero by Prins Claus Fonds and was awarded the Prix Fri Net Afrique in France. While in France, Oumou Sy assisted in the fundraising for the building of the Banco-Donadji's school in Koulikoro Mali. She participated in the announcement of a twinning between two cyber grammar schools, one the Hadj Baba Ndiongue of Podor, in Fouta, Senegal (Oumou Sy's birthplace), and the other the Pierre Mendès-France of Ris Orangis, in the suburbs of Paris, France. She also furthered actions on African children's school access, country connectivity, and the introduction of off and on line alphabetization and education applications. This development work is part of the partnership between Educations sans frontières, French ONG, and Metissacana.

Aziz Dieye is associate director of Cabinet, Pricewaterhouse Coopers Aziz Dieye, in Dakar, Senegal. The firm was founded in 1979. It operates in Senegal and the neighboring countries of Gambia, Mali, Niger, Chad, Guinea Bissau, Burkina Faso, and the Republic of Cape Verde, where the firm has carried out several assignments for UN specialized institutions and for international donors and lending agencies (USAID, CIDA, etc.). It is one of the leading firms of accountants and management consultants in Senegal. Formerly an associated firm, the firm is now a full member firm of Coopers & Lybrand (International), a group of firms providing a broad range of financial and professional services: auditing and accounting, personal and corporate tax, services for smaller growing businesses, management consultancy services, and insolvency services.

Pricewaterhouse Coopers (PWC) carries on business worldwide. It is one of the world's leading professional service organizations. It deploys, through its member firms, more than 67,000 people providing services on a globally integrated basis in more than 120 countries. Aziz Dieye's strategic intent is to create value for his clients and to bring competitive advantage to their activities. His firm meets their needs by combining his firm's local market knowledge with PWC's extensive range of international skills and industry expertise. PWC's success comes from serving its clients and helping them tackle the key business issues that they face and has achieved outstanding results. Aziz's firm is continually working to ensure that it provides the innovative, responsive, and relevant services that will build its clients' future performance. It is the combination of PWC's worldwide expertise with Aziz's firm's detailed knowledge of local, national, and regional practices and regulations that underpins Aziz's firm's success in handling all assignments, large and small.

Aziz's firm has assisted the government of Senegal in the design, preparation, and conduct of the privatization of parastatal companies for the telephone company. They conducted the operation from inception to the closing, and the sale generated the greatest revenue ever earned by the government on a single operation. In some cases they were asked to survey the legal and institutional environment of the entities. For the SERAS (Skins and Hides company), they identified foreign and national operators who submitted an offer based on a brochure that Aziz's firm distributed to them. They helped the government of Senegal strike a deal with private investors. In other cases their role has consisted of evaluation and other intermediation. They assisted in the creation of the Banque Senegalo Tunisienne and the recruitment of the bank staff. They have worked on projects with the World Bank, the Islamic Development Bank, the United Nations, USAID, West African Central Bank, and Canadian-Senegalese Funds.

In his 1997 keynote address at the annual general meeting of the African Business Round Table in Dakar, Dieye, the executive president of the Round Table's financial committee, highlighted the importance of dialogue between the public and private sectors. He said such a dialogue was necessary for developing the potential of African economies. Dieye reminded African governments that it was in the interest of both themselves and the private sector to "work hand in hand," in view of the trade globalization facing Africa and the world. "Africa will be left behind if there is no dialogue that favors an environment conducive to business and private investments," warned Dieye. He expressed his conviction that Africa can provide the type of entrepreneurs capable of responding to such challenges and who can lead the continent in the next century.

He said some of the difficulties facing African entrepreneurs are attributable to administrative and legal obstacles, as well as the lack of security for investments, and requested that government shift its present position from "manager to guarantor," since it is now widely admitted that managing states are outdated. He recalled that the private sector is at the origins of growth in all parts of the world enjoying economic prosperity, but he assured the meeting that this fact does not mean that the state will be excluded from the process. "Instead, it must be involved, even though economic decisions must be left to private sector operators. . . . The private and public sectors are not antagonists and our expectations are not impossible. We just require an improvement of the macro-economic frame and legal security to promote the private sector in Africa," a continent that has a potential that just need to be tapped.

GUINEA

Mamadou Aliou Bah, or "Bobo," a Senegalese by birth, created the first commercial supermarket in Guinea during the 1980s. He is currently the exclusive importer of Even milk products and of Gladstone cigarettes. Besides these activities, Bobo is involved in many projects as president of the Groupe Bobo in Conarky, Guinea, and Dakar, Senegal. He recently built a warehouse to conserve fruits and vegetables that are produced locally.

THE GAMBIA

Coconut Residence is one of the Gambia's most exclusive hotels a little further off the beaten track. Once you pass through the main gates, you enter a paradise of banana palms and exotic plants. Farid Bensouda and Walter Lohn, who own and run the Coconut, have perfected the ideal retreat, a place where guests can relax without the hassle guests might encounter outside the larger hotels. After numerous trips around the world, Bensouda and Lohn decided to create a little paradise in Africa. They coordinated the whole project from building design to interior design. Plants and trees were imported from around the world to create a stunning garden of palms and exotic flowering plants while specially made furnishings were imported from India and Asia to create series of luxurious apartments with a colonial air of luxury. The row of rattan chaise longues by the pool awaits you in the morning and the elegant, wooden deckchairs beneath camisole umbrellas are perfect for an afternoon nap. A network of brick paths links the apartments with the main building, which houses a poolside restaurant and bar. The kitchens are run by Spanish chef Oscar, who provides European cuisine of the highest standard, from the champagne breakfast to the five-course dinner. Sandwiches and a glass of the local beer are served by the second pool, and the Coconut has a private beach a 40-minute car ride away. Each guest has a personal chef and waiter who serves a barbecue lunch to remember. Bensouda's next objective is to create a resort on the coast, on the cliffs where the view is most amazing.

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II

Southern Africa

North Africa and the Southern African Development Community (SADC) are regarded as the richest regions in Africa. The SADC market, despite its wealth, remains one of the largest unexploited markets in the world, especially when one considers the abundant natural resources in mining, tourism, and agriculture. The SADC region is a region waiting to be developed. After many false starts in Africa in the past, now the African Renaissance is providing fresh hopes and new expectations. Many challenges lie ahead, but opportunities abound, provided the current emphasis on regional integration is sustained and trade is given its rightful role as an engine of economic growth. Within the SADC region, integrated development of the whole is a priority. Despite the vast disparities in the levels of development and structural features of southern African countries, all could benefit significantly from regional integration and cooperation. The promotion of economic growth and development is a paramount importance, as the economies of African countries are interdependent.

The southern African region has a population estimated for the year 2000 at 116.9 million. The major countries in the region are Botswana (1.6M), Madagascar (15.9M), Malawi (10.9M), Mozambique (19.7M), Namibia (1.7M), South Africa (40.4M, Johannesburg 5.7M, Cape Town 3.1M), Zambia (9.2M), and Zimbabwe (11.7M, capital Harare 2.4M).

4

Zimbabwe, Botswana, Etc.

ZIMBABWE

We learn from Joceline Mawdsley's book, *Chapungu: The Stone Sculptures of Zimbabwe* (1997), that the late Joram Mariga started stone carving in 1958 after he found a little piece of steatite in the Nyanga Mountains of present-day Zimbabwe. The career of Joram Mariga is inextricably linked with the beginning of Zimbabwean stone sculpture. He influenced many who were to become prominent artists in the following years. The beginning of contemporary stone sculpture in Zimbabwe was when he met the founder of the Workshop School and the first director of the new National Art Gallery of Zimbabwe, Frank McEwen, and McEwen bought one of his little sculptures.

Born of artistic parents in 1927, Mariga used to watch his father and brother carve wood while his mother made open-fired ceramics. Experimenting with wood carving at first, he moved onto soft stones such as steatite but later discovered colorful, harder stones with which to work and became committed to this new material. Others, on seeing his work, asked to be taught the skill, and his influence gradually spread.

It was essential to Mariga in the early days to return to close contact with Shona customs and the significance of the natural world, and these themes have been consistently portrayed and explored in his work over many years. Through the years he challenged himself with harder and increasingly unusual stones and not only offered respectful advice to younger artists but was always open to comment and discussion of his work, leading to further refinement of his ideas. His sculpture often portrays strong messages and stories and, despite their clear, accessible appearance, contains great depth and innovation.

There has never been any doubt about Mariga's position as an initiator and source of inspiration. He founded a stone-sculpting school and taught relatives and friends to carve stones. Some early students eventually became master sculptors whose stone sculptures attracted the attention of the international art community. Exhibitions of the best sculptors have toured major capitals, and even though some of the best sculptors are illiterate and work in their bare feet, some of them have become fabulously wealthy. Pieces can fetch up to US$50,000 on the world markets. Mariga's knowledge of the early days ensured that he remained a powerful example to artists today, among whom he was regarded with affection and respect, being referred to as the father of Zimbabwe sculpture (Mawdsley 1997 and Maier 1998).

Opportunity International provides entrepreneurs in developing countries with access to capital and business training to start and expand small businesses. Terezia Mbaseri in Harare, Zimbabwe, sold handmade straw brooms for twenty-five cents each. Next she sold yams and firewood beside the road. Beginning with a US$500 Opportunity loan in 1991, she expanded her enterprises to a beauty shop, two grocery stores, and a firewood lot, all established with six Opportunity loans. Her businesses now support 31 people. She hopes to establish a shopping mall, which would be a first in her neighborhood. Commercial banks will not give her credit despite her business savvy and excellent credit history.

The Induna Group of companies came into existence through its first operation, Induna Foods, a milling and food-packaging company based in Bulawayo, the second-largest city in Zimbabwe. It was founded in April 1995 by Titus Ncube, managing director of Induna. The group recently diversified into stock feed manufacture through a subsidiary company Feeds and Feeds (Pvt) Ltd. In 1999 the group set-up a sizeable chicken production farm which wholesales and retails it poultry products through a chain of its own outlets branded Poultry Pride. The group also procures and supplies agricultural commodities to local and export markets through its subsidiary South West Grain (Pvt) Ltd. Induna Foods has become one of the largest corn meal suppliers in Zimbabwe with products on sale in all the country's eight provinces. Before forming Induna, Titus worked for over thirteen years in various companies as a senior finance person. He was for six years company secretary and group accountant for T.A. Holdings-Botswana, part of a conglomerate with investments in numerous South African Development Community (SADC) countries. He is a member of the Institute of Chartered Secretaries and Administrators (CIS) and will shortly pursue MBA studies. He is chairman of the Grain Millers Association of Zimbabwe an association of more than 100 milling companies. The company was founded primarily as a corn milling operation. Corn meal is the staple food of more than 12 million Zimbabweans. Corn marketing and milling in Zimbabwe was controlled by a government parastatal and three statutory entrenched monopolies until 1995. In the early 1990s, the country implemented an economic structural adjustment program under which the grain industry was deregulated. Induna Foods was one of the first milling companies to be formed after the deregulation of the industry. Induna is a local dialect for "chief." Induna's intentions are to assume the chiefdom of the food industry. Surveys and research carried out at the time of the launch indicated that products supplied to the market by monopolies were overpriced and that new entrants could better both price and quality and achieve impressive returns. All these surveys have since been proved true.

Titus Ncube is a member of the Southern African Enterprise Network (SAEN), a regional private-sector network that brings together new-generation entrepreneurs in southern Africa. SAEN members pursue a dual mission: improve the business climate in their home countries and foster regional trade and investment in southern Africa. Officially launched in September 1998 with 25 members from five countries, the SAEN today counts more than 110 members in fourteen countries in the region and continues to expand.

Bernard T. Chidzero Jr. is the cofounder and chief executive of International Capital Corporation (ICC). ICC is a southern African management consultant firm with offices in Harare, Johannesburg, Lusaka, and Maputo. In economic development ICC has focused its consulting with donor organizations and government departments in the areas of micro, small, and medium-size enterprise development, micro finance, agricultural policy and development, employee ownership, and program management and performance monitoring. Before founding ICC, Chidzero was senior manager at Arthur D. Little International in Brussels and marketing manager with Nestlé in Lisbon and Toronto. He holds a bachelor's degree in business from the University of Zimbabwe and an MBA from the International Investment Management Development in Lausanne Switzerland.

Anne-Marie Chidzero is executive director of International Capital Corporation, Harare, Zimbabwe. Chidzero joined ICC in 1998 and has spearheaded the firm's work in micro finance and small-enterprise development. Before joining ICC, Chidzero spent more than ten years working to support the development of Africa's private sector through U.S. businesses and multilateral donor agencies. Chidzero worked for the World Bank in Washington, D.C., as a private sector development specialist with an emphasis on micro, small, and medium-size enterprise development. She was also part of the team that created and put in operation the Consultative Group to Assist the Poorest (CGAP) in June 1995. Before joining the World Bank, Chidzero worked on small-business and private-sector development programs with the UN Development Program in New York, as well as with private companies in the United States. Chidzero has extensive experience throughout Africa.

The World Economic Forum (WEF), the Geneva-based business, political, and intellectual partnership, selected Nigel Chanakira, chief executive of Kingdom Financial Holdings, as one of its 100 Global Leaders for Tomorrow (GLT) for the year 2001. Since 1993, the WEF has identified 100 young leaders each year. The GLTs are individuals under the age of 40 who hold positions of considerable influence and responsibility and who are global in their accomplishments and potential. Chanakira, 34, says that he was humbled by his selection for the society of GLT. "I did not know that there are people who are closely watching what I'm doing who believe that I qualify to be a Global Leader for Tomorrow and put my name to the forum," he said. "Although I'm not sure about the criteria they use, I think being nominated in itself is something to be proud of, being a Zimbabwean, because among them are the Bill Gates of this world," he said. He said his nomination, which he attributed to teamwork at Kingdom, was linked to community-based products that the financial group has developed.

Chanakira, a former chief economist for Bard Discount House, founded Kingdom Financial Holdings in 1994 and has been instrumental in its multi-million-dollar expansion of recent years. Away from his banking business, Chanakira is involved in the Compassionate Ministries, which runs a farm to rehabilitate former street children and the destitute. He prides himself on having become a role model for the downtrodden, for the schoolboys at St. Johns High school where he was a student and later a trustee, for the small businesspeople whom he has assisted through supporting training programs at Empretec Zimbabwe. Empretec is a nonprofit organization that gives entrepreneurial training and business advice to new and small to medium-scale businesses. His organization is listed among the biggest sponsors of Junior Achievement, an entrepreneurial program conducted in high schools. He also sits on the boards of a number of listed companies. He holds a bachelor of science degree in economics, with honors, from the University of Zimbabwe and a masters in economics, with honors, from the same institution.

Nigel is a little more optimistic than most have been on Africa. He says "that it remains the richest continent in the world and it will return to its former glory of biblical times when it became a refuge for the world under Joseph!" He believes, "Africa's time has come and by God's grace in this century, the continent will turn" and that he will be a "part of the change generation!"

Lilian Musa is the director of Pith Helmet Industries (Private), Ltd., a 100 percent Zimbabwean-owned family business, incorporated in 1989, which started operating in September 1989 with five employees. When she graduated from the Entrepreneurship Development Workshop in Bulawayo in August 1993, Pith Helmet Industries had 67 employees. Today the company employs 121 people: 7 office staff and 114 factory workers. The company produces pith helmets; sports, advertising, and promotional caps; floppy hats; safari jackets and hats; military caps; university graduation mortarboards; and leather goods and accessories. The company's research and development team is currently modernizing the leather department with a view to producing high-quality leather goods and accessories on a larger scale for the local market.

As a young boy growing up in Masvingo province's Gutu rural district, Athanas Gundani was technically minded and even had a reputation for crafting impressive miniature vehicles from soft wires. At school, Gundani excelled in technical and scientific subjects. On completing his A level at Chaplin High School in Gweru in 1985, the soft-spoken Gundani completed two years of apprenticeship with Zimbabwe Alloys, Ltd. He specialized in electrical appliances. "You can see from my history that it is not by sheer luck or coincidence that I am in the electrical field. I have great interest and I have been in it for a long time," says Gundani, who on qualifying as an artisan in 1989 worked for Chloride Zimbabwe, Ltd., as a technician. He resigned after two years to join Dairibord Zimbabwe, Ltd., as an electrical engineer. Five years later, in 1996, he formed Consolidated Power Electronics, a company that manufactures battery chargers and switch trippings, as well as surge protectors.

In October 1996 the innovative Gundani enrolled for a two-week entrepreneurial development workshop sponsored by Empretec Zimbabwe, which he says gave him "direction and impetus" to work hard. Impressed by his performance and entrepreneurial vision, Delta Corporation loaned him US$160,000 under the now-defunct Stand Up and Go Project, whose aim was to promote small to medium-scale enterprises. At that time, financial institutions were reluctant to loan him money because he had no collateral. "Banks only give you money when you have collateral, at the moment I plough back the little profit I get because I don't want to borrow anymore at high interest rates," Gundani says. Since the capital injection by Delta, the company's performance has been making progress steadily.

The Bata International of Canada is the world's largest manufacturer and retailer of footwear. Brands include children shoes, athletic and seasonal footwear, industrial boots, and casual and dress shoes. Their better brands include the Bata name itself as well as Power, Weinbrenner, North Star, Maries Claire, and Bubblegummers. The company operates in more than 100 countries on virtually every continent. It employs more than 67,000 people around the world of many races and nationalities and operates 5,000 company-owned stores worldwide. In addition, more than 100,000 independent retailers and franchisees carry its merchandise. Operations span the globe with more than 63 manufacturing units, which include shoe manufacturing plants, engineering plants producing molds, quality-control laboratories, hosiery factories, and tanneries. Active in worldwide markets since 1894, Bata now satisfies one million customers per day. Annually Bata produces about 170 million pairs and sells about 270 million pairs, through companies in more than 79 countries on six continents. Between 1894 and 2002, more than 16 billion pairs of shoes have been sold; greater than the number of human feet that have walked the earth.

Bata's Shoe's founder, Tomas Bata, was fond of telling the story of two shoe salesmen who went to explore the market potential in an African country. One cabled back to the home office: "No one here wears shoes. No Market." The other cabled: "Everyone here is barefoot. Infinite potential." Bata saw that potential long before much bigger firms in the West and went on to create the largest shoe company in the world.

During the 1970s, 1980s, and 1990s, the world manufacturing base for footwear has shifted to developing countries. For example, the Zimbabwe Bata Shoe Company is a wholly owned subsidiary of Bata International. Despite its vast size, the Bata International empire is still in some ways run along the lines of a family business, with one of the Bata family visiting Bata in Zimbabwe at least once a year. In other ways, it is a sophisticated modern multinational that gives considerable autonomy to local management in order to provide the requisite motivation to maximize creativity and productivity. In Zimbabwe, Bata consists of a vertically integrated leather and shoe manufacturing concern, together with the largest chain of wholesale and retail shoe outlets in the country. In Zimbabwe, there are 100 Bata retail stores, annual shoe production is about 14 million pairs, and they employ about 3,500 people. Zimbabwe Bata is the third-largest Bata subsidiary internationally. The production side consists of three units on the same site: the head office in Gweru (tannery, canvas and rubber, leather shoes), a sports shoe factory in Kwekwe, and a plastic shoe factory in Mutare. Bata Zimbabwe has an exclusive agreement with Nike in Central Africa. They also produce athletic and leisure shoes for Nike (for export) in their Gweru (canvas) and Kwekwe (leather) factories. Bata International also has operations in Botswana, DR Congo, Kenya, Malawi, Morocco, South Africa, Swaziland, Uganda, and Zambia.

BOTSWANA

Britt and Cardo Kleberg, originally from Texas, manage Duba Plains Camp, a photographic safari lodge located in the heart of the Okavango Delta in Botswana. Many people consider the Okavango to be the last frontier on the African Continent. This pristine area is home to lion, leopard, cheetah, red lechwe, elephant, and herds of 3,000 Cape buffalo. Activities, including day and night game drives in open 4x4 Land Rovers, mokoro (traditional dugout canoes) excursions, and walking safaris, are featured at this camp, which provides income to the local Bayei and Mambukushu communities in northwestern Botswana. Britt and Cardo have managed to travel to all 32 of Wilderness Safaris' lodges in southern Africa and the Seychelles. Their employer, Wilderness Safaris, was started by two entrepreneurs, Colin Bell (South African) and Chris Macintyre (New Zealand) in the early 1980s. It is now based in Johannesburg, with camps and offices in South Africa, Botswana, Namibia, Zimbabwe, Zambia, and Malawi. From December 2000 until May 2001, the Klebergs spent time in Texas. Their company in Texas, "Okavango Adventures," provides tailor-made photographic safaris to southern Africa and Brazil. Much of their time was spent promoting photographic safaris to southern Africa, as well as setting up exhibits for traditional Botswana baskets from the local Bayei and Mambukushu communities in the Okavango.

Uncharted Africa Safari Company, was founded in 1993 by Catherine Raphaely and Ralph Bousfield in memory of Ralph's legendary (some say infamous) father, Jack Bousfield. Listed in the *Guinness Book of World Records* for the dubious achievement of hunting 53,000 crocodiles, survivor of seven plane crashes, gored by elephants, stung by bees—Jack did it all!

This isn't a "big five" or your typical "bushveld" experience. Uncharted Africa offers a very special and fascinating classic and traditional safari in one of Botswana's less traveled wilderness areas—no crowds, no electricity, no plumbing, no hassles—in Botswana's Kalahari wastelands.

Jack's Camp and the more recent San Camp were the first permanent camps in the stunningly beautiful Makgadikgadi Pans that allow you to gain a comprehensive understanding of Botswana's Kalahari desert environment. Both camps are renowned for their style as well as their informative and holistic (living in harmony with nature) guiding by a lost tribe of debonair desert desperados and hold true to the traditional East African ideals of safari as originally envisioned by Jack. Guides are handpicked from the most talented and outgoing biology and zoology graduates, who are keen to further their studies in the Kalahari region. Part boffin, part adventurer, part Hemingway, and not a little crazy, these guides have proven one of the greatest assets in establishing Uncharted Africa as a safari experience without equal.

To complement the desert experience, Uncharted Africa offers a complementary range of game and water-oriented mobile expeditions, exploring the far reaches of the Okavango, Kalahari, and Makgadikgadi Pans.

Profits derived from Uncharted Africa safaris are used to finance the nonprofit Green Cross Wildlife Orphanage and Education Center. Injured and orphaned animals unable to survive in the wild are cared for, offering thousands of Botswana children a chance to see wild animals close up. Only through education can one hope to instill a sense of national pride in their wildlife heritage that will encourage its conservation for future generations.

Ralph has also coproduced and presented a thirteen-part series for the Discovery Channel entitled "Uncharted Africa." Unfortunately, only two one-hour specials aired in the United States. However, all thirteen thirty-minute episodes aired in Europe, the East, and the Middle East in 2000 and 2001.

Uncharted Africa Safari Company also pioneered cultural safaris in Botswana. Two efforts of this kind are its nonpatronizing interaction with local cattle posts in the Jack's Camp and San Camp areas and their work in developing sensitive and authentic opportunities to meet the last of the traditional Bushmen peoples living in the western Kalahari.

Planet Baobab, their latest venture, is one of the few places where both local Botswana and foreign visitors can meet on the same side of the bar. It offers an affordable opportunity to explore the salt pans, which Catherine and Ralph hope will encourage more Botswana to enjoy their very special wilderness heritage. The design is quite unique with traditional mud huts painted with termite mud pigments and plastered with dung set in a grove of giant ancient baobabs.

Jack's Camp was the only African safari camp to be chosen by the readers of Condé Nast Traveller UK in their annual roundup. They came in twelfth out of twenty, beating out such venerable establishments as the Cipriani in Venice, le Syrenuse in Positano, and Pangkor Laut in Malaysia. The active and positive results of this questionnaire were quite an achievement for Jack's Camp when one considers that they have bucket showers, no electricity, and a maximum occupancy of sixteen compared to the many thousands of people who pass through the other hotels and lodges!

Another point to mention with regards to the significance of the Condé Nast poll is that the safari industry has changed dramatically over the past few years. Most of the small owner-operated camps/companies have been bought or forced out by larger corporations. Uncharted Africa is one of the last small owner-operated companies in Botswana and definitely the only one with five generations of safari tradition and experience. They have maintained a leading position in the industry despite the fact that they are so small, exclusive, and idealistic about the authentic and adventurous experience they seek to offer their guests. Ralph's great-grandfather took Princess Eugenie to visit her son's grave after the Anglo-Zulu war, and the family has been taking people on safari ever since.

Monty Chiepe is a geological engineering technologist and geologist having graduated from the Cambrian College of Applied Arts and Technology and the University of New Brunswick in Canada respectively. He is managing director of Geoflux (Pty), Ltd., a geoscience and engineering consultancy he founded in 1989, with a full-time professional staff compliment of 35 and a total work force of 58. Geoflux carries out important assignments for government, mines, major corporations, and other institutions in Botswana and South Africa.

Monty has a keen interest on development issues. He has to this end served as a member of the Presidential Task group to establish a vision for

Botswana during 1997 and continued to serve up to 2000 as part of the Interim Vision Council. He is a member of active entrepreneurial corporate groups in Botswana structured for broad citizen investor participation. He works with the African Renaissance Institute of the Botswana Chapter responsible for issues on Science and Technology. A former Chairman of the Association of Citizen Development Consultants, Monty is a principal promoter of the professional consultancy disciplines and an advocate for meaningful Citizen participation and leadership in Botswana's developmental endeavors in order to help develop the local capacity necessary for global competitiveness. He serves on the Boards of Directors of the Botswana Development Corporation, Botash, Isago, and Homebase. Monty is also a sports enthusiast and an ardent stud-cattle breeder.

Gurugroup, a firm of certified public accountants in practice in Botswana since 1984, has now grown into a multifaceted business consulting organization specializing in business startup, business governance, business strategy services, and growth services. Gurugroup serves manufacturing, trading, service, tourism, and leisure industries with 30 dedicated auditing and business-consulting professionals. Headquartered in Gaborone, it has a branch in Francistown, the only other city in Botswana. On a global footing, Gurugroup is a part of the Horwath International network, which employs more than 16,000 professionals in 490 offices in more than 460 cities throughout the world. "We want Botswana entrepreneurs to make successful deals with international entrepreneurs," says Sathiya Narayanan, the executive to the managing partner of Gurugroup. "All we need is a capsule information form duly filled in and given to us. The ball is then in our court to see that we make fruitful and mutually beneficial joint venture relationships between citizens and noncitizens," observes Danny Guduli, the consulting partner of Gurugroup. Ananth Padmanaban, the Francistown partner, and Guru Gurumoorthi, the managing partner of Gurugroup, wish to turn business dreams into economic realities using scientific and creative management techniques to build a longlasting relationship with clients.

MALAWI

Dannie Kamwaza, Malawi Enterprise Network national coordinator, is the managing director of Kamwaza Design Partnership, one of the leading architectural firms in Malawi. Dannie also owns a cattle ranch, Kasinthula Ranches Ltd. Kamwaza and a group of other Malawians are promoting the Zalewa Juice Ltd. project. The project involves establishing a fresh fruit juice and concentrate manufacturing process for the local and export market. The project will process tangerines, mangoes, pineapples, tomatoes, and oranges. The project is located in Blantyre at the Chirimba Industrial site and the fruits will be collected mostly from Mwanza in the southern region. The project involves the construction of buildings and the purchase and installation of new processing, filling, and packaging equipment for fruit juices. The machinery is being bought in Italy. The establishment of a fruit juice factory is the first of its kind in Malawi. Kamwaza is also the chairman of the board of the Malawi Communications Regulatory Authority.

The Mukadam Family has been in business in Malawi for more than 40 years and owns several established businesses in Malawi. During this time, the group of companies owned by the Mukadams has built a reputation for high-quality products, reliability, excellent service, and a high degree of integrity, professionalism, and social responsibility. All these factors have ensured that the group has grown. The organization was started by Zainuddin Mukadam, in true entrepreneurial spirit, with very little capital but with a lot of will and motivation. Through hard work, shrewd business acumen, and strategic business partnerships, the group has grown and diversified across numerous industries. Currently the second generation of Mukadams are managing the day-to-day operations of the group, and they make use of the valuable experience, contacts, and reputation that Zainuddin Mukadam has built over 40 years. The group of companies is now also moving toward a professional base of managers, with the organization taking the shape of a public company rather than a family firm. However, the values and style of the founder are being adhered to and built on.

The various companies within the group are now the benchmarks in Malawi for other companies in the two sectors in which they operate: food and agriculture and metal products, including construction and packaging materials and property development. Abbas Mukadam is the managing director. On the food and agriculture side the group consists of three companies:

- Commodity Processors (Pvt.), Ltd. (COMPRO), processes and manufactures the finest-quality agricultural commodities for export, including lentils (toor dhal), pigeon peas, soya, ground nuts, beans, bird's eye chilies, cottonseed, and chickpeas.
- The Rice Milling Company (Pvt.), Ltd., processes and packs rice for the local and export market and it is Malawi's largest miller, packer and exporter of rice. Rice Milling Company also prepacks and distributes locally flour, salt, and milk powder.
- Commodity Services (Pvt.), Ltd., which imports bulk foodstuffs into Malawi.

The metal products side includes the following:

- General Tinsmiths, Ltd., manufactures metal and wire products, such as corrugated roofing sheets, tin cans for packing, nails, agricultural equipment, and construction materials.
- Valmore Paints (Mw) (Pvt.), Ltd., manufactures a full range of paints and associated products under the Crown brand.

- Ponson Properties, Ltd., is a property-development company, whose portfolio includes shopping malls, offices, warehouses, and other commercial property.

Abbas Mukadam asks the world not to see Africa as a backwater full of destitution and problems, but to see it as a potential untapped market. He declares that the potential is there, and if you are focused on exceeding the expectations of your stakeholders, your staff, or even yourself, then Africa is the place to come to. If you take satisfaction in meeting or exceeding a challenge, then Africa is the place to come to. If you see opportunities where others see problems, then Africa is the place to come to. He believes that the African lion has the potential to take over from the Asian tiger (WINNE 2000).

Joyce Banda, founder of the National Association of Business Women (NABW) of Malawi, is an influential advocate for improving the quality of life in Malawi by empowering thousands of women to become economically self-reliant. Banda started a business with one sewing machine, which her husband bought for her. After running her business for four years it became apparent to her that the success she had achieved as one of the largest women garment manufacturers in the country was due to the support that her husband was giving her. All her banking transactions had to have his signature, and she started to wonder what was happening to those women who did not have supportive husbands, as she was fortunate to have. Banda founded the NABW in order to boost the status of all women. After obtaining the necessary approval, which was granted after 18 months of bureaucratic procedures, the NABW was registered in December 1990. NABW's mission is to promote the growth of businesses belonging to women and to encourage many more women to enter business. NABW fulfills this mission by providing its members with access to credit, training, information, markets, and appropriate technology. NABW also acts as a mouthpiece for its members. By 1997, NABW had mobilized 15,000 members countrywide, 60 percent of whom are rural women. As a matter of policy, no woman gets a loan before she opens her own bank account. The NABW believes this gives her control over her income. By 1997, the NABW had disbursed US$2,500,000 in small loans over the previous 18 months and had trained 12,000 women over the previous 5 years in various areas of business management and skills in order to be able to run their own businesses. In Malawi, women entrepreneurs have moved progressively up the economic ladder from trading with small businesses to village industries formerly dominated by men, such as lime, soap and timber making, and small-scale manufacturing. With vision, leadership, and inspiration, Banda has become a global asset for improving the well-being of the people of her country and the rest of Africa. In 1997 Banda accepted the Africa Prize for Leadership for the Sustainable End of Hunger, and this profile is a summary from her acceptance speech on the occasion of receiving the honor (Address 1997).

Joyce Banda used her US$50,000 Africa prize money to establish the Joyce Banda Foundation which runs three schools. The three schools have 650 students with 10 percent of those students being orphans due to HIV/AIDS pandemic. The Foundation envisions the establishment of the Joyce Banda Polytechnic to provide training programs that will equip women and men with the necessary tools and skills in productivity enhancement, which will open job opportunities and develop entrepreneurship. It is estimated that within five years an approximate total of 14,300 Malawians will be beneficiaries reached out by the Polytechnic.

Agrina Mussa is the managing director of Classic Designs Limited, a hosiery manufacturing company she founded in 1989 to manufacture women's stockings for both the local and export market. She trained in manufacturing and marketing of ladies stockings in Germany and the United Kingdom. She participated in study tours in the United States focusing on economic community development and women in business. Agrina believes women should move into non-traditional businesses, which are mostly dominated by male folk and regarding community development. She believes women are an important human resource, which has been left idle and yet women can be equal partners in economic development. Agrina established N and R Kleeners, a commercial and industrial cleaning company in 1997. This company employs 55 people. Agrina served as Vice Chairperson of National Association of Businesswomen for 4 years. She also served as a board member of Enumerical Church Loan Fund of Malawi for 2 years. She serves as vice chairperson of FINCA in Malawi and has also been on FINCA international board of directors since 1998. She has been involved with FINCA since 1994. Agrina believes Micro-credit is the answer to poverty alleviation because it provides both training and capital using peer pressure without collateral security. Agrina is chairing the board of trustees of the National Food Reserve Agency (NFRA). NFRA is a government supported organization vested with the responsibility to maintain the strategic grain reserve by holding ready resources in form of physical stocks and funds to make adequate provisions to satisfy natural requirements. Agrina believes in volunteerism and thinks that as a community we should contribute to the national developing in every way possible. Agrina is chairperson of the Southern Regional Chambers of Commerce and Industry (SRCCI). The SRCCI is the primary representative and advocate of the interests of private sector enterprise in Malawi. Agrina believes the private sector is truly the engine for economic growth and would like to encourage women to take an active role in the Chambers of Commerce and Industry mission. Agrina has been involved with the Chamber of Commerce and Industry since 1996. Agrina is the founder of Madalistso Orphanage Center in Chiradzulu. She has had a vision to take care of street children or orphans since 1991. When her husband joined politics in 1998 the need to take care of increasing orphans became apparent so she founded Madalitso Orphanage Center, which is located in her husbands' Chiradzulu East constituency in Chiradzulu. She is planning to establish a $300,000 Orphanage Center, which shall take children from the age of 1 day to 6 years. She is thankful to those who have donated both in cash and kind. Agrina is also thankful to Henry her husband for his untiring support. She believes that behind a successful married woman is often a supportive and loving husband.

ZAMBIA

Elias Chipimo, first chairman of the Southern African Enterprise Network (SAEN), is the senior partner of Corpus Globe, a firm of licensed legal practitioners whose mission is to place Zambian legal expertise in the global marketplace for specialized services. Corpus Globe provides the requisite expertise to interpret new Zambian statutes and to help implement Zambia's comprehensive privatization program. Corpus Globe has a total staff of 22 persons operating out of two offices in Zambia and is soon to open a liaison office in Johannesburg. Chipimo holds a bachelor in civil law degree from the University of Oxford and a bachelor of law from the University of Zambia. Corpus Globe has worked extensively in the areas of capital markets and securities, privatization, research, energy, and corporate advisory services. Before creating Corpus Globe, Chipimo worked with the Cavmont Merchant Bank, the Equator Bank, and Citibank, and he undertook various specialized assignments with the Zambian Privatization Agency, among other clients. Chipimo is a Rhodes scholar and was awarded a Chevening Scholarship as the flagship candidate. He is a cofounder of the Zambia Civic Education Association and has designed and implemented numerous projects on civic awareness in Zambia in order to improve development in rural and periurban communities.

Sidney Chileshe is the managing director of SAC Agricultural Company, Ltd., and the board chairman of Medical Stores, a pharmaceutical manufacturing and distribution company. He also serves on the board of the Zambia Export Growers Association. SAC Agricultural Company was incorporated in 1995 and was the first indigenous Zambian flower farm specializing in rose growing and exports for the European market; it also sells a small portion to South Africa. Total exports in 1997–1998 were 3.6 million stems. Sidney holds a B.A. in business administration from the University of Zambia and a marketing diploma from the International Institute of Marketing in the U.K.

MAURITIUS

Mauritius has overcome its former dependence on sugar sales to sustain a 6 percent annual economic growth over three decades, elevating per capita gross national product to about US$4,000. Isolated from the mainland

(and from major markets), the country has evolved into what Kwesi Botchwey calls "one of the most firmly rooted liberal democracies in Africa" and has successfully pursued a strategy of encouraging tourism and of processing textiles for export through a modern commercial harbor. If anything, the most pressing constraint on growth is the shortage of labor: unemployment now hovers around 2 percent (Botchwey 1998).

Veepin Bhowon, Mauritius Enterprise Network national coordinator, is director of Imani Consultants Mauritius. Veepin specializes in regional trade and investment issues and has carried out many studies related to regional cooperation in eastern and southern Africa. Imani Consultants Mauritius is part of the Imani Development Group, which has offices in five eastern and southern African countries. The Imani Development Group was established in Zimbabwe in 1992. Their overall aim is to assist in the process of economic development, especially in eastern and southern Africa. They are a private consultancy group serving the industrial and commercial sectors and provide economic advice to policymakers. They are the leading trade and investment specialists in the COMESA/SADC region. Imani Development Group is the coordination company that oversees multicountry projects. Other companies in the group are Imani Development (Malawi), Ltd.; Imani Consultants (Mauritius); Ltd.; Imani Capricorn Economics Consultants, Ltd., in South Africa; and Imani Development, Ltd., in Zambia.

The group also has a network of associate consulting firms throughout Africa, Europe, North America, Southeast Asia, the Caribbean, and the Pacific region and they have undertaken assignments in all these areas. They have a core team of full- and part-time consultants in each office and use specialist freelance consultants when necessary. These consultants include economists, accountants, financial and marketing experts, agriculturists, transport specialists, and industrialists. All their senior consultants have more than ten years' work experience in development issues in Africa. Each company in the group has a senior partner to coordinate projects. The managing director of the Imani group, Richard Hess, has more than twenty years experience in trade and investment development in various African countries.

MADAGASCAR

Elyane Rahonintsoa, Madagascar Enterprise Network national coordinator, is the owner and operator of the Radama Hotel and the Aparthotel in Antanarivo, Madagascar. Before opening her hotels, Rahonintsoa worked in the Ministry of Tourism and in a private tourism institute. She holds a doctorate in geography and gives university lectures on geography and tourism. She is a member of the Women Business Owners Association and the Hotel Association of Madagascar. In 1998 Rahonintsoa traveled to Florida to learn about ecotourism and the U.S. national park system.

NAMIBIA

Airlines calling at the Hosea Kutako International Airport outside Windhoek are serviced with pre-packed in-flight meals. ASCA Investments, a wholly owned Namibian company operates an in-flight catering facility at the airport under the name Skyways In-Flight Catering. The facility utilizes the latest food technologies to comply with all international standards. ASCA Investments managing director Jonas Capoco says the facility utilizes a total space of 2,200 square meters at the Hosea Kutako International Airport and is able to prepare up to 20,000 meals per day, while maintaining the highest standards demanded by world-class airlines. The facility includes an in-house laboratory to monitor quality control and health standards while the internal temperature is controlled to avoid the possibility of food spoilage and cross-contamination. Jonas Capoco says the facility is equipped with its own medical center, which is staffed by a full-time occupational nurse as well as a medical doctor on call. He says, "We fully understand and appreciate the government and private sector's efforts to create employment for numerous unemployed people in our country. And in support of these efforts, we presently employ 95 people, however, this number will surely increase as demand for our services also increases. After all, our facility has a contract to provide pre-packed in-flight meals for a period of twenty five years." Jonas Capoco is also Namibia's National Coordinator for the Southern African Enterprise Network.

Anne Thandeka Gebhardt is the owner of a real-estate business in Windhoek called National Estates (Pty), Ltd. She has been in the real-estate business since 1990, when Namibia got its independence. Gebhardt is also a partner in a construction firm, Fredgarth Engineers. She also owns a training company known as the National Property Academy, which was launched in 1993. The academy trains people who want to get into the real-estate business and entrepreneurs generally. She is a master trainer of the ILO-Start and Improve Your Business Program. Gebhardt is also the second vice president of the Namibia National Chamber of Commerce and Industry. She holds a bachelor of science degree, a bachelor of education degree and a diploma in advanced property practice.

Sara Shikongo is the owner of a company called ABC Trading Center that is involved in retailing, and imports mainly from South Africa. Her company is based in Ondangwa, in the northern part of Namibia. Shikongo is also the managing director of one of the first and the biggest discotheques in Windhoek, the Midnight Express Club and Thriller Entertainment Center. In addition to these activities, Sara raises livestock, grows crops, and runs a catering business for companies and for special occasions.

Mathew Taapopi Hamutenya is a very active entrepreneur with various businesses incorporated under the name National Trading Enterprise. Mathew is involved also in the entertainment field, especially casino operations and the supply of gambling machines. He is a full management gasoline dealer under a Caltex franchise and owns a car dealership as well. He has activities in building and construction and is involved in real estate. He is also active in trading various commodities in Namibia, Angola, and South Africa.

MOZAMBIQUE

Victor Viseu, Mozambique Enterprise Network national coordinator and a member of the nine person Executive Committee of the African Enterprise Network, a continent wide network which encompasses the West, East and Southern African Enterprise Networks. Victor is the general manager of the first leasing company in Mozambique and was the task manager of the preliminary and full feasibility studies that led to the formation of United Leasing Company Mozambique. At the request of the Mozambique Ministry of Finance, Viseu led the team that contributed to the formulation of the law that regulates leasing in Mozambique. Viseu has also collaborated with the Angolan Central Bank. He has exchanged the experience of leasing in Mozambique for the setup of similar regulations for leasing in Angola. Viseu is also the group coordinator for all lusophone (Portuguese-speaking) countries in Africa of the Swiss-based EDESA, a private investment finance company dedicated to fostering the development of the private sector of countries of equatorial and southern Africa. Viseu was one of the founding members, and the second president, of the Association of Young Portuguese Entrepreneurs and Professionals in South Africa (AJEPP). During his tenure, the association led an intense bilateral economic cooperation program with private entrepreneurs and professionals between South Africa and Mozambique. During this period, lusophone South African doctors lectured at Maputo University and taught new diagnostics and treatment techniques for skin diseases with medication supplied by the U.S. ambassador. AJEPP's bursaries paid for the courses of two Mozambican students at the University of the Witwatersrand in South Africa. Viseu was also the cofounder of the World Association of Portuguese Entrepreneurs in Lisbon. He has presented numerous papers on North–South cooperation in Europe. He holds a bachelor of science degree in electrical engineering and an MBA, both from the University of the Witwatersrand in South Africa.

According to Celina Cossa of Mozambique's General Union of Agricultural Cooperatives, female farmers are the principal force in the struggle against misery, backwardness, and dependency. Years of devastating war destroyed the livelihoods and productive capacity of the people of Mozambique. Villages were destroyed, farmlands planted with mines, towns battered. The remaining cities became crowded with refugees as families fled their homes, displaced and helpless. When the war finally ended in 1992, little was left of the old economy, the old Mozambique. Cossa is the founder and leader of the General Union of Agricultural Cooperatives, an organization of 10,000 peasants, 95 percent of whom are women. The 200 cooperatives produce food for members and their families and are generating a surplus that enables them to supply the markets in Maputo, the Mozambican capital.

Today, in Mozambique's capital city, Maputo, much has changed. Cossa, a former primary school teacher had a vision, and she made it a reality. A twofold vision: building a sustainable food supply for her war-ravaged country and empowering the poorest Mozambican peasants—a way of turning the weakest parts of society into its backbone. Like many revolutions, this one started small—with a few cooperative groups of women raising patches of vegetables and selling them in Maputo for extra income for the family. Few people took it seriously; few even counted its economic value. While most development planners focused on men, Celina Cossa organized and unleashed the power of women, building the network from six cooperatives around Maputo to more than 224 spread over a wide area. Beginning with vegetable farming and expanding into a wide range of productive enterprises, such as poultry production and marketing, credit, insurance, industry, and construction, the peasant women of Mozambique have become an economic powerhouse. And the changes go far beyond food self-sufficiency, even beyond economics, as training programs and the success of their ventures teach women what they are truly capable of. Not simply peasants, they are now accountants, bankers, teachers, politicians. They are leaders on the national stage.

In 1998 Cossa was awarded the Africa Prize for Leadership for the Sustainable End of Hunger and this profile was from her acceptance address and her biography that was presented with the honor by the Hunger Project. Since 1987, the Hunger Project has annually awarded the Africa Prize for Leadership for the Sustainable End of Hunger. This US$100,000 prize, which some have called the "Nobel Prize for Africa," is the world's only initiative designed to call forth the committed leadership that Africa needs to build a future free from hunger. Through 1998, it was awarded to 20 distinguished individuals, including heads of state, scientists, grassroots organizers, and women's leaders. In 1999, instead of honoring an individual, the Hunger Project honored the producers who do the most to meet Africa's survival needs yet have been almost entirely unsupported, the 100 million women who grow Africa's food. The Hunger Project seized the opportunity of the prize ceremony to invest an initial US$1 million and formally launch a new initiative for the economic empowerment of the African woman food farmer. This movement is mobilizing women across Africa to advocate changes in government policies and budgets in support of African women food farmers. In 2000, there was no award, however, 1,300 Hunger Project investors and activists met in New York October 13, 2001 to honor the courageous individuals at the frontlines of the struggle to stop the spread of HIV/AIDS in Africa (Africa Prize 1998).

An example of the cooperation needed between southern African countries to improve the economic environment for entrepreneurs in southern Africa is the Maputo Development Corridor Initiative. This is a cooperative venture between the South African and Mozambican governments. The corridor runs from Witibank in eastern South Africa to Maputo, the capital of Mozambique. The harbor at Maputo is the closest seaport to Gauteng, the South African industrial heartland. One proposed project is the corridor's Maputo Iron and Steel Project (MISP), which would produce 4 million tons of steel slabs per year at a planned factory near Maputo, Mozambique. The project, estimated at US$1.5 billion, would transport annually 6 million tons of magnetite by rail from Phalaborwa in South Africa and natural gas by pipeline from Pande in the southern Mozambican province of Inhambane. It could employ some 5,000 workers during the construction stage and another 1,500 during the operating stage. Its success will be due to a combination of cheap ore and electricity from South Africa, a significant gas field in Mozambique, and Maputo's access to the sea all of which should make it the second-lowest-cost producer in the world. Export markets targeted are South Korea, Taiwan, and Singapore. While no final decisions have been made, the Maputo Iron and Steel Project would provide a huge boost to Mozambique's already thriving economy. In addition, the project could just unlock some of neighboring Malawi's mining potential as well as create spinoffs in the transport sector for Mozambique and Malawi. Other corridor projects are the following:

- The new Mozal aluminum smelter, a vast US$2.0 billion undertaking with a future output of 500,000 tons of aluminum per year, which currently imports raw materials from South Africa, America, and Australia. The finished product is exported to Europe where it is used to manufacture various aluminum wares. The smelter has created jobs for 800 people, most of them Mozambicans. Its construction phase employed 9,000 people. In addition, the industry has brought along some new developments in the form of new infrastructure. So far, 80 new modern houses have been built, accommodating 1,500 people, and 60 vegetable market stalls were constructed for the community to sell their agricultural commodities. The community has welcomed the project. "Who would have thought a few years ago that this would really happen in our village? Nobody! We thought it was only a rumor. But the rumor has become a reality," says Martins Matsolo, a traditional leader of Beluluane village, near the Mozal plant (Sekoati 2001);
- The Gaza-Kruger-Gonarezhou Trans-frontier Peace Park project;
- The Motraco energy project, coordinating the supply of electricity from South Africa to Swaziland and Maputo;
- The Chibuto titanium project, processing the world's largest reserve of titanium;

- The new Witbank to Maputo toll road, a 600-km divided highway linking Johannesburg with Maputo;
- The Beluluane Industrial Park, a 600-hectare industrial free zone adjacent to Mozal for heavy industry, manufacturing, and high tech;
- Mining, tourism, commercial, transport, agricultural, health, and educational projects;
- Infrastructure projects, such as the improvement of road, rail, and port operations in southern Mozambique.

Dave Arkwright the Spatial Development Initiative (SDI) program project manager for the Maputo Corridor Company (MDC), a public sector facilitating entity contributed to this profile.

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South Africa: Clothing, Youth Culture, Auto, and Home

CLOTHING

Tembeka Nkamba-Van Wyk has a mission. She wants to help people regain their pride in being African. She is Africanizing South Africa's corporate world. Tembeka grew up in the rural areas of the Eastern Cape believing in the value of giving back to the community. After completing her film and video studies at UCLA, she returned to South Africa to become a major contributor to the South African Broadcasting Corporation Outreach program. This led to her being appointed chief director of South African Communication Services. In May 1997 Tembeka used her pension to employ four KwaNdebele women and to start a beading network in the rural villages called Talking Beads. Her company supplies corporate and individual gifts, decorates corporate and government offices in African motifs, does authentic African decor for special functions and events, provides dance groups to create the desired African spirit at events, and rents African clothing. Tembeka also trains women in beadcraft and offers training in African-orientated computer design. She started Talking Beads as a means for people to earn a living, particularly in the rural areas, where she works only if she has the cooperation of the community leaders.

Talking Beads, under the vision and leadership of Tembeka in Gauteng, is an economic adventure by rural women from all over South Africa. The project is committed to rural women's upliftment and has grown into an international business that has created opportunities for 2,000 women by reviving a traditional African artwork and finding local and international markets for their products. Tembeka also gives workshops and presentations at schools on African life and culture, targeting predominantly white schools to help children break stereotypes. Because history has portrayed African traditions as backward, she believes there is a need to rekindle pride in being African. For her many accomplishments, Tembeka was recognized as South Africa's Businesswoman of the Year for 2000. She does not think any government can empower people, no matter how good it is. People must empower themselves. Government needs to create the atmosphere. It is up to the people to grab the opportunities and tap the resources.

When Selma Baldi first moved to a rural village on the Kwa Zulu–Natal South African coast, she was so shocked by the levels of poverty under which most local women lived that she set up a small manufacturing business to help them feed their families. Baldi recruited five women for training. Having taken courses in patternmaking and dressmaking, she began a small school to train the women. They then began manufacturing clothes in a small storeroom. Baldi used the profits from the first order to finance the school and move into the sleeping-bag business. Today the sleeping bag manufacturing business, Bare Bags, employs 204 workers, 120 of who are trained machinists and 84 general workers, all women. Baldi has a close relationship with the women and pays them according to the number of sleeping bags they make to ensure high productivity. Her business is now the largest manufacturer of sleeping bags in South Africa, capturing more than 90 percent of the South African market for sleeping bags within five years, and it currently supplies sleeping bags to 205 outdoor and sporting outlets in South Africa, Namibia, Botswana, Zimbabwe, Swaziland, and Italy. Baldi's business success brought her first place in the entrepreneurs' section of the 1999 competition run by the South African Council for Businesswomen. Baldi was awarded a large overseas contract after winning the competition (Naudé 2000b).

YOUTH CULTURE

Tapping into the soul of South Africa's exploding youth culture through kwaito music, YFM has become possibly the fastest-growing radio station in the country's history. The format of YFM has definitely snared the youth of Gauteng. YFM, South Africa's first youth radio station, targets a market that is a multiheaded beast indeed. It feeds off a diet of MTV, Nikes, AIDS consciousness, shopping malls, environmental awareness, and a generous portion of nihilism. It burps attitude without the idealism of its more politically earnest forebears. While other new radio stations are struggling to survive, YFM presents an astonishing success story in a youth market that no one has ever really taken seriously.

In 1998, after less than a year of operation, YFM was attracting 962,000 listeners a week, streaking ahead of long-established stations such as Jacaranda and Highveld. In 2001 the station boasted 1.55 million listeners and has been continually growing. "This is a cultural movement rather than just a radio station," says founder and executive director Dirk Hartford. "The magic formula is in the lifestyle. YFM has captured the spirit of what is happening on the ground and put it on the airwaves. Kwaito (a township version of hip-hop) is the biggest thing that has ever happened to young South Africans." The word comes from the Afrikaans *kwaai*, meaning angry, but it carries cool and hip overtones. YFM devotes 45 percent of its airtime to kwaito, a music genre previously ignored on radio. As much as it has made YFM, the station has revolutionized the local music industry, with top kwaito bands such as Arthur selling up to 300,000 copies of a single album.

DJs rapidly switching between English and "is'camto," the township patois, adhere to a tight music format. "They're not allowed to play their own choice of music. When you hit YFM on the dial you know you're on YFM," says Hartford. Except for a 6 percent interest held by Van den Hoven and Dirk Hartford and a 5 percent interest in a staff trust, YFM is owned by black interests and 96 percent of the staff members are black. "We are unashamedly black. We have never tried to be a rainbow nation station. But if there is a reconciliation future, it will probably come through the music overlap between kwaito and rave." Perhaps deterred by its assertive negritude, advertisers and ad agencies seem unmoved by YFM's astonishing success. "Our message to advertisers is: change your perceptions that youngsters don't have money. They do. The youth market is fickle, but brand acceptance can be unbelievably high. If something's cool, it's absolutely cool. If you can capture the mindset, the response is much more powerful than in any other market. Black youth are obsessed with fashion and quality and are very brand conscious. They have a positive attitude towards advertising. But if you get it wrong, they just switch off. And yet we don't have a major bank or motor car advertiser. The ad industry doesn't listen to our station."

YFM's audiences mostly fall into the upper half of the living standards scale. Surprisingly, they buy most of their clothes in chain stores; 37 percent have savings accounts and half of them espouse traditional African values. Clothes, shoes, cars, and music top their list of status products. The station attracts revenue of R1.5 million per month, but "stations half our size are hitting R10 million. We are getting impatient," says Hartford. Spending R2.5 million per year, YFM has worked hard to counter these perceptions, marketing through its own medium, moving billboards, stickers, and pamphlets. Before its 1997 launch, it distributed 250,000 stickers and 400,000 pamphlets, visiting every school in Soweto with the message to tune in.

The pay-off line, "Yona ke yona" ("this is it"), accompanied by a two-finger Y signal, is part of the culture. Some controversy has been generated by the "Y replacement campaign"—defacing public signage with YFM stickers wherever a Y appears—but it's been a successful marketing ploy. Massive crowds are attracted to YFM parties and outside events (20 were planned in September and October 1998). An entrepreneur launching a cell phone shop in Soweto paid YFM to do an outside broadcast and was besieged by 5,000 eager shoppers. "We have to warn clients about our power to draw crowds. People believe YFM endorses all advertising placed on the station. We have to ensure that advertisers live up to their promises and meet listener expectations," says Hartford (Koenderman 1998).

In 1998 YFM released a national youth lifestyle magazine simply called *Y Mag*, which went into profit in 2000 and currently enjoys a readership of approximately 180,000. A relatively static website was setup in 1998 and then relaunched as "Yworld" in August 2000 to shocking results of 1.4 million hits and 675,000 page impressions in its first month of life—disproving pessimistic theories that black youth do not have computers and do not use the Internet. The site is currently being restructured and redesigned because the previous back end was not structured for the current 3,000 pages. Deals are being struck for streaming, not only radio, but for original South African content, which means the readers of "Yworld" will soon be able to experience kwaito for themselves. Interactivity is the key word for the new design, which went live in June 2000.

Also in 2000 came the YFM Rewards Club, a card-based loyalty program targeting loyal listeners who pay R99.20 to join and receive four very hip packs per year filled with merchandise, tickets, remote kits for using a cell phone while driving or walking, holiday specials, client product, educational opportunities, and a host of other very much sought-after offerings. When the database reaches critical mass the member card will become a branded debit card of sorts that will enable the club to communicate directly with the consumer as they're using the card in retail stores. Members will accumulate club points when they use the card. YFM has also signed on with partners, Microsoft and MTN (a local cellular provider), as a beta test partner to ensure that the station remains on the absolute cutting edge of software and mobile technologies. During 2002, YFM will focus on getting to know its audiences through communicating with them directly. They were using several interactive tools to gain access to their market, within which they have found that many are incredibly "wired," which is in line with recent figures that "black/urban" internet usage is up. In terms of their audiences, cell phone usage is higher than Internet usage. These represent enormous numbers in YFM's target market and great opportunity for database development and new marketing methods. The new fashion line called UnitY (or unity, representing hip-hop culture, one world, one people, the global movement of youth) is set to launch soon and will not be directly associated with the Y brand. Obtaining national presence is high on the agenda and YTV is now under discussion—YFM executives continue to be amazed at this astounding success story unraveling before their eyes. And YFM has just increased its transmitter strength to 10Kw from 3Kw and has yet to market and drive that extended coverage.

So what makes YFM work so well? The methods of the early days in the station's history have now gone and have been replaced with strategic programming and marketing principles that continue to drive the brand to new heights, but the heart of YFM remains the same. That "heart" is an expression of real people talking to people in a style and language they understand. There are no restrictions on the language used by the station. Although English is the most dominant, you can speak Zulu, Sotho, Afrikaans, or the unique township street language called tsotsi-taal and be responded to by YFM DJs, which brings a unique and personal flavor to station output—everyone is welcome no matter your color or where you come from. This tactic immediately hits home. And when combined with DJs who are close to the street and living the life of today's youth while experiencing the reality of the new South Africa, you have a unique and essential blend of broadcasting output that is as close to home as it gets. Throw in the hottest, most pumping jams with ownership of the artists producing those sounds and a club/gig/party strategy that has an entire city talking and you're within the Y experience—an attitude, a lifestyle, a culture, a people, a movement. Please check out the YFM website at http://www.yworld.co.za for the latest "Yworld" happenings.

From a November 2000 *Ystyle* interview we learn that on the fashion runways of South Africa it is evident that the old school of shiny, large-shouldered African glamour is being undermined by a chic new school of well-researched, forward-thinking elegance from Stoned Cherrie's Nokwandah and Thabane. South Africa's fashion world is defining itself without relying on the conventions of established international fashion and is creating its own new stars. Fashion entrepreneur, Nkhensani Manganyi (b. 1973) heads up the Stoned Cherrie label, which showcases young designers of Afrocentric chic. Manganyi says that Stoned Cherrie is a celebration of life through art and it is an opportunity for young artists to showcase their design talents. The name was initially the title for a film by Tintswalo Manganyi and Palesa Letlaka-Nkosi. A number of years later Manganyi thought it would make a brilliant brand name. She says, "Being a Stoned Cherrie is about being whatever/whoever you are and whatever/whoever you want to be. We have to free ourselves and love ourselves the way we are. Stoned Cherrie is about a celebration of who we are and where we come from."

Manganyi points out that the most expensive item in the Stoned Cherrie shop is the antique African jewelry. It's like buying and owning a piece of time. The people behind Stoned Cherrie are its four designers, a research department that works closely with the designers to ensure that the brand is kept alive, the sales team, and management. Stoned Cherrie caters to the different sizes in African society. They would ultimately like to do so more effectively. To assume that African women have a uniform size or shape is myopic. They are in the process of developing fits and sizes that will cover more unconventionally shaped women. In the meantime, they tailor-make their garments to their clients' specifications. In this way they hope to develop a more realistic idea of what sizes and fits need to be developed and to what extent. They would like Stoned Cherrie to ultimately become a super brand. By this they mean that they would like the brand to have longevity and enjoy both local and international recognition. Although there are still many people who are slaves to Western/American trends, more people are becoming fashion-conscious without necessarily being victim to fashion dictates. This is an era of self-expression, and people are becoming a lot more experimental with their wardrobes. Manganyi believes something distinctly South African with global appeal is what the fashion scene needs.

History inspires Manganyi's fashion sense. She finds bygone eras very interesting for what people were doing and what they were wearing. Fashion is closely linked to identity. How people view themselves is reflected in the way they dress.

Manganyi has also achieved considerable success in other areas. In 1997, having earned a bachelor's degree with honors, she was chosen for her work in M-Net's "It's a Funny Country," to be on the *Mail and Guardian*'s list of the top 100 stars of the future. This is a list of the movers and shakers of the rainbow nation, which reflects the direction the *M&G* believes South Africa will take over the next decade. She went on to successfully appear in Generations and host M-Net's "Face of Africa." Manganyi was very actively involved in the Face of Africa Pageant for a year. She has left that world to concentrate on building Stoned Cherrie. Next on her agenda is ensuring that Stoned Cherrie remains a viable brand and developing it into a super brand. Her label is African contemporary and the clothes are from people who do not mindlessly follow international trends. The new generation is not interested in what a person in Europe decides about fashion (Manganyi 2000).

From a July 2000 *Ystyle* interview we learn that two young men, Mzandile (Wandi) Nzimande and Sechaba (Chabi) Mogale, are fashion designers who have taken the South African fashion industry by storm. They are the founders of Loxion Kulca, a label they established less than three years ago. These two don't miss a beat when it comes to fashion and their business. From out of a car trunk sales to upmarket department stores, Loxion Kulca captures the essence and spirit of township vibe and fashion. South Africans should take their hats off to them for their entrepreneurial savvy. At a time when there were a lot of problems and difficulties in the fashion industry in South Africa, when people were complaining about the fashion, Wandi and Chabi decided to do something about it—the result being the start of Loxion Kulca. The first garments they brought into the market were woolen hats. There were quite a few in the market already, but Wandi and Chabi were not crazy about them, and so they made their own.

They knitted the first couple of hats themselves, but their popularity and huge demand forced the pair to ask for assistance; so both their families and friends chipped in and knitted away. The close-to-home origins of the brand have made it very people-oriented. When the pair wanted to grow and move to another plateau, capital was their biggest problem. Through their very expressive culture, word got around and pennies started rolling in; before they knew it, it was rands.

It was hard being black, but they knew they had talent and could make it as black youth. Theirs is an unspoken lingo. They simply look at where they come from, EKASI. Sometimes things come to mind at an ungodly hour, they simply wake up and put everything on paper. It might be their first step to success. They never copy popular labels. They are very authentic. Their market is low-income earners who are dependent on their parents, which is why their clothes are not pricey. They currently produce hats, pants, and shirts, and they are planning to get into accessories; in fact, if you think about it, their hats have always been used as accessories, since they complete an outfit. Wandi does most of the office work—call him the administrator—and Chabi is a people's person, and so he does the marketing. Wandi grew up in Emdeni and later moved to Sandton. Chabi has been all over the place. He was born in exile in Zambia. He brings the global and international flare and experience into the business. Wandi, on the other hand, has the KASI background. They have struck distribution deals with Sales House, a leading chain store, and most leading retail stores nationwide and they have teamed up with Treets to distribute high-quality footwear to complement their range. Wandi and Chabi are two young people who demonstrate that new players should mobilize a culture of savings among blacks and build their business empire in areas they are passionate about and can manage hands-on. In December 2000 the *Mail and Guardian* included Wandi and Chambi in their 100 stars of the future who will become the movers and shakers of South Africa, the rainbow nation (Nzimande and Mogale 2000).

Herman Mashaba is an inspiration for emergent entrepreneurs. Nothing gets him down. Put an obstacle in front of him and he will climb over or through it. Whatever it is, he will get past it, and he will extract every bit of learning he can from it. Nothing has been handed to Mashaba on a platter. He has got where he is today through sheer willpower and hard work. In 1985 Mashaba founded Black like Me, South Africa's only indigenous black hair care and beauty company, in a corner of Garankuwa. Despite severe setbacks, it has grown phenomenally. And it is still going places. Today, Black like Me is the best-known beauty brand in South Africa. Mashaba has been named Businessman of the Year and Black like Me has been recognized as the Best Emerging Affirmative Action Company.

Mashaba's education came from rough-and-tough gambling dens and the political hotbed of the University of the North in the late 1970s. He says he is not ashamed that he financed himself through school by his gambling proceeds. "I saw my friends going off to work as gardeners on weekends and I saw how they were humiliated. The system took away their dignity and my choice was to stay away. It was risky in those dens. It was all about survival of the fittest." Mashaba was not very active politically at the university, where he was studying for a bachelor of administration degree. However, he shot to the forefront of student protests after chairing a meeting and, during his second year of study, authorities closed the university. He left and never returned.

Mashaba found a job as a dispatch clerk in Pretoria in 1980 but stayed only seven months. "It was a hostile environment, and I came face to face with appalling racism." He moved on to another Pretoria company, also as a dispatch clerk, and spent 23 months there in his "longest salaried job." Mashaba had, however, saved enough money to buy a car. He began selling everything from insurance to dinnerware. But his battle now was with the influx control laws, which limited his movements and hence his job prospects. "I became an expert at ducking and diving the police," he says. At this time, hair salons were beginning to mushroom, and with one day's training under his belt, he sold hair products, quickly building up a solid customer base. Still battling against the pass laws, Mashaba nevertheless had been named top salesperson by the time he decided to leave to go on his own 19 months later. He broached the subject with chemist Johan Kriel, and Black like Me was born in Garankuwa. "We made the products in the evening and sold them during the day," he says.

From these humble beginnings, the business grew healthily, building up a strong brand following. Sales continued to take off, and soon he was able to employ extra staff. Mashaba had built a successful business, but in 1993 a fire, which he believes began under suspicious circumstances, completely destroyed his Mabopane factory. It seemed that in a matter of an hour the heart had been ripped out of a company that at the time employed 120 people and was South Africa's leading supplier of beauty products for the black community. All the manufacturing equipment and most of the stock had been destroyed. Instead of letting his dreams go up in smoke, Mashaba bounced back. Marshaling every cent he had, he moved Black like Me to Midrand and started again. Phoenix-like, he rose from the ashes and was back in business within days.

In 1997 Mashaba sold 75 percent of his cosmetics company to Colgate-Palmolive. He stayed on as managing director, hoping to plug into a global business and give substance to his dream to take his brand into the rest of Africa. During the Colgate period competitors moved in. In 1999 he bought back the business he had started from scratch; to regain ground would take tremendous hard work, dedication, and commitment. Today the Midrand operation employs around 150 people. He has three chemists working permanently on research and development, and the company produces a range of 200 products. Marketing offices in the country's four largest cities spread the message to every corner of the country. "Our sales people do not sell anything," Mashaba says. "We simply create a demand for our products." Not only is acceptability of their products within the South African community great, but it also extends to all of Africa. "We get good inquiries almost every day from all over the continent," he says, "but we can only do one thing at a time."

Outlets in Zambia, Malawi, and the Congo are already in operation, while Black Like Me products also take informal routes into countries like Mozambique. "I see my products on shelves in some countries," Mashaba says, "and never know how they got there." Factories in other African countries are more than just possibilities. Mashaba is acutely aware that major international cosmetics manufacturers have made major inroads in the African market. "But," he says, "Africa is ours. We have the products, we have the marketing team, and we understand Africa."

The vision of the new independent and lean Black like Me is to make the company the Coca-Cola of the black hair-care industry by producing good-quality and image products at affordable prices for mass distribution in South Africa and throughout the African continent. Mashaba has begun by positioning his Perfect Choice brand as a leading brand aimed at the newly emerging affluent, sophisticated, and vibrant young consumers and by launching other new brands and body-care lines. Mashaba's dream for the future is to build up Black like Me into the largest organization of its kind in Africa. As a young man of 42 in 2001, time is on Mashaba's side. He will undoubtedly remain one of South Africa's brightest business stars for many years. He has the huge black business market at his fingertips. His products sell prolifically because they are produced to suit the needs of the black people, and his company is a part of the community (Bennett 1998, 1999, and Bagshawe 1995).

AUTOMOTIVE

Nicky Thorp started in the motor industry on the technical side in 1971 and in 1979 went into sales with McCarthy Motor Holdings, selling Peugeots. When Brian Porter Holdings bought the Peugeot franchise from McCarthy's, Thorp went with the franchise as the new car sales manager. In 1981 he was promoted to branch manager of a subbranch and subsequently to be branch manager of the flagship branch of Peugeot in Cape Town. In 1984 Thorp joined the Imperial Group for the purpose of disposing of one-year-old rental cars. A year later, after opening two more branches of Auto Pedigree, he was promoted to general manager of the Coastal Division, and in 1987 he was appointed director of the Auto Pedigree Coastal Division. In 1989 he opened Nicky Thorp Motors, specializing in used BMWs, and in 1993 he opened Thorp Delta in Cape Town with his brother Robert. Whilst Nicky concentrates on the sales and marketing side of the business, Robert concentrates on the financial side. Nicky is currently joint managing director of Thorp Investments (Pty), Ltd., which has two Delta dealerships and other motor-related businesses under its wing. Coupled with this, Thorp has served the retail motor industry holding various portfolios and was not only the 2001 National Chairman of South Africa's National Automobile Dealers Association (NADA), but he was also chairman of the Retail Motor Industry (RMI) in the western Cape and serves on the National Board of the RMI. The NADA is a professional body representing the interests of businessmen who own or operate new-vehicle franchise motor dealerships and qualifying used-car-only outlets in South Africa.

A South African school dropout, Hylton Laggar, founder of a national car repair chain, started as a newly qualified motor mechanic working for a large motor group. When he became aware of the inefficiencies in workshop management, he set up a tiny workshop called EFI Motors in 1982. Over the next ten years, Laggar established 12 franchised dealers and a growing relationship with Shell South Africa. In 1998, Shell was looking for business opportunities. Capitalizing on their close relationship, Shell bought EFI, and Shell Auto Care was born. As managing director, Laggar was in charge of expansion plans to open 180 franchised workshops (each to be known as the Garage) in South Africa and neighboring states, creating 2,000 job opportunities. The Garage is pitched as a special, affordable workshop targeted at owners of vehicles between four and eight years old. Shell plans to move closer to the customer and to improve the perception of the automobile business (Robertson 1999). As of October 2000, there are 29 Garages opened.

Sadly, Hylton Laggar has left the Garage to start a new venture. Sometimes multinational corporations and independent-minded entrepreneurs do not mix well over time. Laggar has purchased a large factory that was in liquidation and that manufactures automotive exhaust systems. He is reconstructing the business and setting it on an export-focused path. Raptor Exhausts employs 65 people, most of whom were previously unemployed. The company is now exporting all over the world, and the business is experiencing fantastic growth. Being a winner takes total commitment, and Laggar believes he will succeed and become a world player. In October 2000 he exhibited at the SEMA automotive show in Las Vegas.

McCarthy Motor Holdings (MMH), with 86 years of experience, offers a choice of more than 20 motor vehicle makes, both new and used. It is South Africa's leading motor retailer, with almost 14 percent of the national new vehicle market, and it is also the third-largest car retailer in the world. Since March 1995, Brand Pretorius has been CEO of McCarthy Motor Holdings. His business career dates back to 1973, when he joined Toyota South Africa. In 1988 he was appointed the managing director of Toyota South Africa marketing, and under his guidance the company became market leaders in sales and customer satisfaction. MMH has 5,731 employees at 87 motor dealerships, representing all the leading franchises, the McCarthy Call-a-Car used vehicle sales operation, Burchmore's Car Auctions, Budget Rent-a-Car with 57 locations, Yamaha Distributors—handling all the Japanese products except audio equipment—and McCarthy Fleet Services. Pretorius's priority is to find growth opportunities. For example, MMH is already involved in the growing Internet industry through McCarthy On-line and McCarthy Call-a-Car. Addressing the impact of the country's democratization and globalization between 1995 and 1999 on South African motor retailers, Pretorius states that "dealers had the arduous task to transform and perform, at the same time." He asks, "What challenges are awaiting us as we move into the new millennium, and which strategies will ensure future prosperity?"

Mangalani Malungani, a prominent businessman and director of many companies, including casino group Tsogo Sun Holdings, has a 50 percent stake in Lazarus Motor Company. Colin Lazarus, the co-owner and managing director, says that the acquisition was effective July 1, 2000 and that Malungani paid a market price for the shareholding. Malungani has directorships in Tsogo Sun Holdings, Tsogo Investment Holdings, Taylor Woodrow South Africa, PEU Investment Group, Intersite Property Management Services, South African Rail Commuter Corporation, and Phumelela Gaming and Leisure. The announcement of the deal was made at the roof wetting ceremony of a new R25million multifranchise dealership, encompassing all Ford brands under one roof, that was developed for the Lazarus Motor Company in Centurion, Gauteng. Lazarus says that they spared no expense on the building and that it has become a showpiece of Ford dealerships in South Africa and the world. The 6,000-square-meter dealership was developed on a site of 23,000 square meters and the balance of the property is used for a used car lot and for parking all the vehicle stock. All parking is under shade netting. Lazarus Motor Company markets the Ford and Mazda vehicles while the Jaguars are sold under the Jaguar Centurion name and the Land Rovers are sold under the name Land Rover Centurion. Each brand has its own identity with its own sales and service areas. Lazarus says the facility has an onsite 4x4 test track for all Land Rover customers and outsiders, and that it also has a fully licensed coffee bar, boutique and kids play area. In terms of volume, the Lazarus Motor Company is the top Ford dealer on the African continent.

The new Forza Group has already acquired a number of motor dealerships and automotive aftermarket operations in South Africa, with plans to expand operations through both physical and online activities. Forza says that the retail and service sectors of the transport industry are "eminently suited for the development and exploitation of new commercial opportunities presented by the technology revolution, in particular, through the Internet." The retail activities of the Forza group will initially comprise independent (nonbranded) "real" and "virtual" vehicle outlets, selected franchised dealerships, and "real" and "virtual" trading in used vehicles. The group's retail flagships are Investment Cars, BMW Lyndhurst, and BMW Hyde Park. It says that "each of these businesses has the credibility and management capacity to realize the group's strategy of growing significantly, both organically and acquisitively." In addition, it intends to further penetrate the used vehicle business through "strategic alliances with selected independent used vehicle intermediaries who are widely known and well regarded throughout the industry." The group plans to offer, through "real" and "virtual" delivery platforms, a suite of complementary services. Initially, the group's services entail auto body repairs, towing, vehicle customization, vehicle parts, and maintenance, as well as financial, insurance, and related services. The group says that it has identified opportunities for expansion into a wide range of transport services. It is advanced in the investigation of specialized vehicle rental, vehicle "timeshare ownership," trucking, fleet maintenance, and vehicle tracking opportunities.

Investment Cars is the exotic, luxury, sports, and 4x4 vehicle retailer in the listed Forza group. Peter Acheson, the chief executive officer of Forza, says Investment Cars' ability to identify and then seize a market gap has consistently enabled it to sustain its significant growth and maintain an anticyclical performance where the cycle was on a downturn. Acheson said this had been achieved, for instance, through pioneering 4x4 retailing in Gauteng and the Drivers Club, which addressed customer demand by offering exotics not ordinarily available through standard car rental agencies. He said Investment Cars, which started business in 1982 as a two-man team assisted by a single mechanic selling used cars from a small holding, was now achieving sales in excess of 200 cars a month. Acheson said that in the six years between 1994 and 2000, the company had increased its turnover tenfold with sustained exponential year-on-year growth. To extend its service offering further, the company concluded a joint venture with Wesbank in 1998 to provide vehicle financing to its customers. The joint venture provided full-time short-term insurance brokering services, had in-house workshops, and provided customized vehicle warranties. Acheson, a cofounder of Investment Cars, attributes the company's growth to its wide vehicle range, solid reputation, and emphasis on quality, both of service and people. The Investment Cars work ethic, which is replicated throughout the Forza Group, is based foremost on integrity in dealings to ensure that they counter the jaundiced perception of the used-car industry, both in South Africa and abroad.

NCM Associates of Overland Park, Kansas, is best known for pioneering the original 20 Group process—an organized forum at which entrepreneurs in similar businesses can find profit by sharing both their business hits and misses with a group of noncompeting peers. The concept is similar to any professional association—similar businesses, managed by "hands-on" entrepreneurs, coming together to exchange key ideas and strategies, in an effort to increase overall profitability and success. Creating an association to help individual entrepreneurs—and the industry as a whole—reach its full potential. That's what 20 Groups are all about.

To benefit from ideas from all parts of the United States, the NCM 20 Groups are formed from a cross section of companies representing all the regions of the country. The members send in their financial statements every month to a moderator who compiles from the statements a monthly composite of comparative statistics that is sent back to each member of the group. If a member's performance is poor in a certain area, he will often get in touch between meetings with those members who are excelling in that area and ask how they do it. Each group also meets three times a year to exchange profitable ideas, management practices, and cost-saving suggestions, and as mentioned, with many conversations and communications occurring in between. Skilled and experienced moderators help focus each group's efforts and provide valuable information at each meeting. Membership in an NCM 20 Group requires commitment, of both time and money, and a willingness to help others in need. This is a proven method that entrepreneurs in Africa and the world should learn from and adapt to their own regions. Learning from successful peers is an excellent way to improve the odds of success.

Sewells has introduced the 20 Group concept to dealers in South Africa. Paddy O'Brien, the CEO of the Sewells organization, a Wesbank subsidiary, was named the 1999 Man of the Year in the South African motor business. The award is made annually by *Automobil*, the official journal of the Retail Motor Industry Organization. O'Brien was cited for his strong support, encouragement, and assistance to the national dealership network. O'Brien sees his role as a "fitness trainer" for motor dealers. O'Brien began his career at IBM in 1967, where he was involved in sales and marketing until 1978. In 1987 he joined Sewells, which offers motor dealers performance enhancement packages that include training, education, and consultancy. The company also offers correspondence training for dealers through the National Automobile Dealers' Association (NADA). Sewells has established alliances with similar bodies in Britain, the United States, Canada, and Australia. Maintaining contact with these groups involves considerable traveling. Sewells also conducts performance group meetings between franchise dealer groups. There are thirty-five such groups consisting of ten noncompeting dealer outlets. The groups meet three times a year and then go back to base to try to implement what they have learned from each other. O'Brien says that the dealer network is entering a new era of professionalism and he predicts that customers will become more discerning and better informed than in the past. "Dealers will have to keep abreast of developments in technology and become more skilled at managing profitability, assets, and productivity," he says (Robertson 1999).

The manufacturers of Japanese sourced vehicles have followed the example of the European OEMs and included South Africa in their global, rather than purely regional, vehicle manufacturing plans in the new millennium, says Toyota South Africa's CEO and chairman Bert Wessels. The comments by Wessels are the firmest indication yet that Toyota South Africa, South Africa's leading vehicle manufacturer from 1980 to 2001, is being given greater access by Toyota Japan to lucrative export markets beyond those it already served in subsaharan Africa. South Africa's bid to become a major global source for assembled vehicles has been led by the German manufacturers with wholly owned local subsidiaries—BMW, Daimler-Chrysler, and Volkswagen. All the right-hand-drive versions of the new Mercedes C-class are made in South Africa—a potential total of well over 40,000 units annually. Volkswagen exported more than 40,000 Golfs in 2000, and BMW's role as global 3-Series source has been augmented by a deal sending left-hand-drive units to North America. Already, the deals are in place to push South African vehicle exports toward 140,000 units annually early in the new millennium, with opportunities for substantial further growth if the Japanese start using the country seriously as a global source. "We are very fortunate that the South African motor industry has achieved the necessary critical mass in terms of manufacturing technology and world-class manufacturing standards to become a worthy global partner in vehicle manufacture," Wessels says. Toyota is the dominant supplier of South Africa's minibus taxis. A thousand South African taxi drivers have become more skillful, and women taxi operators are exerting more influence to combat taxi-related violence, as a result of training programs backed by Toyota South Africa (www.cartoday.com 2000).

HOUSING

Group Five is one of the leading building and construction companies in Southern Africa. It offers a diverse range of building and construction related services and products throughout Africa and the Indian Ocean Islands. Group Five Housing and Projects (managing director: Piet Martins) is a business unit of the Group Five Construction arm. The main line of business is the construction of housing, apartments, townhouses, and residential accommodation in its widest sense. Group Five Housing and Projects have been in the forefront of the subsidy housing market having constructed thousands of low-cost houses throughout South Africa and elsewhere. More recently participating in the relocation of an entire community in Potgieterus, requiring the resettlement of some 780 homes, bulk services, eight shops, two churches, two schools, one clinic, and a nursery. Moving further afield to the development of 302 houses in flood-stricken Mozambique, where the whole concept was centered on the philosophy of teaching the local community to build their own houses. A mold developed in South Africa was used to make concrete blocks; Group Five purchased 80 of the molds and started a block yard on site; and soon the block makers were hiring assistants and were empowered to grow and in many instances become self-sufficient. Further, in Angola a housing development of 2,448 units is in full swing with the construction of an US$80 million contract utilizing Group Five's Goldflex Precast Building System. Group Five has the unique ability to mobilize their operations virtually anywhere in Africa given the right circumstances.

Closer to home, Natal's Group Five Trans-Africa (managing director, Antony Arbuthnot) has developed a method of constructing a modern rainproof house in just two weeks. After investigating numerous systems of rapid delivery, Group Five Trans Africa's housing arm, Trans Africa Housing JV, settled on conventional block walls with innovative roofing solutions using either fiber cement or steel sheeting. Delivery has been enormous, with almost 6,000 units constructed throughout Natal.

The Cape-based Power Group of companies is a dynamic conglomerate providing a comprehensive range of civil engineering, blacktop paving, manufacturing, and township development services. Through its unique synergy of complementary in-house services and a commitment to the Reconstruction and Development Program (RDP), the group has achieved unequalled cost efficiency in supplying South Africa's most vital needs: potable water, paved roads, and affordable housing in fully serviced townships. Since independence in 1994, some 9 million more South Africans now have access to clean water and about 1.5 million more households have access to electricity. South Africans have built nearly 1 million houses for people who had no formal shelter before. Much remains to be done. More than 3 million households out of 10.7 million still have no electricity, and 8 million people out of 43 million still have no clean water.

Launched in 1983 by the executive chairman of the group, Graham Power, the Power Group employs 1,500 people and spans the western, southern, and eastern Cape. As South Africa headed inevitably toward democracy, the Power Group's management anticipated that a representative government would give high priority to housing equity and established Power Properties, a market spectrum development company with a brief to develop cost-effective and affordable housing solutions. Several successful upper- and middle-market projects formed the foundation for the multimillion turnkey housing projects, under the banner of the state subsidy scheme, which have established the newly named Power Developments as a regional leader in affordable housing developments. For example, Power Developments was granted a R60 million contract to develop Highbury Park in Kuilsriver, one of the first government-subsidized institutional housing projects in the western Cape. This development will provide high-density, sectional title condominium houses in a fully landscaped village environment for 1,165 families who earn between R1,500 and R3,500 per month. The project commenced in November 2000 and will run over a period of two and a half years. Overall, Power Developments has achieved unprecedented efficiency in the delivery of low-cost housing, with production running in excess of 400 completed homes per month, and with size and quality maximized within the constraints of the State Housing Subsidy Scheme. The company's expertise is now also being applied in middle- and upper-income residential and industrial property developments. Power Developments was acknowledged by the Institute for Housing of South Africa (IHSA) as South Africa's Developer of the Year for 1998. The award was made in recognition of the innovative and committed manner in which Power Developments provides affordable housing through partnerships and its outstanding ability to empower communities and to build capacity by training in building skills. Power Development's commitment to furthering the aims and objectives of the RDP and its achievements in doing so set an example for others to follow.

For the year 2000, the IHSA named the group M5 Developments its Developer of the Year. The institute says the determination and drive shown by Etienne Meyer (37) and Johan Harmse (53) to be successful made it possible for the company to build 10,000 new houses in the western Cape in 18 months, an unprecedented feat. "Another highly praiseworthy aspect was making financing available to end users, providing building materials to assist emerging contractors, the skillful handling of regular explosive situations in the community, and above all the provision of quality housing for low-income families," the institute said.

Moira Granny Seape is executive director of Ahanang Hardware and Construction of Gauteng, South Africa. While Granny Seape was senior manager of a bank's affordable housing portfolio, things did not happen quickly enough for her liking. Instead of moaning, in 1997 she resigned and established her own company to construct affordable homes for poor people who earn less than R3,500 per month and therefore receive a government housing subsidy. Two years later, her company, Ahanang, had completed two projects, in Centurion and Ellisras, comprising 1,400 homes. And the infrastructure was in place for a development of 500 units near Naboomspruit. Money was a big problem. When she wanted to borrow R300,000 for brick-making machines, she approached an institution that prides itself on helping small businesses. For three weeks, a team of experts sat in her office adding figures day after day, only to inform her afterward that they don't grant any loans below R5 million. She doesn't understand why financial institutions in South Africa tend to shy away from the construction industry. In a country where job creation is a priority, this labor-intensive industry should be encouraged. When she was building the 400 houses at Olievenhoutbosch in Centurion, she employed 600 people. Most were unskilled and jobless. Many are now using the carpentry and building skills they acquired; some undertake improvements on the houses they built. Though she appreciates that the information technology industry is important to South Africa, Seape believes that South Africa cannot just rely on the new economy. Her company, with contracts worth R35 million between 1998 and 2000, employs 50 full-time construction workers and 14 office workers, in addition to up to 650 people (70 percent women) from the community for one project. The company owns a brick-making plant, earth moving equipment, and brick-making machines. Her five-year forecast for the company includes doubling the production of the company and moving to medium- and high-income housing and rental stock.

Seape says the construction industry, especially low-cost housing, does not turn you into an instant millionaire. The profit margins are too small. In the first project of 400 houses at Olievenhoutbosch, where the council put in the infrastructure, she built units of 40, 54, and 62 square meters. The difference between the final amount and the old subsidy of R13,000 is borne by the owners. Some of the bigger houses, with up to four bedrooms, cost R40,000. Three months after her company kicked off the project, not a single bank was prepared to help people with loans. So she decided to give them interest-free loans. Not one person tried to dodge their responsibilities. Someone appointed by the community collects the outstanding debt.

Seape obtained her degree in economics at the University of Zambia, subsequently traveled extensively, obtained diplomas in marketing, sales management, and public relations, among others, and returned to South Africa in 1992. Spending time in several countries and traveling extensively made her realize what a wonderful country South Africans have. In 2001 she started becoming more involved at the community level. She says that it doesn't help to say that uplift projects must be community-driven. Experts must give some of their time to train unskilled people; business expertise is too sophisticated to simply leave it to the people. Seape is not bitter about the past and says that South Africans must rid themselves of the "us and them" syndrome. She insists that South Africans must stop making accusations and start building their future together. The IHSA elected Granny Seape Housing Person of the Year 2000 in the Gauteng Province (Naudé 2000a).

Nicola Hadfield, the managing director of Decorexpo, established Decorexpo (Pty), Ltd., in 1994 with seed capital of R800. In the year 2000 the company's capital turnover is R13 million. Between 1994 and 2001 it has generated millions for entrepreneurs in the design and décor industry. Decorex showcases exhibitions held all over the country. For example, Decorex South Africa is Africa's largest international interior design, décor, and lifestyle showcase. This prestigious event is held annually in August, at the state-of-the-art Gallagher Estate, near Johannesburg in Gauteng. This leading event enjoyed a record number of 64,000 visitors in 2000. Decorex South Africa is aimed at the corporate and residential markets, both trade and consumer. Aesthetically and generously landscaped over 13,000 square meters, this show presents a variety of more than 350 high-quality exhibits, including themed housescapes, workshops and seminars, and buying opportunities. A steering committee, consisting of leaders in the field of interior design and décor, ensures that the standard of exhibits is consistently high. Each year Decorex South Africa presents a new theme that adds a fresh look to the event. The theme for Decorex South Africa 2001 is "Dare to Be Different."

The dynamo behind this success has been Hadfield. With a resume putting any businessperson to shame, Hadfield has shown a fantastic vein of courage and ingenuity in developing the Decorex brand. Staging the first Decorex S.A. exhibition in 1994, the year Nelson Mandela became president and South Africa was thrust into the global limelight, was a stroke of genius. By the second year the exhibition had already trebled in size and has continued to expand and explore new trends and angles each year.

The Decorex portfolio has grown unabated, expanding from the two core exhibitions of Decorex S.A. in Johannesburg, launched in 1994, and Decorex Cape, launched in 1999 at Spier, to embrace eight exhibitions in 2000–2001. The new exhibitions include Decorex DIY, Decorex KZN, Decorex Kitchens Bathrooms Etcetera Gauteng, KZN, and Cape and Decortrade. All the shows have been welcomed overwhelmingly by the South African public, and the latest addition, Decorex KBE Cape, looks set to maintain the trend.

In 1994 Hadfield was elected onto the committee of the South African Guild of Interior Designers and Decorators and made an honorary life member for her contribution to interior design in South Africa. In 1997 she was nominated for the Women's Entrepreneur award made by the SABC TV program "Lebone" and Mafube Publishing. At the end of 1998–1999 she was nominated for "Women in Business"—sponsored by Mercedes- Benz and Business Partners. More recently Hadfield has been nominated for the Leading Women Entrepreneurs in the World, and she was a finalist in the year 2000 Woman of the Year award, in the business category. In October 2001, Hadfield announced that she would be taking a well-earned break before giving thought to developing other interests. She is looking forward to exciting new challenges in her personal and business life while exploring her future opportunities in South Africa

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6

South Africa: New Era Enterprises

The Freeplay Group, the young, fast-growing technological company founded in Cape Town, South Africa, wants to build products that capture the imagination of the world. The Freeplay Group spent 1999 scrambling to handle an overwhelming demand for its windup radios and flashlights—while continuing to break new ground on its social mission. The Freeplay windup radio is not only useful in Africa but also in the entire developing world, where access to electricity and the high cost of battery power are major stumbling blocks to radio access. Freeplay has also seen its flagship product, the windup radio, become a hot item in the United States and elsewhere in the developed world. Partly as a result, the company nearly tripled its revenues in 1999, pulling in about US$50 million—far more than the US$35 million that entrepreneur Rory Stear, cofounder and CEO, had projected the year before. Stear offers this index of his company's success: Every 20 seconds, somewhere in the world, someone buys a Freeplay product. Meanwhile, Freeplay's products continue to serve as a lifeline to some of the world's poorest people, as well as to people in war-torn countries. As an extension of this approach, the Freeplay Group created (and funds) the Freeplay Foundation, which works with NGOs, governments, and UN agencies to ensure that Freeplay technology provides access to information and education for all. For more info on the Freeplay Foundation, see their Web site, www.freeplayfoundation.org.

Freeplay doubled its revenues in 2000. They are currently restructuring into a business-to-business technology company. This has always been their vision. Freeplay is also busy concluding distribution agreements with major brands with which they shall partner. As a result, actual sales of

Freeplay products will continue to improve vastly over the coming years. Plans also are underway for taking the company public within the next couple of years. "We're trying to grow up," Stear says. "We're trying to go from being funky and by-the-seat-of-our-pants to being more organized. We want to improve on that front while passionately holding onto our entrepreneurial culture and our commitment to social justice."

Mobile Telephone Networks (MTN) has become the network of choice and the leading cellular operator in Africa. With more than 3.2 million active customers in South Africa alone, MTN provides access to 88 percent of the population. In 1997 MTN began to implement its vision of becoming the leading telecommunications operator on the African continent and to improve telecommunications infrastructures and access throughout the countries in which they operate. For communication technologies to serve Africans, they need to be accessible and affordable. MTN realizes that it cannot be the African connection if it does not address this challenge. MTN is one of the largest GSM networks in the world and has operations in addition to South Africa, in Rwanda, Swaziland, Uganda, Cameroon and Nigeria.

MTN's strategy is to grow clusters of business by focusing on developing regional hubs, namely southern Africa, the Great Lakes Region, and central and western Africa. They provide significant benefits in these regions through training efficiencies, knowledge transfer, skills sharing, and mutual access to a pool of advanced and innovative technology. A global leader in cellular technology, MTN has established notable records in performance, product innovation like fax, global SMS on the Internet, specialized packages, and 19 MTN services. MTN is proactive and dynamic, channeling funds and resources into the development of previously disadvantaged areas. As a result, 300 communities throughout South Africa have been connected to the most modern form of communication available. The heavily subsidized Community Payphones Program has also created jobs, skills training, economic empowerment, and social upliftment.

In the new millennium, Africa is about to surprise the world. Courageous visionaries dare to believe that they can develop sophisticated democracies in the world and can solve the problems that others could not. If you travel through Africa, the way MTN's International Business Development team has, and speak to its children, you will discover people who have the will and the vision to confront poverty, disease, and violence. That is why MTN has an insatiable passion for Africa. It is MTN's conviction that the hope of Africans lies in wireless technology. No longer do their dreams have to remain isolated, or their voices unheard. No longer do their innovations have to die for lack of nurture. Now there is a voice for the voiceless. A connection that crosses boundaries saves time, nurtures solidarity, and creatively combines resources. In Africa, telecommunications will be used as they have never been used before. Africa will not wait to be given the chance to prove itself. It will seize the opportunity that lies in telecommunications technology to create that chance for itself.

Ivan Epstein founded Softline in 1988 with a small bank loan of US$700 and two people as a value-added reseller of financial software, but the three quickly saw the gap for good, locally developed, and user-friendly accounting software for emerging businesses. Today Softline is South Africa's biggest accounting software vendor. It is Australia's second-biggest as well as the second-largest accounting software company in Canada. It is building market share in the United States and the UK. Softline currently sells its software applications into 38 countries around the world and currently has the products translated into eight languages. Softline owns and controls 60 percent of Amex-listed SVI Holdings, headquartered in San Diego, California. Today Softline has more than 380,000 businesses around the world utilizing their software applications, approximately 4.7 million users, positioning Softline among the largest accounting and payroll software developers in the world.

Epstein's achievements were given the ultimate accolade in 1999 when he scooped South Africa's Best Entrepreneur Award from a formidable field of finalists. Epstein's advice for up-and-coming entrepreneurs is short and to the point: "Persevere. Focus. Take the gap." On the community service front, Softline, with the inspiration of Nelson Mandela, funded an HIV clinic, named "Softline Centre" at the Saint Aidens Mission Hospital in Kwa Zulu Natal, South Africa. The clinic's ribbon-cutting was officiated by Nelson Mandela and Ivan Epstein on October 11, 2000.

Bill Venter is the founder and chairman of the Altron Group. He has devoted over 35 years to entrepreneurial endeavors and initiatives in the electronics, telecommunications, and power electronics industries, both in South Africa and abroad, first as design engineer and then marketing manager, and thereafter as chief executive and latterly as chairman. Venter has played a significant role in developing the South African electronics and electrical industry into the key component of the national economy that it is today. He formed Allied Electric (Pty) Limited in 1965 to establish one of the first South African controlled electronics, telecommunications and electrical companies with the specific objective of making the country independent of foreign control in this highly strategic area. The company grew from humble beginnings and only four employees to the present-day Altron Group with sales of around R10 billion a year and 15,000 employees. Another 2,000 people are employed at Altron associate companies overseas. The Altron Group has had a profound effect on the development of South Africa's IT industry and is one of the top three IT companies in the country. In view of the above achievements, Venter was awarded the Order for Meritorious Service Class 1 Gold (O.M.S.G.) by the State President of the Republic of South Africa.

Altron now comprises some 145 electronic, power electronics, telecommunication, electronic systems, electronic components, office automation, and information technology companies and has become a highly rated group on the Johannesburg Stock Exchange (JSE). The Group now has five companies, which are listed on the J.S.E., viz: Allied Electronics Corporation Limited (ALTRON), Allied Technologies Limited (ALTECH), Power Technologies Limited (POWERTECH), Voltex Limited, and Bytes Technology Holdings Ltd. (BYTES). The total market capitalization was approximately R7.5 billion as of December 2000. Venter is the controlling shareholder, through his family trusts, of Altron and also Telemetrix PLC, an UK company listed on the London Stock Exchange. As of 2001, Bill Venter was a Director or Chairman of all the major listed companies in the Altron Group as well as Telemetrix PLC in London. Venter has finalized global acquisitions in Portugal and Spain and he also established marketing and trading offices in Australia. He was the guiding force behind the formation of the Altron Group Export Council which resulted in the Altron Group exporting high technology integrated systems and solutions in the telecommunications, electronic, electrical and information technology fields.

Bill Venter has won many prestigious awards such as Production Man of the Year (1985), South Africa's Marketing Man of the Year (1977), South Africa's Top Five Businessmen of the Year (1978), South Africa's Best Chief Executive (1984) and South Africa's Engineer of the Year Award (1996). After qualifying as a British chartered engineer, he has also received many awards from various universities including that of Honorary Professor of Business Administration of the University of Potchefstroom and the annual "Leadership in Practice" medal award by the UNISA School of Business Leadership. Venter has also been awarded the degree D.Comm (hc) in Business Economics from the universities of the Orange Free State, Pretoria and Port Elizabeth and the degree D. Sc (Eng)(hc) from the University of Natal and from the University of the Witwatersrand.

Venter is also known for his many philanthropic deeds—supported out of his personal funds, in helping young individuals with their studies or for paying for the treatment of young men and women with rare diseases or injuries. However, his concern is not limited to the funding of needy individuals, he has built seven schools in South Africa and Namibia of which the last three schools cost more than R4 million in total. He established The Bill Venter Foundation many years ago and this foundation is known in South Africa for the many donations it has made towards the educational, cultural well being of South Africa as well as supporting the areas of health and welfare. Asked about his motivation for the many generous donations towards education in South Africa, Venter says that South African history has been characterized by a number of wrongs that needed to be put right. "South Africa has given me so much and I want to do something in return," he says. Venter firmly believes that it is through the advancement of education that South Africa will develop the knowledge and skills that will lead to widespread job creation and the building of a country that will be a shining light in the eyes of the world. He was awarded the Rector's Medal from the Pretoria Technikon for his contribution to the advancement of technology in South Africa.

On February 6, 2001, the decision was made to split the role of Chairman and Chief Executive of the Altron Group. Bill Venter stepped down as CEO of Altron to make way for his eldest son Robert Venter to become CEO of the group. Robbie (b. 1960) graduated with a B.Sc. in Economics degree from the University of California, Los Angeles (UCLA) as well as a Masters degree in Business Administration (MBA) (Cum Laude) from the Anderson Graduate School of Business at UCLA. Subsequently, he was appointed a vice president at Bear, Stearns, Inc. in New York. Bill Venter's second son, Craig (b. 1962) graduated with a B.Sc. in Economics from UCLA, and then obtained his MBA and a M.Sc in Management Science at the University of Southern California (USC) in 1988. Subsequently, Craig was appointed CEO of Allied Technologies Ltd., a R4 billion group of telecom, IT and electronics companies. Both sons were captains of their UCLA tennis teams and earned All-American honors.

Bill Venter remains as chairman. An executive committee under the chairmanship of Robert Venter, and including key operating executives, fulfils the day-to-day operating requirements of the group. A chairman's committee with Bill Venter as chairman guides and assists operating management in areas such as government relations, empowerment and the direction of the future strategies of the Altron Empire. Altron's first major change in 35 years is part of a drive to ensure succession and simplify the Altron structure, which has numerous subsidiaries and subdivisions operating in varied fields. The splitting of the roles of CEO and chairman had been expected, since succession planning began the previous year. Altron plans to also shed non-core businesses and to restructure in order to eliminate overlapping between subsidiaries. Bill Venter says that there is no doubt that Altron is rapidly becoming a healthier, stronger organization energized with a new entrepreneurial operating culture and fueled by the twin engines of innovation and diversity. He believes that the winners of the new-age economies will certainly not be the companies that merely strap an "e" onto old habits—they will be those companies, which use innovative technologies and the convergence of systems to transform processes, products, delivery and pricing. He sees Altron as a nimble, responsive global organization focused on customer service, while constantly adapting to changes in technology and to the needs of people.

Software Futures in Johannesburg is a knowledge-based organization that actively creates value from its intangible assets. As a partner, the company brings many of these concepts to its customers, by living the values and working with its clients towards technology inspired business innovation. Software Futures was established in 1994 and is today a member of the JSE listed group MGX, a group who is making its mark in South Africa and is built on entrepreneurship. Software Futures is a leading South African software developer, with a global staff complement of over 500, providing a complete range of software products, services and solutions to major companies in Southern Africa, the UK, Australia and the USA.

As chief executive of strategy and new business development at MGX, Aletha Ling continually drives the group toward fulfillment of a shared vision of business innovation. This is a vision where the requirements of business and the strengths of technology converge, enabled by the unique abilities of the supplier. When originally launched under Ling's guidance, Software Futures grew in two years from a small startup to a significant industry player consisting of six divisions. Ling is a recognized leader in information technology in the South African market, named by the Computer Society of South Africa as "IT person of the year" in 2000. She has established credibility and visibility through a successful career as an information technology professional in senior positions in IBM and subsequently as founder-member and group managing director of Software Futures, chief executive officer of Computer Configurations Holdings (CCH) and chief executive officer—Strategy and Business Development at listed group MGX.

A significant contributor to success in Software Futures is their value system, which inherently drives the company. Delighting their customers definitely surfaces as their primary purpose in life and drives everything that they do. The first cause of customer delight is the delivery of tangible business benefits on every project that they undertake. The second is the professional and committed approach that they apply to all their interactions with their customers. Values are the most visible and tangible characteristics of a company culture. They guide the decision-making, they determine who will make suitable members of the team, they indicate which companies will make compatible clients, and they are the yardsticks by which a team can determine its worth. Together these describe the very essence of the company.

Passion is the word that springs to mind when describing the soul of the company, simply put, this team loves what they do. There is an energy that permeates everything. At its inception the business coined the phrase "Radical Innovation" and has lived by this tenet ever since. Creativity, imagination and inspiration are the most powerful causes of success for their clients and Software. Software projects are a team game and there is no room for selfishness. The teams are unified behind one goal and the resultant team spirit, sharing and support are evident on every project.

Talented people are ambitious and motivated by challenges. Software Futures believe in growing their people during their journeys with the group, investing in their learning, providing their challenges and rewarding their achievements. The future will be difficult for all but the best. The company has an uncompromising commitment to quality in all aspects of the business. World class is the only standard by which one can judge yourself, and the only acceptable outcome for the clients. People are the heart and soul of Software Futures. Without the commitment and effort of the most talented people the company simply would not exist, it would not have achieved the fast success or the exceptional sustainable growth over the past few years.

Software Futures knows that the people they want are also wanted by many great companies from all over the planet. Consequently they work hard to attract and retain the best, and get the best from them. To do this they have created the coolest place for them to work. This acts as a talent magnet to attract the best. Although having fun and the environment are both important parts of the COOL@Work program, it does not stop there. Creating a learning organization, providing challenges, recognition and rewards, leadership style, and being part of a winning team all contribute significantly to making us the coolest place to work. In touch with the future: Software Futures keeps abreast and informed regarding the trends in technology and business. There is a strong focus on strategic thinking and extrapolating the effects of changing business and technology. Furthermore the clients of Software Futures are corporations, which also brings a pragmatic customer and industry view.

Mandulo Septi Bukula is the founder and managing director of Upstart Business Strategies, an independent privately owned economic development research and consultancy firm. The firm specializes in small enterprise development research and consultancy; policy research and advisory services; program design, planning, management, and evaluation; and local economic development research and consultancy. Lately, the firm has increased its involvement in trade development consultancy. Its clients are drawn from a wide spectrum of organizations in the public, corporate, and development sectors. It also works closely with leading South African black business organizations and has worked on assignments for some of the major international development agencies.

According to founder and director Pieter van Schalkwyk, Benchmarking South Africa (BENSA) was established as a joint venture between a group of South African organizations who recognize the value of benchmarking and its applicability in the South African business environment. The input and guidance of these founder members helped to establish South Africa's own benchmarking center. The vision of Benchmarking South Africa is to contribute significantly to global market leadership and business excellence in South African organizations through the application of benchmarking. Benchmarking is a systematic, deliberate, thorough search for best practices to provide quantum leap improvement when adapted to the customer's organization. The exchange of information between organizations is at the heart of benchmarking. In 1991 85 percent of the Fortune 500 companies were using benchmarking. Benchmarking is not just about standards and norms. Rather, 85 percent of a benchmarking study focuses on the practices that deliver outstanding performance. Benchmarking is not competitive analysis. The majority of best practices are found outside your own industry. You learn from unusual partners: an aircraft manufacturer learned from a bakery, a dairy farm learned from the Red Cross, a mine learned from an amusement park, and hospitals learned from hotels. "We see benchmarking as an enterprise, not an operational function. I would never run a company without using it again," says Robert H. Ogle, director of worldwide quality improvement at Johnson & Johnson. Objectives of Benchmarking South Africa are:

- to promote the use of benchmarking as an organizational improvement methodology
- to assist organizations in obtaining substantial results from their benchmarking studies
- to reduce the cost of benchmarking studies for organizations
- to assist organizations in establishing benchmarking as an integral part of their continuous improvement and attack complacency in South African organizations by highlighting the gap between best practices and South African practices
- to provide expert and cutting-edge knowledge and information on benchmarking and related subjects
- to bring the application of benchmarking within the reach of smaller organizations
- to develop benchmarking techniques and tools that apply to South African conditions
- to provide standards and norms for comparative purposes to South African industry
- to establish a South African network of organizations that use benchmarking and to link this network with international benchmarking networks

Amadou Mahtar Ba, one of Africa's most experienced media professionals, is president of Internet news service AllAfrica Global Media, a multimedia company headquartered in the United States and Africa. A native of Senegal, specializing in finance and marketing, Ba conceived the first venture linking news agencies across Africa and developed the Internet strategy of the Panafrican News Agency. In 1999 he joined AllAfrica's founding executive team. AllAfrica is the largest source for current African news, serving hundreds of clients, including Comtex, Bloomberg, Reuters, iSyndicate, Lexis-Nexis, CNN, Financial Times Information, and CompuServe and for wireless applications OmniSky and AvantGo. AllAfrica also operates allAfrica.com, the leading Africa Web site—and one of the largest news and information sites on the Internet. The company's proprietary software sorts and posts more than 600 reports daily from its own reporters and from more than 80 African media partners. The site logged more than 7 million page views in March 2001—its sixth month—through word-of-mouth growth. An infrastructure and services division of the company licenses AllAfrica's content-management software and provides technical advice and assistance to clients with extensive needs for flexible data organization and delivery. The division fills a market niche between Web-service solutions that lack the scalability needed by growing information businesses and large outsourcing firms that require costly, ongoing technical maintenance. AllAfrica's system enables a small staff to manage vast quantities of information efficiently and cost-effectively, while offering customization and interoperability with other systems. The AllAfrica family includes three nonprofit agencies:

- The AfricaNet Trust, an African broadcast production company, whose programming is webcast by allAfrica.com
- The AllAfrica Foundation, which launched the Charlayne Hunter-Gault Fellowship for African Journalists and produces thematic channels on topics such as health and medicine, science and technology, and the environment, hosted by allAfrica.com
- The Africa News Service, which administers the Center for Africa and the Media at Duke University

AllAfrica is built on the legacy of Africa News, which produced prize-winning print and broadcast reporting for major media such as National Public Radio, the *Washington Post*, and the BBC for two decades, prior to developing an online venture. In 1999, when Africa News was unable to continue the project, it was incorporated into allAfrica.com, launched by Africa News cofounders. Africa News has a stake in the new company, and the expansion ensured larger earnings for the venture's African content partners. AllAfrica is utilizing its wide distribution, first-to-market identity, and technical credibility to create high-value services, strategic partnerships, transactional platforms, and branded off-line extensions that build revenues. Among its strategic alliances, the company has webcasting agreements with the BBC and Radio France Internationale. Under the agreements, allAfrica.com offers access to an array of Africa-related programming in English and French, including news, features, and cultural shows. "There is a hunger for African news that other sources fail to provide," says Ba. "AllAfrica fills that gap." The allAfrica.com home page is at http://allafrica.com/. AllAfrica Global Media operates from Dakar, Johannesburg, Port Louis, Mauritius, and Washington, D.C. In November 2001, Tamela Hultman, chief strategy officer, and Reed Kramer of allAfrica.com and founders of the Africa News Service received the Africa

America Institute Award of Special Recognition for Lifetime Achievement in Media.

William Kirsh (b. 1961), the Primedia Group's chief executive and, in the group's high-flying days, the bold young Turk of the South Africa media sector, feels old in the Internet world. He spends about thirty minutes each day looking for information and entertainment. Kirsh fired up iafrica.com, one of South Africa's largest portals, in 1996, with Datatec and R40 million start-up capital. He judges that the Internet could become a major mass medium in South Africa, and he believes that there is no reason it won't with wireless telephony and deregulated telecom companies. Iafrica.com continues to establish itself as Africa's most magnetic Internet destination by delivering Internet users only what they want. The ultimate mix of high-quality content and services, community, and commerce geared around their unique needs. Launched in 1997, iafrica.com has a constantly expanding following; as of the third quarter of 2000, more than 18 million pages of Internet content were delivered in an average month to an estimated audience of more than 300,000 individuals.

Kirsh likes to escape to the outdoors he discovers online. He likes to get away for a long weekend every two months. He qualified as an accountant in 1988. Three years in the mergers and acquisitions department of Lehman Brothers (then Schearson, Lehman, Hutton) in New York initiated him into finance and "how to survive." In 1991 Kirsh returned to South Africa to throw himself into private equity. He founded Primedia in 1994 and, after its listing in 1995, was appointed chief executive. It was his vision that took radio station 702, a business worth R42 million, and created Primedia. Primedia has two divisions. One is for the delivery platform businesses: SterKinekor Films (Cinemark and Ster-Kinekor Theatres, the cinema chain), Primedia Outdoor, specialist marketing, and direct marketing. The other is the content division, which houses SterKinekor Entertainment (Ster-Kinekor Pictures and Ster-Kinekor Home Entertainment), Primedia Broadcasting, Primedia Music, iafrica.com (Primedia's business to consumer portal), Primedia Publishing, and Primedia's interest in the soccer club Kaizer Chiefs, which Kirsh believes gives Primedia stronger access to the black consumer market. The content division focuses on intellectual property development, while the delivery division concentrates on improving operational efficiencies.

MBendi Information Services (Pty), Ltd., is a privately owned Internet business publishing and consulting company. Based in South Africa, the company uses the Internet to reach an audience of millions while serving a multinational client base. MBendi, pronounced Mmm-bend-eee, is in a language that knows no geographical boundaries. It means "the knowledge that brings wisdom." The MBendi Web site is Africa's leading business Web site. The site is also one of the world's leading mining, energy, and international trade Web sites with global coverage of these topics.

In 1995 MBendi was founded by a small group of entrepreneurs with extensive worldwide experience in strategic management, information systems, and the corporate world. At the time, the founders of the company believed that the Internet would increasingly be used by businesspeople to research business opportunities throughout the world. To be productive, they would want to spend the minimum of time on the Internet and would value Web sites where relevant information is very well organized and easy to access. Not long before, Nelson Mandela had been released from prison, signaling the death of apartheid; South Africa became a newly democratic country; and the world was beginning to show interest in opportunities throughout the African continent but were experiencing difficulty in finding relevant information. So the decision was made to focus on providing innovatively delivered, high-quality information about as many aspects of business in Africa as possible.

On October 1, 1995, the MBendi Web site went live, one of a handful of African Web sites at the time. Although it covered all Africa's countries and many industries, the Web site had a strong oil and gas focus. Its raison d'être was to assist companies around the world to do business in and with Africa. In those early days, it already differed from most Web sites in being based—as it is now—on an extensive relational database. The MBendi Web site received considerable publicity, particularly before the traditional media went online, in African publications such as the *Sunday Times' Business Times*, the *Financial Mail*, *Business Day, Computers in Africa, African Ventures, Business Report*, *Business in Africa, Skynet*, and Travel and Trade Publishing. International publications had also taken note of the Web site as well: *Africa Energy and Mining*, the *Singapore Strategist, Oil and Gas Journal, Hydrocarbon Processing*, and even the *Oxford Guide to Writing and Speaking* all made mention of various developments on the site.

Today, the MBendi Web site is still the flagship service of the company and is regarded by many as Africa's premier business Web site. It has a wide business-focused international readership and has a growing number of local and international clients who take advantage of the advertising opportunities available in it. With the arrival of the twenty first century, MBendi Information Services (Pty) Ltd. has broadened its focus. The Internet has made visible the globalization of business to the extent that it is impossible to view a company or industry in the context of one country, or one continent. MBendi is firmly rooted in Africa and is still committed to Africa and its economic renaissance. But now, MBendi's mission is to assist companies, wherever they are, to do business throughout the world.

Mark Shuttleworth is an African entrepreneur with a particular interest in the way communications technology will reshape Africa's social, political, and economic landscape. He was born and raised in South Africa and studied business science at the University of Cape Town. He founded Thawte Consulting, a one-man Internet consulting business, in his parent's garage during his final year at UCT in 1996. Thawte grew into the largest issuer of digital certificates for secure e-commerce outside the United States, having certified about 42 percent of the world's secure e-commerce Web servers. In February 2000 Thawte was acquired for US$575 million by VeriSign. Thawte started off as a one-man business, but by the time it was sold to VeriSign, it had 37 employees in South Africa and 19 in the United States. Mark's role in the creation of Thawte, together with his interest in communications technologies and his Afro-optimism, has pushed him into the spotlight as a commentator, speaker, and leader of the new economy in Africa. He has recently launched a new venture capital company with dynamic, innovative, and determined South Africans in mind. HBD is a "business catapult" that will focus on the creation of new African enterprises that are global in scope but headquartered in Africa.

Shuttleworth's HBD gets its name from "Here Be Dragons," the uncharted areas on ancient maps, thought to be the domain of sea monsters. "One night at the Thawte offices, I was struck by an image of an ancient map showing the known world at the time, I thought why not call the company HBD, in reference to our sailing into uncharted territory?" he said. After the success of the sale of Thawte consulting, Shuttleworth found himself approached by "a steady flow of venture proposals by young entrepreneurs." Shuttleworth is a firm believer in the skills and potential of young South Africans. HBD is focusing on new ideas and technology and is looking to invest in new businesses with a global outlook, who has identified existing needs in the marketplace, he says. "We have a set of criteria that we judge proposals against," said Vicki Shaw, chief executive officer of HBD. She said the company was looking for ideas with global potential and innovation. If a proposal met their criteria, HBD went on to conduct research to examine the market and possible competitors. "It's quite hard sometimes having to say no to some people. It's also hard to spot a really good idea, but there are some—there's huge potential in this country."

Shuttleworth believes small, focused teams will continue to fuel growth in the IT industry. "A small group with a strong common language is one of the most powerful forces on the planet. We want to take tiny ideas and really break new ground." He also has a number of nonprofit initiatives in education and politics under development. Recently, the youthful billionaire has been invited by President Thabo Mbeki to spearhead South Africa's drive into the dot-com era. Mbeki announced during his opening of parliament speech in February 2001 that he had invited Shuttleworth to be part of a group of top international IT experts to join South Africa's dot-com initiative designed to overcome the global digital divide (Peer 2001).

Zitulele Combi, of Master Currency, was named South Africa's Best Entrepreneur for 2000. Master Currency was also elected one of 20 candidates for the South African Non-Listed Company Award for 2001. Raised in Guguletsu, Zitulele's first big break came in 1991, when he won the rights to develop Nyanga Station Shopping Centre, which he sold in 1994 to Southern Life. When exchanging travelers' checks in London, Zitulele Combi stumbled on the idea of setting up a foreign currency (forex) trading business. With no knowledge of the forex business except that a traveler needed it and that he was using it every day, he persuaded the manager of a London forex booth to provide a crash course in forex in return for information on the political changes in South Africa. After the crash course, Combi returned to South Africa. After further extensive research and a host of meetings, he became the first black dealer to be awarded a foreign exchange license by the South Africa Reserve Bank. When a joint venture was concluded with Rennies Foreign Exchange, Master Currency was born. Combi's forex company has captured about 10 percent of the South African forex market and is still growing and operates from 16 branches in Cape Town, Durban, Johannesburg, and Pretoria.

The judges' decision for the South Africa's Best Entrepreneur for 2000 award was a tough one. Combi's runners-up for the coveted prize were Mark Shuttleworth of Thawte Consulting, Gavin O'Connor of Mettle Finance, Nicholaas Vlok of Idion, Dean Fragale of Auto Industrial, Rob le Sueur of Intervid, and Leapeetswe Molotsane of Fedics food services division. The caliber of entries for 2000 far exceeded expectations. "These are world-class entrepreneurs," said Jaco van der Walt, partner at the award's cosponsor, Ernst & Young, "South Africa has what it takes to be a leader in the new economy." In May 2001 in Monte Carlo, Combi was pronounced the winner of the coveted Ernst & Young World Entrepreneur of the Year Award for Managing Change. Combi was the first individual to meet criteria for the award, which is designed to reward those who have risen above extreme sociopolitical challenges and what might be seen by others as insurmountable obstacles. Combi said it was a victory for democracy. "When you reach the point of giving up, that is the time when you have to push harder because that may just be the last hurdle," he said. Combi's South Africa sponsors, Absa and Ernst & Young, expressed delight at his achievement (Wadula 2001).

The challenges of wealth creation and employment in South Africa are key issues that need urgent attention. Entrepreneurship and enterprise development are life-long skills that are much needed in a country where they might soon provide the most viable alternative for South Africans seeking employment. Previous winners of the South Africa's Best Entrepreneur award, Adrian Gore (Discovery), Ivan Epstein (Softline), and Zitulele Combi (Master Currency), as well as former finalists and judges of the competition, met to discuss the creation of an Ernst & Young South African entrepreneur network in order to address these needs. "Creating a network for the exchange of information between entrepreneurial individuals is a much-needed necessity in a country with dwindling employment opportunities. This way the benefits of entrepreneurship can be spread to schools, disadvantaged groups and small businesses to equip the future entrepreneurial champions of our county," says Mr. Jaco van der Walt.

In September 2001, Mark Lamberti from Massmart Ltd. was judged South Africa's Best Entrepreneur for 2001. Co-sponsored in South Africa by Absa and Ernst & Young since 1998, this award honors the South African entrepreneur who has proven to be amongst the country's highest business achievers. Following four years as a professional musician, Mark began his retail career in 1975, by establishing a small business, retailing home electronics and white appliances through two stores in Newcastle. Despite the financial success of this venture, the intellectual lure of big business prompted him to join the Bradlows furniture chain in 1978 as a branch manager. Over a period of seven years, he progressed through the various line and function positions to become executive director, reporting to the chairman, with responsibility for every facet of the company other than finance.

In 1985, his entrepreneurial yearnings were reawakened by an offer to assist the founders of the Jazz chain of convenience grocery stores who were wrestling with the challenges of fast growth. After doing so and participating in the successful listing of the company, he was appointed managing director of its major trading division, Fraser Supermarkets. Because of his successful progress through a multi-functional retail career, Mark was hired in 1988 by the Wooltru Group to be the managing director of Makro. His remuneration for turning around the ailing six-store chain was primarily through being allowed to purchase equity in the company. After successfully repositioning Makro, Mark founded Massmart in 1990 as the vehicle for multi-chain growth in food, liquor, and general merchandise distribution. The efficiency of this strategy was recognized with his appointment as executive chairman of Massmart in 1996. Mark's other directorships include Affinity Logic, Wooltru, and Datatec.

Mark founded Massmart as a management group dedicated to establishing a dominant position in South African wholesale and retail distribution through aggressive organic and rapid acquisitive growth. In July 1999, Deputy Chief Executive Officer Dan Barrett, former CEO of Game, assumed operating responsibilities for all the Massmart chains, allowing Mark as executive chairman to concentrate on group strategic development, acquisitions, centralized services, and financial affairs. Mark's career and the growth of Massmart have been underpinned by a relentless entrepreneurial drive, shaped through strategic insight, superior retail marketing, and trading skills. He has a clear understanding of the subtleties in organization design and development, which attract and retain superior talent and pragmatism about information technology as both an operating tool and strategic weapon. Massmart has become Southern Africa's leading distributor of general merchandise, the second largest distributor of liquor and the fourth largest distributor of food. The group employs over 13,000 people.

As of October 2001, Massmart was operating in seven countries and was enjoying industry prominence in eight major product categories. Since 1990, eight companies had been acquired and integrated, one new format was founded and 135,000 square meters of new retail space had been opened. Massmart was composed of five divisions, which are focused on high volume, low margin, and low cost distribution of consumer goods:

1. Makro and Makroffice—A chain of 14 large warehouse club outlets situated in South Africa and Zimbabwe, trading in food, liquor and general merchandise at wholesale prices.
2. Massdiscounters—A chain of 69 discount stores trading under the established Game (acquired in 1998) and Dion (acquired in 1993) retail banners. They offer a wide range of general merchandise to value-seeking customers. Both the Game and Dion brands have very high consumer awareness. They are differentiated in terms of location and customer profile. Dion's 15 stores are Gauteng-based and focus on upper income customers. Game operates 49 stores in South Africa, which have a wide spread (middle and upper income groups) of loyal customers, and it operates five stores in Namibia, Zambia and Botswana. Game expects to have a network of 130 stores in place by 2010—75 in South Africa and the rest in Africa as far afield as Kenya, Tanzania and Uganda, the plan being to entrench Game as Africa's most dynamic discount group.
3. Shield (acquired in 1992)—A voluntary buying association assisting 244 independent wholesalers and 273 independent retailers to procure food more efficiently in South Africa, Nambia, Botswana, Lesotho and Swaziland.
4. CCW Wholesalers (acquired in 1998) includes Browns and Weirs cash and carry stores (acquired in 2001)—A peri-urban and rural chain of 44 cash and carry warehouses located in South Africa, Lesotho and Nambia, distributing basic food, groceries and liquor to lower income customers.
5. Jumbo Cash and Carry (acquired in 2001)—Wholesale chain with a strong urban presence by means of six distribution outlets in Gauteng, Northern Province, the Free State and KwaZulu-Natal. Jumbo's primary focus is on the wholesaling of toiletries, cosmetics, pharmaceutical products and patent medicines to supermarkets, hawkers, pharmacies and owner-managed spazas and stores.

Massmart's strategy emphasizes the imperative for the management of each chain to be dedicated to the needs of well-defined target markets, while concurrently participating in collaborative activities, which enhance value by leveraging the resources, influence and talent of the group. The delicate balance between these seemingly opposing forces is ensured by structures, processes and wealth creation mechanisms, which fuel entrepreneurship at the expense of bureaucracy. The success of this strategy is demonstrated over time by subsidiaries that achieve higher returns than their stand-alone competitors.

Massmart has developed a coherent e-business strategy. It has spent millions on systems for its subsidiaries to make inventory, purchasing and pricing more efficient. Mark says that E-business is not about technology.

From his perspective, the New Economy is about globalization, corporate trends and technology. Despite the often automatic assumption that the New Economy refers to IT, he believes in many ways IT is the easiest part of the equation to grapple with, and it is also the least important strategically. He states that technology is not a strategic advantage since the minute his competitor is able to sign a check for the same management systems that Massmart has installed, the systems cease to give Massmart the edge. Mark insists that the flow of information and commerce is presenting every company with challenges. Emerging markets are open and subject to global trends. He thinks that by 2005 any company that does not have a layer of 35-year-old managers with a New-Economy ethos will not have the competitive edge. However, he also believes in the so-called Old-Economy managers since his older managers have a lot of invaluable experience. The strategy Mark has adopted at Massmart is to integrate New-Economy workers into the system and to equip them with the experience to be found in his older managers. Though Mark credits information management and retail systems for Massmart's stellar performance, he says it's still good strategic management that will ultimately win the day (McLeod 2000).

In October 1999, Massmart reinforced its leadership position in the retail sector by launching a business-to-business e-commerce initiative through its Shield and Makro divisions. Known as eShield and Makro Online respectively, the e-commerce move followed Massmart's recognition that technology is changing the way its companies do business. The business-to-business portal: delivers extensive cost savings to and eliminates trading inefficiencies for suppliers and independent retail and wholesale storeowners. The portal creates a 24-hour online ordering platform and it facilitates access to Shield's and Makro's product range and pricing. The barrier to entry for the system was made extremely low to enable Shield members and Makro suppliers to change their business processes with the minimum of fuss. Datatec companies Affinity Logic and Destiny are the technology partners for the project. Mark says the initiative marks the company's commitment to technology and adds that some of the benefits of an online system include: electronic approval of credit orders, lower interface costs, fewer credit notes and reduced stock shortages. Through the system customers are able to place all orders online and reduce inventory levels, keep better stock management and lower inventory costs.

Also in October 1999, Massmart won the South African Non Listed Company Award sponsored by Andersen South Africa, Wits Business School and Business Day. This award recognizes innovation and entrepreneurship of companies that may not necessarily be in the public eye like their listed counterparts, but make an invaluable contribution to the South African economy. On July 4, 2000, Massmart was listed on the Johannesburg Stock Exchange. In conclusion, Mark Lamberti believes that people are a company's most important asset, and that the ability to think creatively is the single most valuable quality of a prospective employee. He reasons that professionals within organizations are increasingly required to display an entrepreneurial spirit and proclaims that Massmart aims to foster that spirit. He cites entrepreneurship as being the pursuit of opportunities beyond the controlled resources and states that entrepreneurs don't allow reality to get in the way of their dreams and that they need creativity to overcome obstacles and resilience to try again when they fail.

Dimension Data Holdings, Ltd., a billion-dollar global IT company based in South Africa, operates in more than 31 countries on six continents and currently employs more than 10,000 people. Born and raised in Johannesburg, Jeremy Ord has been involved with Dimension Data since its inception in 1984. Riding the wave of the e-business explosion, Ord and his fellow Dimension Data founders, former schoolmates from Roosevelt High School in Johannesburg, became very wealthy in just a few years. Formed in 1984 and now boasting a turnover of billions of rands, Dimension Data is known for its unusual business style. Rugby balls are sometimes thrown in jest or frustration at its Bryanston, Johannesburg, headquarters, which is built around a private cricket pitch. Ord joined the company from Olivetti as a sales manager and was appointed chairman and CEO in 1987, the year Dimension Data Holdings was listed on the Johannesburg Stock Exchange. Under Ord's leadership, Dimension Data has reinvented itself several times over the years and has grown to become an acknowledged international player in the fields of network integration and interactive commerce (i-commerce) services and solutions. His vision has been widely acknowledged by his peers and he was voted Computer Personality of the Year by the Computer Society of South Africa. He was also awarded the University of the Witwatersrand Business School's Business Excellence Award in 1999. In addition to heading up Dimension Data, Ord serves on the boards of several listed companies both in South Africa and abroad and is also a member of the Cisco Systems Advisory Board.

The Jeremy Ord–Kevin Arnold wine partnership brings a new world-class wine producer to the Golden Acres of the Cape's Helderberg. In the early 1980s, Kevin was associated with Delheim's renaissance, launching the Grand Reserve as South Africa's answer to the top New World Bordeaux blends. Later he went on to Rust en Vrede, where his estate wine established the benchmark for what came to be regarded as the quintessential Cape Blend. Now, in partnership with Jeremy Ord, he is developing a showpiece winery and vineyard at Waterford, a portion of the original Stellenrust farm. With more than a decade of Helderberg experience, and his own leased vineyard adjacent to Waterford, Arnold brings a wealth of regional knowledge to his new project. The Kevin Arnold label will be a singular release each vintage, provided quality allows. Each vintage will be dedicated to one of the six children of the Ord and Arnold families, with the first release named after the eldest, Robert Charles Arnold.

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7

South Africa: Food and Travel Industry

FOOD INDUSTRY

In June 1995 Ntombi Msimang, identifying the need for a networking venue offering authentic traditional African cuisine in Pretoria, the capital of South Africa, opened Safika. Today at its new location the Safika Restaurant, Jazz Café, and Conference Center boasts an extensive menu reflecting the sophistication and variety of continental African cuisine. The experienced staff informs the patrons where each dish originates. Most dishes are from the regions of South Africa, like the Zulu or Xhosa dishes. The chefs will also pleasantly surprise you with dishes from Ethiopia, Senegal, Uganda, and other African countries. Msimang sees Safika as the networking hub of Pretoria. Its walls are lined with business cards of patrons who have enjoyed its unique setting. Msimang has a wealth of knowledge and prides herself on knowing all her patrons, as well as introducing those who she feels will benefit from the acquaintance. Safika has tremendous potential for growth, and Msimang has plans to break into the tourist market, as well as establishing Safika franchises across South Africa. Msimang sees the potential for creating employment opportunities by opening Safika franchises, which would be operated by the local people offering the local cuisine of the area. In the Zulu language, Safika means "we have arrived."

In June 2001 Safika celebrated six years of existence. Msimang couldn't believe it. She had moved from her old location in April 1999 to her current location on Visagie Street. Her target customer base increased tremendously from the relocation. With time, she noticed that she needed to "wean" the business from her person and give it a life of its own. When she succeeded, the clientele also changed. Msimang still spends Friday or Saturday evening at Safika to keep in touch with people, but Safika has its own management now. They do a lot of off-premise lunches and dinners now. They catered for an executive luncheon for a 1,000 people at the president's residence in January 2001, and that was the height of success. They are still trying to reach for the stars! In order to help society at large, Msimang administers a church-run investment fund that provides start-up loans for black businesses. For example, she assisted low-income black farmers in winning a loan by advising them on forming a company to market flowers and vegetables. Her next venture will be in manufacturing so that more people can be employed. She says, "It's important to try to make a difference and make this country work."

It was in the small suburb of Rosettenville, Johannesburg, in a humble eatery called Chickenland that a dream was destined to become a reality in a few short years. There, in the heart of the local Portuguese community, chicken was prepared and enjoyed according to a centuries-old Portuguese tradition—the delicious and well-kept secret of the tightly knit community. But Portuguese hospitality being what it is, the secret proved to be one that had to be shared. Fernando "Nando" Duarte, a member of the community, introduced his close and longtime friend Robert Brozin to Chickenland. When Robert tasted the traditional Portuguese-style chicken, he had his first taste of what was to become his *sonho* (dream), the dream of sharing something this good with the whole world. Fernando and Robert became partners and, embracing all aspects of its Portuguese heritage, Nando's was born in September 1987.

From humble beginnings in Johannesburg, the store base has grown to 340 stores in twenty-one countries, with current focus on the United Kingdom, Australia, and South Africa. The group has established a highly visible presence in the Pacific Rim and the Middle East. The brand has won accolades all over the world for its delicious grilled chicken product. Nando's was voted one of the five most exciting food concepts for the year 2000 in London, a city at the cutting edge of consumer tastes and preferences. Nando's business strategy is to retain a committed investment in its underlying corporate store base and rapidly expand the store base through judicious franchising in existing and new territories and the formation of strategic alliances. Nando's has a strategic alliance with BP Australia. The Nando's brand is the food concept of choice for BP's retail forecourt sites. With spicy results, a highly visible global brand and a taste that differentiates Nando's chicken from its bland competitors, the cheeky and irreverent upstart has come of age with total system turnover reaching R1 billion for the year ended February 2001.

Entrepreneurs have kept the world's business heart beating strongly, creating exciting new companies, innovative products, and thousands of new jobs. They are entrepreneurial leaders who are laying the foundation for taking business into the next century with their extraordinary vision, energy, and persistence. Each year, the most successful entrepreneurs vie to be honored with the most prestigious award in this class: the Entrepreneur of the Year award. In 1997 the KwaZulu-Natal and South Africa's Entrepreneur of the Year was Sisa Bikitsha of Mnandi Fast Foods, who started in 1978 with a single Kentucky Fried Chicken (KFC) franchise in Transkei. He now owns eight KFC outlets, an automobile muffler center, a service station, and a cold storage plant. Bikitsha represents the irrepressible spirit of entrepreneurship from which will spring the new economy.

Bikitsha came to Johannesburg from Transkei in the 1960s to seek his fortune, but he found himself up against apartheid, and on one occasion was told that he had 72 hours to return to his homeland. He learned to be streetwise after finding himself unemployable and alone in Johannesburg in the heyday of apartheid. "I could have become a tsotsi [street person, gangster], but I decided to abandon the search for work and instead concentrate on searching for money, legally of course," says Bikitsha. Short on cash but not on guts, he then set himself up as an informal undertaker. He would go to the government mortuary and hospitals, talk to the bereaved families, and organize the funerals through his brother-in-law's funeral parlor. He later returned to Durban, where he tried his hand at a few unsuccessful businesses.

In 1979 Bikitsha was an unlikely beneficiary of South Africa's homeland policy. He saw an opportunity to open a fast-food outlet in Transkei, but he had no franchise agreement. A white businessman had the KFC franchise for the eastern Cape as far as KwaZulu-Natal. Undaunted, Bikitsha got a letter from the Transkei government that claimed that Transkei was an independent country and not included in any South African franchise agreement. He won the franchise for Transkei and has held it ever since. "The Nats put me in business; somehow I don't feel guilty about it," chortles Bikitsha. The National Party ("Nats") took power in 1948 and had embarked on apartheid. Bikitsha's first outlet in Umtata required bank financing of R20,000. Without collateral of his own, he put up the house of a friend as security. In 1986 the U.S.-based KFC disinvested, and this presented a number of buying opportunities. He snapped up the branch in Durban and set up an office there. In 1992 he negotiated a loan from the Small Business Development Corporation to open KFC stores in Lusikisiki, Mount Frere, Durban, and Engcobo.

Bikitsha says, "I don't work hard, I work smart. The people I work with are my own people. I received no formal training as a businessman. . . . I have had to learn from my mistakes. I got into business because I needed money and I'm now enjoying the fruits of my work." In 1997 Bikitsha's fast-food empire of eight KFC outlets employed about 200 people and had a yearly turnover of R15 million. His total business holdings in KwaZulu-Natal and the former Transkei boasted annual sales of R27 million. He has now returned to Gauteng and is trying his luck in joint ventures for black empowerment projects. He hopes in winning the 1997 award he has shown black people that they must take their destinies into their own hands and stop waiting for someone else to provide a living for them (Ryan 1997).

Hout Bay, surely South Africa's most charming fishing village, is situated along the Cape of Good Hope, which Sir Francis Drake more than four centuries ago called the most beautiful cape in the world. For many years Hout Bay was considered Cape Town's outback, a place where strangers seldom trod. Apart from visiting tradesmen, only a few knowledgeable people regularly went there to enjoy its seafaring ambience of yesteryear. Today Hout Bay has taken its rightful place as a premier tourist destination, welcoming tens of thousands of visitors a day in season thanks to the vision and efforts of Stanley Dorman. Dorman one day plans on sharing his life story in a book, which should result in a very interesting read!

Born in Cape Town on November 14, 1941, Dorman grew up in Hout Bay, where his great-grandparents from Lithuania had settled in the 1890s. He graduated from the University of Cape Town in 1962 with a bachelor of commerce degree, and shortly thereafter took over a small Hout Bay fishing business an uncle had bequeathed him 15 years previously. The business comprised one fairly new boat and three old ones, a lobster concession, and plenty of headaches, because the lack of management during the in-between years had caused accumulating financial losses. Initially he managed the business entirely on his own, but after marrying Pam in 1967, she took over the secretarial work and the few sales opportunities that there were.

Survival in the 1970s as a small fishing company was not easy, primarily because large conglomerates ruled the waves and there were scant opportunities for one-man operations. Also the conglomerates were constantly trying to squeeze competitors out of business, or take them over, but Dorman was simply not prepared to roll over. He started looking after the boats, their crews, and his catches. He rose at 2.30 A.M. to get the fleet to sea and then was back at the harbor in the afternoons to oversee the offloading and processing of their catches. Initially working from home, which was a rented apartment above a butchery, he had precious little capital, and every cent he earned was recycled for the development of the business. He was also continually harassed by competitors, who were encouraged by the often unconcerned and autocratic attitudes of the fishing industry authorities. The authorities were biased and protective of the vested interests of the large fishing conglomerates, and basically regarded those trying to rock the boat as intruders into the prevailing comfort zone.

Despite the frustrations, unpleasantness, and unfair tactics, during the next decade he rose to become a major player in the South African fishing industry. He served on several of the national marketing and production boards responsible for the worldwide sales of South African lobsters, and he was also appointed a member of the advisory council to the Minister of Fisheries. Hard work during these survival years resulted in Dorman's business, now known as Cape Coast, expanding into a major group of companies, peaking at 17 boats, workshops, cold stores, factories, freezing plants, nationwide distribution, warehousing, and an export division.

And thus it was that in 1974 Dorman traveled overseas for the first time, and, inter alia, visited the United States to seek new markets for Cape Coast's other products that were being processed at his burgeoning fish factory, such as smoked and salted fish. During this trip he visited San Francisco and its famous Fisherman's Wharf, which stirred boyhood memories of his youth in Hout Bay. His thoughts drifted back to the craggy-faced fishermen, and how they used to jest about their catch as it lay shimmering on the jetty. The sounds of throbbing boat engines and wailing "snoekhorns"; the thud of the shipwright's caulking hammer; the exhilaration of a Friday payday; and many other treasured memories, rapidly receding into the mists of time. Reminiscing made him ponder. Was there not a last chance to encapsulate Hout Bay's fascinating past for future generations by creating a special place, a place where old salts and locals, the famous and the not so famous, could enjoy each other's company.

How then to transform this vision into reality, because the concept was daunting, and would need to be unique, authentic, distinctively Hout Bay. It would also need to be thoroughly researched, and so, whenever he could, interspersed with his overseas seafood marketing schedules, during the following years he traveled the world to distant wharves and far-flung fish markets, from Reykjavik to Tokyo, from Seattle to Sydney, collecting artifacts, researching ideas, evaluating heritage.

At first the authorities were totally opposed to the pending project, and it took several years to obtain approval of the initial plans, and even longer for the follow-up additions. There were also the inevitable "not in my backyard" people who objected to progress and others with vested interests who were of the opinion that fishing harbors should remain the (monopolistic) domain of the commercial fishing industry alone, not to be shared with tourism-related activities. Fortunately these views were eventually overcome, and the construction of Mariner's Wharf at Hout Bay harbor commenced.

A dilapidated structure where Dorman's boats had been repaired became the premises, which could most suitably be adapted for the emporium, Africa's (and the Southern Hemisphere's) very first on a harbor front, and in November 1984 its now world-famous fish market opened. An overnight success, it has to be seen to be believed. With incredible displays and variety of fish, fresh and frozen, plus live lobsters, oysters, and mussels in an ingenious seawater tank built alongside the 48-foot *Kingfisher*, an original 1940s relic from the Cape Coast fishing fleet. Given pride of place as the backdrop to the fish market, the *Kingfisher* was meticulously moved and positioned inside the emporium.

The fish market was followed over the next seven years by a cluster of shell, pearl, gift, and nautical antique shops, all specializing in seaside and marine artifacts; the original Wharfside Grill restaurant featuring a ballad singer in a dinghy suspended from the rafters; a seafood bistro; and take-out booths. Like the fish market and bistro, the restaurant was an instant success. Its all-fish menu became extremely popular with guests, whether the rich and famous, the ordinary vacationer, or the local resident, who were able to relax in a boatshed atmosphere with the irresistible smell of freshly cooked seafood and with sea shanty music permeating the air. In 1991 permission was obtained to give the emporium a facelift and, inter alia, build what today is a superb new Wharfside Grill; its 400–seat upstairs restaurant, offers private dining cabins, the exciting Crayclub cocktail bar, and panoramic viewing decks. Needless to say, VIPs continue to stream in—the likes of German chancellor Helmut Kohl, Archbishop Desmond Tutu, and famous film stars and artists.

Allied to the Mariner's Wharf development, which is ongoing with more expansion imminent, Dorman commenced renovating and upgrading the old Victorian and Cape Dutch cottages in which his fisher folk used to live, naming the precinct Fisherman's World. Believing in the growth potential of tourism, he set about resuscitating these last remaining vestiges of the area for posterity, in the process providing future generations with a real-life working attraction that Hout Bay deserves to have. Fisherman's World, South Africa's first themed "olde-worlde" fisherman's village, appropriately complements Mariner's Wharf.

During December 2000, in the Fisherman's World enclave, Dorman built a wonderful outdoor amphitheater, the first in the area, for summer concerts. The amphitheater is nestled alongside a 700-year-old Milkwood forest, and as Fisherman's World continues to grow, more infrastructure and attractions are prudently being added to make Hout Bay, even more so than before, a destination in its own right, and well worth the visit.

Cape Coast, Mariner's Wharf, and Fisherman's World are fine examples of how an astute and determined entrepreneur with far-reaching ideas battled against red tape to tenaciously pursue his goal of successfully expanding into opportunities allied to what he knew. Dorman's advice to others is not to forsake years of experience and knowledge in familiar surroundings or industry to take up new, unfamiliar careers or projects. "Stay with what you know." As time has repeatedly shown, the grass is seldom greener on the other side.

TRAVEL INDUSTRY

Perhaps Africa's greatest opportunity lies in its biodiversity, which ranges from Saharan desert to tropical jungle, from snow-capped volcanic

Mount Kilimanjaro to the beaches of East and West Africa. Then there is the excitement of stalking big game in the African bush to the thrill of white-water rafting through the gorges below Victoria Falls or the awe of seeing the Egyptian pyramids at sunrise. While MBendi has a vision of Africa one day becoming the telecommuting center of the world, in the short to medium term, ecotourism provides the opportunity to develop leisure complexes that can take advantage of game parks, golf courses, beaches and beautiful scenery.

In 1988 entrepreneur Russell Stevens launched Three Cities Group as a hotel management and marketing company specializing in the top end of the market (four- and five-star hotels). As positive trends developed in 1990 toward greater political stability, southern Africa was gaining acceptance as a preferred tourist destination. The Three Cities Group saw a need to position itself in the leisure resort market while maintaining a firm foothold in city-based hotels. For this reason, Leisure Lodges was formed in 1992 as the resort division of the Three Cities Group. Leisure Lodges is substantially under the same ownership as Three Cities Hotels, with common directors and trustees. The two entities share financial, operational, administrative, and marketing resources. The Three Cities Group's Town Hotels and Conference Hotels have common ground in the diverse range of conference facilities on offer. Three Cities resorts offer a unique concept in affordable family holidays with no compromise on luxury. A number of self-catering leisure resorts are available throughout South Africa. Each of these hotels also offers superb restaurants, bars, room service, and excellent conference facilities. The Exclusive Guesthouse Collection was developed to allow the project arm of Three Cities Group the opportunity to source, develop, and manage small, exclusive guesthouses in southern Africa. Recently the project management team opened six hotels in South Africa and Zimbabwe and completed major refurbishment on three existing properties. The group manages 23 properties in southern Africa, ranging from five-star city corporate and gaming hotels to five-star international game lodges in Big Five reserves. With the stabilization of southern Africa, Three Cities Group is looking to the region to provide real growth in the international tourism industry.

Three Cities Group has its own Web site (www.threecities.co.za), on which all its hotels are interlinked. Real-time reservations can be made through the Web site, which offers immediate confirmation of the rooms reserved. Employment opportunities as well as the group's various restaurant menus and public announcements are found on the site. The new Web site shows at a glance the group's hotels in southern Africa and has direct links to all hotels in the group. The group also is the largest private hospitality training company, with its own hotel school, the International Hotel School (HIS), with campuses in Gauteng, Durban, and Cape Town. In-house apprenticeship training within its hotels ensures that the company has the ability and resources to expand as it leads the industry in training future managers and chefs. The IHS is affiliated with the American Hotel and Motel Management School and the City and Guilds chef diploma from the UK. One certainty is that Three Cities Group will remain uniquely exclusive in its selection of properties and will continue to allow each property to develop its own identity and credentials. They will remain medium-sized and focused on standards and profitability in all their properties.

African countries should be encouraged to establish "peace parks," transfrontier conservation areas, as these would play a vital role in conserving entire ecosystems that straddle international borders. The Peace Parks Foundation, chaired by Anton Rupert, is championing the concept of transfrontier conservation areas in Africa, stressing the importance of regional cooperation, job creation, and biodiversity conservation. The foundation can boast such successes as the 1999 creation of the Kgalagadi Trans-frontier Park through the merger of South Africa's Kalahari Gemsbok National Park with Botswana's Gemsbok Park. "This is a very important breakthrough for the development of peace parks in the rest of Africa," says Rupert. The foundation is also closely involved in developing community-based projects with the San people, whose presence in the area long predates the conservationists of today. Southern Africa's second transfrontier park, the Gaza-Kruger-Gonarezhou, combining Mozambique's Coutada 16, South Africa's Kruger National Park, and Zimbabwe's Gonarezhou National Park, was formally established in November 2000. The three parks will form the core of a broader GKG transfrontier conservation area. The bigger area will consist of national parks, private game preserves, hunting concession areas, and community-managed natural resource areas.

The transfrontier park is an African dream. A few decades ago, it was unheard of to invest in wildlife conservation. Donations were elicited from the charitable donation lines of companies' budgets—while corporations simply continued their mainstream activities. Then, during the 1980s, strange new terminology became heard around the world—terms such as the green movement, global warming, and planet management. Soon environmentally friendly products hit the shelves, and bigger and more dramatic donations to wildlife were made. At the same time, with the growing green movement, demand for wilderness experience activities was escalating around the globe. Africa's wildlife land, undervalued and underutilized, was beginning to represent the continent's most precious natural resource. Unlike minerals such as gold and diamonds, wildlife could be harvested sustainably through multiuse tourism—benefiting not only travelers, but also the environment and rural communities.

In 1990 South African entrepreneurs Alan Bernstein and David Varty came together to achieve a shared dream—to harness international investment capital for the development of Africa's wildlife areas. Their aim was to consolidate wildlife land and enhance its value through wildlife tourism. Bernstein is a specialist in attracting international investment for development projects in Africa. Varty had spent 18 years as co-owner of Londolozi, South Africa's most successful private game reserve. Inspired by a growing renaissance throughout Africa, they held new hope for cooperation on the continent. In a letter to Bernstein in early 1990, Varty wrote, "Discussions with you lead in exciting directions. There is no question that environment is the subject of the '90s and that you are on the right track when it comes to packaging parcels of land in Africa upon which wise land-use Eco-tourism can be conducted."

In late 1990 Conservation Corporation Africa (CCA) was born, galvanized by a project in Zululand, which would realize a conservation dream, whilst creating a unique opportunity in the ecotourism industry. This first remarkable project was named Phinda, "the return." Since then, CCA has evolved into Africa's leading ecotourism enterprise, and its three-tiered development model, focusing on wildlife, land, and local communities, has inspired travelers from around the globe. In the process, vast tracts of land have been reclaimed for wildlife and countless discerning travelers have reconnected with the natural world. Today CCA operates lodges throughout the wildlife high spots of Africa: from East Africa's vast grasslands to the ageless Ngorongoro Crater, from tropical island paradise to the thundering Victoria Falls, from the raw South African bushveld and vast Kalahari Desert to Zululand's wetland wilderness. Those in the know agree that no discerning African safari is complete without including CCA's wildlife lodges. And thousands of travelers each year choose to experience this African dream.

With 8,000 hectares of Methetomusha Game Reserve sprawling below, the thatch spires of the Bongani Mountain Lodge nudge the towering sky above the ancient rocks. Bongani is a pioneering project of traditional land-owning communities affiliating with conservation bodies. Adjacent to the Kruger National Park, the local community made its land available, forging a partnership with CCA and the local conservation authorities. The local Mpakeni community welcomes guests with their own grass-roots theater performance. They depict the history, aspirations, and concerns of the people who have, over centuries, called the Lebombo Mountains home. Bushmen of bygone days have left their ochre marks on rock walls, and the bush still stirs and parts in deference to the regal passage of lion, rhinoceros, elephant, leopard, and buffalo.

Greg McCurrach founded Federal Air in 1989. And today it is KwaZulu-Natal's largest air charter company. They have airplanes based at Virginia Airport in Durban (head office), Phinda Game Reserve, Johannesburg Airport, Sabi Sands Game Reserve, and the Maun airport in Botswana. Since 1989 they have flown for various world aid organizations, private companies, game reserves, and tourist groups. Federal Air has been involved with nature conservation bodies and has flown live animals including wild lions in the course of relocation programs. With the various aid organizations Federal Air has transported humanitarian aid, medical supplies, food aid, and personnel throughout southern Africa.

Recently the Discovery Channel used FedAir to film stunning footage of the eastern Cape and the Garden Route. The most common planes in use for the service are the Cessna Grand Caravan, Beechcraft Baron, the Pilatus PC12, and the Cessna 402. FedAir operations include aircraft lease/contract work and ad hoc charter. They operate extensively on the African continent with bases in various countries, as the need requires. FedAir currently operates 17 aircraft with a staff of approximately 40 people, including contract pilots. FedAir has developed an operating ethic of professionalism and efficiency. In spite of the increased revenues, the number of aircraft, and the volume of flights, FedAir has a management and backup staff of only 11 people, thereby managing to noticeably suppress overhead expenditures. Avoiding becoming topheavy, FedAir has invested wisely in office and automation structures and in effective marketing. FedAir has posted its own Web site on the Internet and strives to always keep abreast of the latest technology.

In 1989 Rohan Vos sold most of his business interests, bought a vintage locomotive and some old Edwardian coaches from South African Railways, and set up a steam train safari company called Rovos Rail. He set about restoring the rolling stock to their former glory, paying great attention to every minute detail, increasing the size of each cabin and adding some modern comforts to the original structures. When he had finished he had created probably the most luxurious train in the world. Over the years he has built two more trains and restored five locomotives, an 1893 Class 6, a 1926 Class 25, and three 1938 Class 19Ds.

It is not simply the polished mahogany, spacious cabins, clean sheets, hot showers, and fresh flowers that make this the most wonderful train. It is also the delightful way in which you are looked after by teams of real professionals from the cup of tea in the early morning until the last glass of brandy at night. Few trains can boast a dining car whose culinary feats include lobster or oysters flown in from the coast or a cellar of exquisite Cape wines. If you include incidentals such as a daily laundry service and a blissfully comfortable glassed observation car with sofas and armchairs where drinks, tea, and coffee are served all day, then you begin to understand why this train has such a reputation for excellence.

Choose from a series of train journeys lasting from 24 hours to a fortnight as the Pride of Africa links some of Africa's greatest destinations. Join Rovos Rail on:

- The 13-day Dar Es Salaam sojourn,
- The two-day trip between Cape Town and Pretoria,

- The 55-hour game safari from Pretoria to Durban,
- The 48-hour meander between Pretoria and the Victoria Falls,
- The 24 hours between Cape Town and George,
- The seven-day Namibian special,
- The eight-day collage between Pretoria, Malelane, Durban, and Cape Town or
- The eight-day golf safari.

It is also possible to charter one of the trains for exclusive parties or special-interest expeditions. The train will go wherever there are rails to all sorts of places seldom visited by travelers. With careful planning it is possible to arrange the best wild-game bird-shooting expeditions in Africa using the train as a shooting lodge on wheels or the most comprehensive tours complete with lecturers, specialist guides, environmentalists, and conservationists. This will give the discerning visitor a wonderful insight into the animals, birds, and other wildlife of Africa as well as the people living there, their cultures, and their history. Perhaps the most wonderful train in the world, setting off on superb journeys around one of the most fascinating subcontinents on this earth. It is well worth catching a Rovos Rail train.

Nestled in the rolling hills of Pilanesburg, only two hours by car from Johannesburg and Pretoria, one of South Africa's most scenic locations in the North West Province, Sun City is a world unto itsself. It has earned a reputation as Africa's kingdom of pleasure and has long been considered one of the gambling meccas of the world. The spacious entertainment area used to be part of the former homeland Bophuthatswana. The formal independence of the homeland in 1977 made it possible for the South African entrepreneur Sol Kerzner to set up this complex quite close to the population centers Johannesburg and Pretoria. After South Africa's first all-race elections in 1994, Bophuthatswana was reincorporated into South Africa.

When Kerzner's casino resort opened in 1979, in the heart of the African Bush, it was immediately placed high on jet-setter lists of must-see places. The attractions at the original 340 room Sun City Hotel include a Gary Player—designed golf course, a man-made lake for water sports, a 60-yard pool, tennis courts, and of course a casino. Pilanesberg National Park, a 136,000-acre game reserve adjacent to the resort, provides guests with a chance to see South African wildlife in its natural habitat. They can enjoy open Land Rover drives, night and day, as well as balloon safaris.

Sun City was conceived by Kerzner to be an oasis of fantasy in the desert. Unhampered by churches or gaming laws when it opened in Bophuthatswana, Sun City quickly became a nexus of leisure, entertainment and sport for all South Africans. This was where people of all races could mix freely during the apartheid era, and, although it had a huge super bowl for concerts, it was boycotted rather vocally by many rock stars and other performers. Now, with the changes that accompanied the democratization of South Africa, Sun City has become an international tourist resort destination. The name now stands for luxurious hotels, beautifully laid-out water gardens, excellent golf courses, unusual gaming halls, exclusive casinos, and first-class entertainment. To this day the property has maintained its status as one of the top casino resorts in the world (Schensul 1999).

Because of the popularity of Sun City, Sun International opened another hotel in 1981 named the Sun City Cabanas with a $9 million entertainment center where headliners such as Elton John, Tina Turner, Rod Stewart, and Joe Cocker have performed. By 1984, yet another property, the Cascades Hotel, opened to help meet the ever-growing popularity of Sun City as a vacation destination. But Sun International South Africa wasn't finished. With the 1992 opening of the $280 million luxury resort, The Lost City, Sun International South Africa once again proved to have its finger on the pulse of the modern gambler. Lost City is the latest jewel in the chain of casino complexes; it was planned in the style of a legendary sunken African city. It is beautifully situated and imaginatively decorated. No wonder that Sun City attracts more than 2,500 visitors every day.

In 1987, Sol Kerzner left South Africa to play his ultimate casino hand. In May 1994, his consortium bought Paradise Island Resorts, which included Atlantis, the Ocean Club, and several other smaller resorts. These were placed in a new company, Sun International Hotels Limited—an entirely separate company from Sun International South Africa. In July 2001, a deal was struck between Buddy Hawton, executive chairman of Kersaf, holding company of Sun International South Africa, and Kerzner that saw Kerzner sever ties with the Sun name giving Kersaf sole rights to use the Sun International brand internationally. Kerzner's current company now competes against a company he founded for projects around the world. His group no longer has the Sun association so closely linked with Kerzner. Kersaf maintains that the acquisition of the Sun International brand has international appeal, providing a significant asset for international expansion. "The significant growth opportunities for the group lie internationally—the Kersaf group is already prominent in its core activities in Southern Africa," says Hawton. Kersaf is looking at gaming and hotels in Egypt (the Kharafi group wants Kersaf to manage a three-hotel project in Port Ghalib in Egypt), the Middle East, Asia, South America, the Caribbean, and Europe (Shevel 2001).

South Africa's royal couple of gaming, Ernie Joubert and Leigh Downing, is a powerful combination of sound business acumen, elegance, charm, and grace under fire. Downing is a wealthy businesswoman in her own right, who started the profitable Leigh Downing Model Agency when she was 18; Joubert is a man with a global vision and burning ambition. The couple met in 1993 at a teenage beauty competition. "I thought 'wow' when I was introduced to Leigh, who was one of the judges," says Joubert. After a whirlwind romance, they got engaged on the day President Nelson Mandela was inaugurated and were married three months later.

In terms of success and excellence, Downing has few peers in promoting haute couture in KwaZulu-Natal and South Africa. Her modeling school is the largest in South Africa, with up to 1,200 students enrolling each year. Her modeling agency represents 64 models and 180 character models of all types, from babies to grandfathers. Many of her models have hit the headlines in South Africa and overseas, where they have acquired international fame and megabucks.

Joubert received an MBA from Stellenbosch University and then pursued a career in marketing and advertising. He worked for Stellenbosch Farmers' Wineries, then several advertising agencies, and then he was the managing director of the consumer goods division of the local BBDO South Africa subsidiary of the giant American ad agency Batton Barton Durstein and Osborne (BBDO), before the subsidiary crashed in the mid-1980s. He then started his own successful agency, Joubert Graham Scott & Partners, before being headhunted by Sun International. While working for six years at Sun International as group marketing director, he developed an in-depth knowledge of the casino-resort industry and he envisaged what was to become Global Resorts. He left Sol Kerzner's Sun International in 1993 and founded Global Resorts SA (GRSA) in November 1993. Today Global Resorts has grown into one of southern Africa's largest resort groups. Apart from being managing director and the CEO of the company, Joubert has been responsible for overall business strategy. Joubert was a 1999 finalist in South Africa's Best Entrepreneur Award.

In 1995 Leigh sold Leigh Downing Model Agency as she felt she could not run it to the best of her ability since she was now living in Johannesburg. Joubert's first wife had passed away in the early 1990s and Leigh also felt that she should spend a couple of years at home raising Joubert's three children who were in their very early teens, as they had been without a "mom" for sometime. Once a strong bond between the kids and Leigh had been established, she then joined the company in 1997. She had no previous knowledge whatsoever of the gaming industry and her involvement happened quite by accident!

When Global Resorts first opened Graceland Hotel Casino and Country Club in Secunda, Mpumalanga, many Australian video reel slot machines were installed on the casino floor. When they were initially installed, players did not take to them as they were fairly complicated to play and players preferred the "good old fashioned simple slots" that they were used to. This was of course a very expensive problem for Graceland and Leigh was called in to see if she could help solve the situation. After many months of dedicated investigation she wrote easy, user-friendly guides for players on how to play these new machines, put together fun promotions and trained the casino floor staff on how they played. These machines are now a huge hit in all of Global Resorts units. The Australian company, Aristocrat, the manufacturer of these machines, was so delighted with the gaming guides and what Leigh had done that they gave Global Resorts a budget of $50,000 to be used for other promotional opportunities.

Because of the success of the above project Leigh then became involved with a number of other projects for the company: She now writes the copy for all gaming guides on how to play the various table games (Craps, Blackjack, Roulette, Punto Banco, etc.), video poker, and slots as well as copy for the company's hotel, resort, etc. brochures. Leigh conceptualized Caesars quarterly gaming magazine, *Cleopatra's Diary*, and she is the editor of this magazine. When required, Leigh trains staff in the areas of grooming, etc., and also trains Caesars guest relations' officers on how to play the games. She is often called upon to research various projects for the company. Leigh has also traveled internationally looking for hotel opportunities and sites for Global Resorts.

Africa is very close to Ernie Jourbert's heart and he has many fantastic ideas that could help towards making South Africa a truly great country, as he is an exceptional man and an outstanding strategist. His wife Leigh, often marvels at his successes especially considering his background, which was fraught with tragedies. Ernie was born into a very simple family—his father was a dominee (an Afrikaans minister of the church) and they lived in Pietersburg, a very ordinary rural town back then. His 13-year-old brother died, then his 21-year-old sister, and two years later when Ernie was still a teenager, he was alone at home with his father when he died. Some years later Ernie's last surviving sibling died. About 10 years ago Ernie's wife died tragically as did his mother 5 years ago. And then the final blow of all—3 years ago his beloved youngest child was killed at the age of 16. With so many tragedies one would think a person would simply crumble and not have the strength or belief in life to carry on.

Leigh met Ernie just before he resigned from Sun International so she has witnessed his success in forming Global Resorts. Shortly after his resignation to Sun International, Ernie approached Rand Merchant Bank with the idea to establish a new casino resort group in Southern Africa. When he decided to "go it alone," many of his counterparts seriously doubted whether he would be able to compete against the established local and international giants of the gaming and leisure industry (especially the gaming industry that is exceptionally difficult and complicated to start up because of the endless regulations, restrictions, etc.). Little did they know! When he left Sun International he was literally "one man with only a briefcase"—no secretary, no staff, and no offices. Ernie did everything himself—the legal work, the financial structures, the design, the demographic studies, he searched for the sites, and much more. Rand Merchant Bank had given him one year and a R1 million budget in which to do it.

It takes a remarkable man to have achieved so much in such a short time in a highly competitive and previously monopolized industry (the giant Sun International had complete monopoly of casinos in the homelands of South Africa). Ernie's leadership and innovative skills have brought Global Resorts from its humble founding to one of the leading hotel casino operating companies in Southern Africa. One cannot but help being knocked over by his passion, dedication and determination with standards that are absolutely uncompromising. He is a big thinker, a hot operator and has an impressive reputation. Leigh's husband is an entrepreneur in heart and soul and sees no obstacle big enough to prevent him from achieving his dreams! And when he achieves the goals he has set himself for the coming years, Leigh says Ernie will be like a roller coaster—it'll be go, go, go non-stop at bullet speed! All this and after a grueling 12 to 14 hour day, Leigh says Ernie comes home and still manages to find the stamina to be a wonderful husband and a fantastic father to his two children. He is most definitely a man that Africa can be proud of.

Global Resorts now boasts Graceland Hotel Casino and Country Club in Secunda, the Grand Palm Hotel and Casino Resort in Gaborone, Botswana, and the Caesars Gauteng Hotel Casino and Convention Resort, a cooperative venture with Park Place Entertainment. Graceland is an authentic and unique American-Victorian theme development. This superior country hotel offers bedrooms and suites featuring panoramic views over the 18-hole Gary Player–designed championship golf course. The Grand Palm is located in an African bushveld setting. In the grand tradition of Botswana hospitality, the Grand Palm offers executive-style accommodation and top-of-the-range facilities to meet the needs of the discerning business or leisure traveler. Caesars Gauteng is an architectural masterpiece. This sensational resort is an eclectic mix of Monte Carlo's timeless, classical elegance and the excitement of Caesars Palace in Las Vegas, uniquely set in a display of gardens, fountains, and statues.

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8

South Africa: Heritage and Tradition

From Stefan Kanfer's book, *The Last Empire* (1993), we learn that the first diamond was discovered in the South African interior in 1867 and was found by a farm boy who noticed "in the glare of the strong sun a glittering pebble." That pebble was the first of a great mother lode of diamonds in the arid Kimberley area of South Africa along the Orange River and later, to the great relief of investors, also buried deep in the ground in the remnants of volcanic pipes of ancient rock. The Kimberley diamond fields attracted adventurers, failures, and a slew of ambitious men. Ambitious men like the young Jews from the London slums, the great Barney Barnato and his nephew Solly Joel; Albert Beit, a baptized Lutheran from Hamburg, Germany; and, of course, Cecil Rhodes, the clergyman's son who dreamed of making the continent British from the Cape to Cairo. These men consolidated the diamond fields and formed the holdings that, named after the owners of a farm on which a rich lode was discovered, became De Beers. De Beers, the financial superpower that founded Rhodesia, helped start the Boer War, and funded the legendary Rhodes scholarships that would educate thousands at Oxford and exert enormous international influence (Kanfer 1993).

Kanfer writes that in time, the old guard was taken over by Ernest Oppenheimer. He was an ambitious young Englishman who survived anti-Semitism, the obstructions of rivals, and during his return trip to South Africa in 1918, having the ship he was on torpedoed and sunk by a German U-boat. In 1917, with the help of J.P. Morgan and American capital, he founded the Anglo-American Corporation, which he used to take control of De Beers in 1929. Oppenheimer strongly believed that market stability could be achieved only if supplies could be controlled. Control was accomplished by contracting to purchase most of the world's diamond production. Under his leadership, De Beers became a cartel that controlled, and still controls, the vast majority of the world's diamond markets. The company made huge profits, both by selling diamonds and by stockpiling them in times of great supply to increase their price artificially (Kanfer 1993).

Although it was Ernest Oppenheimer who built De Beers into a worldwide cartel, it was Harry Oppenheimer who strengthened his father's legacy through his ingenious sculpting of the public's demand for the rock. He was the man who coined the slogan "A Diamond Is Forever." He managed to get women ranging from actresses Marilyn Monroe and Elizabeth Taylor to Queen Elizabeth of Britain to act as his sales agents. When Harry Oppenheimer took over from his father after the war, a wrong move might still have spelled bankruptcy for the Oppenheimers; likewise, the parlous state of political affairs in the 1980s could have wrecked a South African business with worldwide holdings. Such was his talent for creating wealth that in the 25 years he presided over the world's largest gold miner, Anglo-American, and diamond behemoth De Beers, he succeeded in increasing the combined market capitalization of the two groups more than twenty times. Meanwhile, the two companies made significant contributions to building up the economy of South Africa and creating employment for hundreds of thousands of South Africans as well as citizens of neighboring countries (Kanfer 1993, Gevisser 1998).

Harry Oppenheimer was a highly cultivated man who received honors in philosophy, politics, and economics at Oxford. In his native South Africa, where anyone who spoke out against apartheid was asking for house arrest, imprisonment, or worse, he did speak out. In a world where wealth often prefers to keep a low profile, this took courage. Upon his passing away in August 2000, South African president Thabo Mbeki eulogized him as being "one of the illustrious sons of South Africa." President Mbeki said that Harry Oppenheimer played a seminal role in the industrialization of South Africa over a period spanning most of the twentieth century. Through his work he bequeathed to South Africa not only an industrial empire spanning the width and breadth of Africa and the world, but also major legacies in the fields of education, the arts, and community development. President Mbeki also said that it was a little known fact that Oppenheimer was one of the pioneers of reconciliation in South Africa. Ever the gentleman and a man of deep conviction and compassion, the president said that Oppenheimer's life serves as an inspiring example to all South Africans.

De Beers is now chaired by Nicky Oppenheimer, the son of the late Harry Oppenheimer (chairman until 1984). Kanfer writes that the three generations of Oppenheimers are seen thus: Ernest, "the great entrepreneur"; Harry, "the philosopher king"; Nicholas ("call me Nicky"), "the man of action" (Kanfer 1993). Nicky Oppenheimer is the heir of a dynasty that has invented an entire economy around a stone so common it would be practically worthless if it were allowed to trade on an open market. Nicky is in a different mold from his father. "He is a keen environmentalist and promoter of nonracial sport and business. He is married to an educationist and generally looks like the right man at the right time," says one analyst, adding that Nicky does not come across as "pompous" as certain other Anglo directors do, although no one doubts his sharpness of mind. More than his father, Nicky relies heavily on the divisional executives that make up the executive committee (Gevisser 1997). Under his guidance, De Beers has become an exceptionally well run company. He has let loose his own people and allowed a level of creativity and risk-taking. He reminds us all that his family's development of the diamond and gold industry "was the key factor that transformed South Africa from a rural economy into the industrial giant of Africa" (Gevisser 1998).

The Oppenheimer dynasty lives on. Nicky, 55, looks set to be at the helm of both De Beers and Anglo for some time, probably presiding over the centenary celebrations of the group in 2017. And the line does not end with him. Behind Nicky is his 29-year-old son, Jonathan, who is following his father and grandfather along the celebrated family route of Harrow to Christ Church College, Oxford, to De Beers and beyond. The Oppenheimers have endured threats to their lives and overcome a global depression, two world wars, sanctions, strikes, and the political attacks of Afrikaners and the new black government. They have survived South Africa's history and are set to remain the country's most prominent dynasty. "I'm a South African," Nicky is always quick to assert. "That's my home, and that's where I will wind up" (Gevisser 1997).

In 2001 De Beers and French luxury-goods company LVMH Moet Hennessy Louis Vuitton SA established a joint venture to sell De Beers–branded jewelry. When De Beers announced this partnership with LVMH, it once again exhibited its desire to have things both ways. On the one hand, it wants to leverage the powerful consumer brand it has built for diamond jewelry by selling De Beers–branded diamonds and opening De Beers boutiques. On the other, De Beers will maintain, and expand its core business of mining and marketing rough diamonds by placing its diamonds with the most profitable, marketing-savvy sight-holders, which in turn will sell them to the most profitable, marketing-savvy retailers. The Anglo-American and Oppenheimer family consortium that controls De Beers will merge the company into Anglo-American, thus creating the biggest diversified mining group in the world. These moves implement a new strategy that will transform De Beers from a mining firm and custodian of the world's diamond trade into a producer of luxury goods. The plan is for De Beers to become a private company run by the Oppenheimers; in return, the Oppenheimer family relinquishes part of its stake in Anglo American, the company founded by Ernest Oppenheimer in 1917 (Stein 2001).

If you like the finer things in life, Anton Rupert may be part of your world in ways you don't even suspect. The sun never sets on the global empire of this private and discreet South African billionaire. Your favorite designer clothes, perfume, jewelry, watches, wines, and cigars could well come from one of the many businesses he controls. In 1945, at the age of 29, University of Pretoria chemistry lecturer Anton Rupert founded the Distillers Corporation in the historic town of Stellenbosch in the southwestern part of South Africa near the Cape of Good Hope. Although the South African wine industry as we know it today was still in its infancy, Rupert knew that in this fertile valley conditions were ideal for viticulture. His first interest in the wine industry was in 1943 when he bought a Cape Town wine business, Forrer Brothers. Distillers later evolved from this business. In 1948, having started making cigarettes in an old wheat mill, Rupert founded cigarette maker Rembrandt, which through the years became one of South Africa's four super-conglomerates, controlling most of the South African private sector (Mansson 1999).

Rupert's Rembrandt Group (Remgro) is now diversified beyond tobacco, wine, and spirits to petrochemical, mining, and banking. Johann Rupert has taken over the day-to-day running of the South African conglomerate. Before joining the Rembrandt empire, Johann Rupert (born in 1950) worked for Chase Manhattan and Lazard Frères in New York for two and three years respectively. Using the experience he gained in America, he returned to South Africa to head up the international arm of Rand Merchant Bank. Since joining the family business, he has diversified the empire from its base in tobacco and alcohol products into expanding foreign markets. As a result of this expansion he has formed Richemont, of which he is managing director. Johann Rupert completed his education in South Africa, having studied in corporate law and economics from Stellenbosch University, however, he did not write his final exams for his degree. Within the international community the Rupert family is known for its Richemont interests in tobacco and in luxury goods and its brands Cartier, Piaget, Alfred Dunhill, and Mont Blanc—all known around the world. In 1995 the Rupert family's Rembrandt and Richemont tobacco interests were merged with Rothman's International, giving Anton Rupert and his family full control of Rothmans International, the world's fourth-largest indigenously owned tobacco company. Rothmans sells its 240 brands of cigarettes in 160 countries and operates 38 cigarette factories around the world. Their most popular brands are Dunhill, Peter Stuyvesant, Pall Mall, Rothmans, Winfield, and St. Moritz.

In June 1999 Rothmans International completed their merger with the British American Tobacco Company (BAT), the world's second-largest cigarette producer. As a result, Compagnie Financière Richemont AG and Rembrandt Group, Ltd., together indirectly own 35 percent of British American Tobacco. The Richemont and Rembrandt interests are held jointly through R & R Holdings S.A., a Luxembourg company, which is two-thirds owned by Richemont and one-third by Rembrandt. This deal reveals something very interesting and very positive about developments in the South African business sector. In one fell swoop, Johann Rupert gained control of the second biggest tobacco producer on the globe, eclipsing even Joe Camel. The new company will have an annual production of 900 million cigarettes. According to one calculation, the market capitalization of Richemont is swelled by this deal to the very top of the charts. It's now the largest South African company of them all. What is pleasing is what this deal says about the world competitiveness of South Africa's leading businesses (Theron 1999).

Anton Rupert has paid a great deal of attention to environmental conservation, and his company has been prominent in funding arts. He's a financier of many important community projects in South Africa, including the restoration of historic buildings and the creation of a wildlife college. In 1979 Johann Rupert founded Business Partners, Ltd., whose vision is to successfully invest capital, skill, and knowledge into new or growing small and medium enterprises and accordingly contribute to the economies of the southern African countries, thereby creating jobs and wealth. He believes that one cannot prosper while one's neighbors do not. He therefore encourages local ownership. Business Partners focuses on providing loans, lifestyle risk capital, venture capital, and private equity to the formal small and medium enterprise (SME) sector in South Africa. The company serves the market via four regional funds, based in Johannesburg, Durban, Port Elizabeth, and Cape Town. Each region has a separate venture capital fund. The company maintains a network of 26 area offices located in the major cities and towns throughout the country for easy access and convenience. Since inception in 1981, the group has facilitated the creation or maintaining of approximately 517,000 jobs through its business and property investment activities. The group facilitated the creation of 19,300 jobs in 1999–2000. Johann Rupert has been chairman since 1993.

Business Partners encourages entrepreneurs, but its focus has shifted from lender to partner. A small startup entrepreneurial venture is likely to be lost in a business climate where equity stakes, performance-based agreements, and venture capital of up to R15 million are the targets. In 2001 Bos Gerber of Business Partners' Cape Town office said that there is a wide gap in the market to assist entrepreneurs who need around R150,000. Business Partners provides structured financial packages—equity and quasi-equity investments—usually ranging from R150,000 to R15 million to formal SMEs. Investing in SMEs is, and will continue to be, the core focus area of Business Partners Limited. Business premises—both commercial and industrial—are developed and managed to provide premises for SMEs at market-related rentals. Value-adding support supplements Business Partners' investment services in the form of the skills, knowledge, and experience it has developed over the past twenty years. In addition, entrepreneurs can benefit from professional mentor services provided by Business Partners Mentors (Pty), Ltd., a recently launched initiative that harnesses the business expertise, skills, and wisdom of senior business and professional people in delivering business counseling to SMEs.

Future prospects are such that equity- and incentive-based investments will increase, thereby reducing the reliance on interest income, and the financial performance of these investments can be expected to add significantly to revenue in future. In conclusion, direct funding should be left to the venture capital industry, which meets the entrepreneur's need for seed finance, startup, early-stage, or bridging finance and buyouts. Business Partners put aside R530 million for investment in SMEs in the financial year, starting on April 1, 2001. An allocation of R163 million was invested by the South Fund (WesternCape). Allocation of the budget does not vary much among the four regions, all invested around the R150 million mark.

Raymond Ackerman grew Pick 'n Pay from four stores in 1967, when he became involved in the company, to a national chain of 206 supermarkets, 14 hypermarkets and 175 franchise stores in 2001. Pick 'n Pay's core values express the values of the founding family and the nearly 30,000 employees of Pick 'n Pay Stores, an international retailer headquartered in South Africa. These core values have guided what is widely regarded as South Africa's most admired company for more than three decades of not only job creation, but also enduring corporate commitment to social justice during the difficult days of the apartheid era. Few other companies can claim to have done as much for their people as Pick 'n Pay has. Today more than 60 percent of its managers and supervisors are black, because what other companies are trying to achieve in less than a decade through affirmative action, Pick 'n Pay has been practicing for more than thirty years. Long before it was either fashionable or necessary, Ackerman simply believed in promoting people on merit.

Pick 'n Pay's core values are

- Being passionate about our customers and fighting for their rights
- Caring for and respecting each other
- Fostering personal growth and opportunity
- Nurturing leadership and vision and rewarding innovation
- Living by honesty and integrity
- Supporting and participating in our communities
- Being accountable and taking individual responsibility for our actions

Ackerman didn't grow up knowing that he would start an enormously successful chain of supermarkets. Although his father, Gus, had been one of the founders of Ackermans, South Africa's first retail chain, the business was started after World War I on borrowed money. For someone so compassionate, Raymond Ackerman had a remarkably pressured upbringing. He and his siblings went to good schools and never lacked for anything. However, they were drilled with perpetual hard work and the belief that success requires both good ideas and eternal vigilance. At the University of Cape Town (UCT), Ackerman studied under Professor W.H. Hutt, who preached consumer sovereignty at a time when cozy agreements between business and government were the norm. "Care for the customers and they will care for you," Hutt used to say, encouraging his students to ignore attempts to even out the cycles of supply and demand in favor of a winner-take-all strategy, a sure way to stimulate the economy to the benefit of all but the losers.

Although his father thought it totally impractical, the mixture of philanthropy and unbridled competition appealed immensely to Ackerman junior. Sorting buttons and ladies' underwear at Ackermans was his first job after he graduated and, in his brand new suit, the budding young entrepreneur learned the meaning of courtesy by spending Saturday mornings welcoming shoppers to the store and getting chairs for old ladies. Just as the frustration was reaching unbearable levels, he found a position in the Greatermans stores and there he learned about a much wider range of merchandise and clientele. OK Bazaars already had some success with groceries in their chain stores and when, in 1955, Greatermans decided to convert one of their old stores to a supermarket, this became the starting point of the Checkers chain.

Ackerman could barely contain his enthusiasm. He and his friends had spent hours philosophizing about the benefit of economies of scale—buying in bulk and selling cheaply to maximize profits—and here was an opportunity to try it out. He believed that the necessity for regular food purchases means that it can be profitably sold at much lower markups than clothing or general merchandise, which are not purchased as frequently. But Greatermans' management didn't share Ackerman's enthusiasm for this course of action. Norman Herber, the son of Harry Herber, to whom Gus Ackerman had sold the Ackerman's chain in desperation, was now in control of Greatermans. Although Ackerman junior was good at his job and well liked by staff and customers, Herber did not appreciate him implementing his unconventional ideas. They had permitted food in their stores only because it brought in people; now they felt Ackerman was determined to be too revolutionary.

Because food retailing was an unknown trade in South Africa, Ackerman begged Herber to let him travel to America to investigate supermarketing trends in their most advanced form. By the time Herber agreed six months later, Ackerman's wife Wendy had a three-month-old baby (Gareth). Already aware that she might lose her new husband to his passion for supermarketing unless she could share it, she decided to leave

Gareth with her parents, and the couple embarked on a six-month tour of the United States. With limited funds, they traveled by Greyhound bus, sleeping in truck stops and doing every kind of supermarket job available, from shelf packing to fish cutting. They also attended seminars presented by retailing guru Bernardo Trujillo, on behalf of National Cash, explaining the theories of modern retailing. They had found in Trujillo another influential person who believed consumer sovereignty was the cornerstone of good retail business, yet, unlike Hutt, whose approach was academic, Trujillo was a hard-nosed businessman.

"Always remember Marilyn Monroe Miller," Trujillo advised. "Desirable goods, which are openly displayed and readily accessible, make for good retailing." Desirable goods means the best and most appropriate merchandise, an open display refers to the facilitation of self-service, allowing shoppers to touch and feel the merchandise, and making it readily accessible requires wide aisles, attractive layout, and well-maintained shopping carts. Trujillo conceptualized the whole labyrinth of super marketing as four legs of a table: finance and administration, merchandise and pricing, marketing and social responsibility, and people. To achieve success in a business, he said, these aspects must balance each other and, on that basis, a philosophy of consumer sovereignty could be implemented.

When the Ackermans returned to South Africa, Herber decided to move Raymond Ackerman back into men's wear at Greatermans, meaning the lessons learned in the United States had to be put on ice. However, the new manager of the Checkers chain didn't perform and, with management's back to the wall, Ackerman got his chance to run the Checkers stores, utilizing his newfound knowledge. There was constant disagreement about price-cutting and almost all other issues involved in food retailing. Nevertheless, by 1966, Ackerman had grown the Checkers chain from 2 to 85 stores. He was winning business awards left, right, and center, and the press loved him for his frankness and his penchant for turning consumer issues into David and Goliath stories that gripped the public imagination. Despite this success, in the same year in which he returned from his father's funeral in Cape Town, Ackerman was informed that his services were no longer required by the Greatermans Group. Out of respect for Ackerman senior, who had remained a board member at Greatermans after his business was bought out, Herber had tolerated the young upstart, but there was no need to do so any longer. His action is now regarded as one of the most ill-considered business decisions in South African history.

Disappointment gave way to opportunity in the form of a telephone call from Jack Goldin, a Cape Town retailer who wanted a third partner in his small Pick 'n Pay chain. Ackerman was adamant that he would not consider entering a business where he did not have control, and eventually Goldin relented, offering to sell out for R620,000. The deal was struck on what Ackerman now describes as 90 percent guts and 10 percent capital, as he had only a very limited sum in savings. The task of figuring out how they would raise the rest of the money fell to his brother-in-law, Issy Fine, who was a shrewd businessman with a masterful accountant, Harold Gorvy. Fine then raised half the money in Cape Town and sent Raymond Ackerman back to Johannesburg to raise the rest on the strength of his reputation and through his friend, Ivan Lazarus.

Pick 'n Pay rapidly became a threat to the Western Cape operations of the existing national chains. Competitors colluded in an effort to close Pick 'n Pay down with a price war, selling everything very much below cost to get customers in the Western Cape back into their stores. Ackerman decided to fight on two fronts and, by 1972, he had opened stores in Cape and Port Elizabeth. This ended the price war and, having expanded out of the Western Cape, Ackerman regained his confidence and his management team of scandalously young men started opening stores in Johannesburg and the other major centers.

During the 1960s and 1970s, consumers began to recognize Ackerman as someone who fought on their behalf whenever deals were struck that protected the farmers, the suppliers, or the government at their expense. Of course, Pick 'n Pay was hardly popular with their suppliers, the farmers, or the government, but it seemed futile to complain when their business was good and solid. During these years of Pick 'n Pay's massive growth, Ackerman maintained contact with his international retailing friends and kept up to date with their latest innovations. He is shameless about copying great ideas, and he believes spurious invention is not good for business.

The 1980s proved a trying time for both Ackerman and his company. The South African economy had cooled down rapidly and inflation crept up, leaving consumers reworking their budgets to stretch their rands further. Politically motivated violence was on the increase and, against the odds, Ackerman insisted that sanctions would damage South Africa further. He struggled to unite businessmen in lobbying the governments of both P.W. Botha and F.W. de Klerk, urging political reform. The 1990s brought a tumultuous, but largely peaceful, transition to democracy, yet Pick 'n Pay went through a parallel series of shakedowns and experiments with different management structures. The division of the business into two operating divisions, retail and group enterprises, under the chairmanship of Raymond Ackerman, is working well and profits are once again on the rise.

In May 2001 Pick 'n Pay purchased approximately 60 Franklins "no frills" stores as well as twenty Fresco stores in New South Wales, Australia. Notwithstanding the significant growth opportunities in South Africa, Pick 'n Pay's strategy is to take advantage of low-risk growth opportunities in select foreign markets, where its proven core competencies can be applied to create value for its shareholders. The Franklins brand is a leading brand name in its target market and provided an opportunity to expand into the rest of Australia from New South Wales. The Fresco stores were rebranded as Franklins stores. The Franklins stores that were acquired were all profitable at a branch operating level. Pick 'n Pay has established significant expertise and has a successful track record in the discount retail environment through its Score operations. Information technology and systems support from South Africa is available to the Franklins stores. Supply, warehousing, and distribution functions are outsourced in order to allow the management team headed by Aubrey Zelinsky, who has been with Pick 'n Pay since 1970, to focus on the retail operation.

Thirty years after he started Pick 'n Pay, Ackerman—even though he has appointed Sean Summers, who is an excellent CEO—remains firmly in charge only because he has acquired the wisdom to let go of those parts of the business that are best left to a younger breed of retailers, who will carry his legacy through into the twenty-first century. The spirit that guides the company and gives it its unique character is underpinned by the fundamental principles, which motivated Raymond Ackerman from Pick 'n Pay's inception. These principles are considered sacred and, despite changing times, new developments, improved technology, and radical strategies, they remain constant and transcendent; they define Pick 'n Pay. Guiding principles on

Cash: You never go broke by having too much cash on gross margin percentage, as it is an island of loss in a sea of profit. This means that you sell chickens or bread or milk or any other basic line or lines at a low price surrounded by numerous lines at a good margin and their mix gives you a fair gross margin.

Listening and learning: "Keep your ear so close to the ground that the grasshoppers jump in." That is, never be scared to learn, never think that you know it all, never be scared to copy good ideas, and always be on the lookout for them. Pick 'n Pay was not built as an original thought: its various parts consist of ideas, thoughts, and concepts taken from around the world.

Pricing: Aim to sell at the lowest possible price for as long as possible, not to maximize the profit on products that you buy in at a lower price. Maximize the return for all the stakeholders. For example, maximize sales for suppliers, offer customers low prices, and give staff reasonable wages. Shareholders will get their return from sales at low prices and taking a reasonable profit on stock brought in. Also, you can never be a king when prices drop because everyone can match you, but on a rising market you can buy in and undercut the opposition.

Corporate image: Don't build "Taj Mahals" for offices. Basic, functional, neat, modern offices are needed.

Anticipating the future: Listen to the whispers of tomorrow. Therein lie the clues to future events, trends, and changes.

Pick 'n Pay's core purpose: "Our core purpose as a retailer is to interpret and satisfy consumer demand. Our core purpose as a business is to be involved in creating a caring, sharing society. Everything we do in our business should be underpinned by a caring, concerned attitude for others and a desire to be of assistance to others. In this way, we hope to create a microcosm of South Africa that shows that people can integrate, care for each other, share with each other, act responsibly, and have fun together while working hard."

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9

South Africa: The Media, Reviews, and Issues

THE MEDIA

The only South African publisher judged to have made it big as an independent is Jane Raphaely, owner, publisher, editor, mother, and omnipresent matriarch of a family business. Raphaely is one of the most respected and admired publishing figures in South Africa and there's history attached to all her many achievements. Raphaely was the founder and editor of *Fair Lady Magazine* in 1964, the first South African magazine to incorporate human-rights issues into a highly successful commercial brand. Jane Raphaely and Associates has grown from small beginnings (South Africa's *Cosmopolitan* was started by Raphaely in 1984) to taking over existing magazines and changing their format (*Femina*) to starting up new magazines in the South African publishing world (*House and Leisure, Baby and Me*, and *Brides and Homes*). Raphaely wields huge power among magazine readers in South Africa, and not just among women, *Cosmopolitan*'s 755,000 South African readers, for example, include 226,000 men. They're wealthy too, more than half of *Cosmopolitan, House and Leisure*, and *Femina*'s readers are in the top income bracket. *Cosmopolitan* (edited by Vanessa Raphaely) is read by a woman in her freedom years: she's between 18 and 34 and in a phase of her life when time and money are her own; when she can, and does, put herself first. The *Cosmopolitan* reader is smart and ambitious; establishing a career, not just doing a job. She knows that balance in life is all-important, love is as vital as work. Her physical health is as vital as her mental well being. She loves to eat but exercises regularly. She loves to shop and is a passionate sampler, willing to experiment with new products. She's neither set in her ways nor wedded to a particular product. *Cosmopoli-*

tan tells her what's new in the world of fashion and beauty. She's interested in international and local news, breakthroughs and trends. She's aware and fascinated by the world around her. She's intelligent and warm, and keen on the relationship and psychological features that make up *Cosmopolitan*'s editorial heart.

The *Femina* (edited and published by Jane Raphaely) reader is a new kind of young woman. Her generation is the first to delay marriage and motherhood until other objectives have been achieved. She is a high achiever who has extremely high standards for, and expectations of, everything in her life, including the magazine she chooses to read. This choice is a good indicator of her character because she is more time-poor than money-poor. She reads *Femina* first because she sees it as her magazine. She knows she will be interested, informed, and pleasantly stimulated by what she finds there. The magazine gives her a good feeling because it respects her intelligence but also goes out of its way to make her happy. This blend of intelligent glamour satisfies all her senses and is beautifully presented for her consumption. The quality of the magazine and its content make her proud to be a South African and a reader. It never wastes her time by telling her things that she already knows but at the same time it understands the age-old problems of the working mother and wife and finds new ways to deal with them. She is on the brink of her commitment years or is one of today's new singletons. The *Femina* reader feels the magazine knows her intimately and speaks to her directly. It treats her with respect, wants her to enjoy her life, and will always be first with the best for her.

House and Leisure (published by Volker Kühnel and edited by Stefania Johnson) is a trend-setting, colorful, and upbeat magazine and is not elitist. It aims to inspire people across the board. Since people have different needs, the magazine shows different lifestyles, from apartments in Paris to houses in Pretoria to farmhouses in Darling. It not only celebrates South African style but showcases inventive, international design trends. Its readers are confident, socially active, well informed, self-aware, and open to new ideas. They often need to balance work commitments and family responsibilities. Because *House and Leisure* readers find that self-expression is a rewarding leisure activity, they are discerning consumers that demand quality and editorial responsibility and they expect to be inspired, surprised, and entertained by their magazine of choice. When they travel, they look for inspiration to adorn their own homes and affirm their sense of being part of the global community. Above all, however, they enjoy participating in the *House and Leisure* offers of a warm and friendly approach to home decoration. All the magazines in the Associated Magazines stable are upmarket, high-quality products, reflecting a considerable investment in talent, technology, and creative endeavor. They present a picture of life in South Africa, which is vivid, richly textured, and enjoyed by a variety of beautiful, successful people. But at the same time the problems of the country are addressed in a constructive way. "Magazines," says Raphaely, "are a medium which can provide solutions as well as reading satisfaction."

Anant Singh's passion for film emerged at the tender age of eight after watching 8mm home movies of the great Charlie Chaplin. That passion has resulted in Videovision Entertainment, a multifaceted entertainment business based in South Africa with strong international relationships in production and distribution. The company produces and distributes popular film and video attractions to a worldwide audience in theaters and on video, cable, and television. The main focus of the company is to produce films with worldwide appeal creating a local and export commodity and also giving profile to the South African Film Industry abroad. In 1986 Videovision Entertainment started out as a one-man show headed by Anant Singh. Today the company is one of the largest independent production and distribution houses in southern Africa. As the first black film producer in South Africa, Anant Singh has had to exercise extreme tenacity and acute business acumen in order to maintain the success he has in an industry beset with obstacles for a black in apartheid South Africa. Videovision Entertainment has distributed more than 500 films in South Africa. Anant Singh has produced South Africa's most successful antiapartheid films, including *Sarafina*, starring Whoopi Goldberg, and *Place of Weeping*, from director Darrell James Roodt. Singh has also been involved in the production of documentary films, including *Countdown to Freedom*, which documents the first free and fair election in South Africa, and *Prisoners of Hope*, a reunion on Robben Island of 1,250 of its former political prisoners led by President Nelson Mandela. In 1996 Singh produced a documentary detailing the South African visit of His Holiness the Dalai Lama, and recently completed a series of documentaries on ex-President Mandela and the trusted adviser to Mandela, Ahmed Kathrada.

During October 1996, Singh acquired two successful formerly state-owned South African radio stations, East Coast Radio and Radio Oranje. He is a director and substantial shareholder of the Johannesburg Stock Exchange—listed Kagiso Media. Singh's most notable film is *Cry, the Beloved Country* starring Academy Award nominees James Earl Jones and Richard Harris and is scored by five-time Academy Award—winner John Barry. Other films produced by Singh include *The Road to Mecca* (Kathy Bates), *Captives* (Julia Ormond, Tim Roth), *The Mangler* (directed by Tobe Hooper, based on a short story by Stephen King and starring Robert Englund), and *Face* (directed by Antonia Bird and starring Robert Carlyle, Ray Winstone, and Steven Waddington). Along with *Bravo Two Zero*, Singh has also recently coproduced *The Theory of Flight*, starring Oscar nominees Helena Bonham Carter and Kenneth Branagh.

When Singh was granted the coveted film rights to Nelson Mandela's autobiography *Long Walk to Freedom*, Mandela commented, "Anant Singh is a producer I respect very much, and when we were considering various offers, I personally opted for him. He is a man of tremendous ability and I think that given the resources and support, he can do absolutely excellently." In April 1998 Singh was awarded an honorary doctorate by the University of Port Elizabeth (South Africa) for his wide-ranging contributions to the South African film industry and for taking South African stories and talent to the world. He was honored for his efforts to raise awareness of the injustices of apartheid, locally and abroad, through the medium of film and for his commitment to recording South Africa's history for generations to come.

Video vision has grown to 104 employees and is set to keep growing. In 2001, we saw the launch of Videovision's subsidiary, Cinema Starz, a cinema chain with multiplexes in Cape Town and Port Elizabeth. Given the positive reception from several well-known Hollywood celebrities, Cinema Starz is poised to shine. Also in 2001, Videovision and Singh released the acclaimed South African production, *The Long Run*, through Universal Pictures in the United States. He also produced a documentary on the 12-year-old AIDS activist Nkosi Johnson. The documentary was broadcast to 41 African countries. As of 2001, Singh and Videovision could boast of a production tally of more than 50 films, having produced films in South Africa, the United States, the United Kingdom, and Asia. With conviction, Singh has internationally showcased stories and talent and has earned himself recognition as a pioneer in the motion picture industry of South Africa.

Allan Greenblo's career in journalism began on the *Financial Mail*. Financial journalism has changed dramatically since he entered as a recruit to the *FM* in 1967. Thirty years later, having been cofounder and editor of *Finance Week*, which he served for 16 years, he was appointed managing director of the *FM's* newly formed controlling shareholder, BDFM Publishers. The pedigree of BDFM Publishers is enviable. The company is a joint venture of Johnnic Publishing, Ltd., controlled by one of South Africa's leading black-empowerment consortia and owner inter alia of the *Sunday Times* and Pearson Plc., one of the world's leading multinational business-publishing houses, which owns (inter alia) the *Financial Times*. Greenblo points out that there have been major changes to the *FM*. It has become far bigger, more attention is given to design, and it is much more comprehensive in its coverage. No longer can an editor give close attention to every part of it. The circumstances in which the *FM* competes have also changed. The electronic flows of business information are vast, rapid, and easily accessible; no longer can any single publication, irrespective of its insights, be a dominant supplier. Indeed, sector market leadership can no longer assure continuous viability (Greenblo 1999).

Greenblo says that the main BDFM print titles, *Business Day* and *FM*, are South Africa's established market leaders in standalone daily business newspapers and weekly financial magazines. BDFM also owns African

Business Channel, which produces a wide variety of specialized radio and television programs such as Summit TV, one of Digital Satellite Television's bouquet of 40 channels and South Africa's essential business channel. These ownership and operational combinations are potent for the leveraging of the BDFM brands by

- Expansion into other print products
- Electronic distribution of its editorial database and its news-gathering resource
- And the creation of additional opportunities for advertisers across BDFM's highly niched and ever-expanding critical mass of print, Web sites, and radio and television activities

Greenblo believes such objectives for growth, both by synergistic acquisition and organic development, rely vitally for their successful exploitation on the ability of BDFM to recruit and retain skilled personnel in sufficient numbers for BDFM professionally to service the demanding requirements of its sophisticated core market at the upper-income end of corporate and investment readership. He concludes that particularly in this electronic era, aggressive competition demands that print add interpretative and contextual value to the immediacy of sound bites and this relies in turn on high-quality financial journalism, the sine qua non for circulation growth and advertising support.

Greenblo says that the vision, mission, and values of BDFM are to

- Be recognized by the world as the best provider of economic, company, investment, and business information in southern Africa
- Dominate its core market in the provision of such information
- Pioneer the innovation and integration of operations into South Africa's leading multimedia whole for business publishing
- Enhance the credibility and penetration of its products and programs, progressively extending its critical mass across print, branded Web sites, radio, and television
- Be the first choice for advertisers and sponsors targeting the focused market of business and investment readers and audiences
- Offer customers the highest standards of service, consistent with the premium positioning of its products
- Lead by example in business ethics and ethos, which includes the responsibility to advance the spirit of the South African constitution
- Embody a culture of change and transformation in terms of skills transfer, human-resource development, and personnel representativity
- Provide shareholders with returns that rate BDFM as a top performer in the South African media industry

Author Dianne Case, born in Cape Town, is the mother of three children whom she raised single-handedly when her husband was on extended trips on West Coast diamond boats. Holding down a full-time bookkeeping position, caring for her family, and keeping house, Case's day was full enough, but money was scarce. To raise additional funds, she would rise early in the morning to write stories, which she entered in the local newspaper's short-story competitions.

Such was her success at writing that she was awarded first prize on several occasions. This led Case to pursue her talent and her first novel *Love, David*, which won the Young Africa Award, was published both in South Africa and Europe. The novel is now in its thirteenth printing, is part of the South African school's curriculum, and is currently being made into a film.

With the change in South Africa's government, the new government decided that schoolbooks should be written by writers from diverse backgrounds in order to depict the variety of lifestyles and cultures in the country. This gave Case an opportunity to continue her writing, and her book *Albatross Winter* was published in 1980, winning the Adventure Africa Award. She has since written several other books that are widely used in South African schools and are sold through booksellers at home, in the United States, and Europe. Case's books have also received the Percy Fitzpatrick Prize for Literature and the M-Net Book Prize.

Case's writing success stems from her ability to see the world through the eyes of children. When not writing, she concerns herself with children's issues, and twice a year she takes 300 children from Khyalitsha to an afternoon of ballet and music. A big-hearted person who uses her own home as a sanctuary for those in need, she also works closely with havens, shelters, and other organizations that serve the homeless.

Case was nominated for the *Star* newspaper's Woman of the Year award in recognition of her work among street children. Using her own considerable writing skill to help others, she runs creative writing workshops for adults at a local college and also for women inmates at Pollsmoor Prison. Finding that many of her students could not get their works published, Case established her own publishing company, Kwagga Publishers. Her vision is to produce books that are relevant and entertaining, that break down cultural barriers, that promote universal human values, and that are primarily aimed at children of all cultures around the world. Dianne Case received the 1998 South African Women for Women (SAWW) Arts and Literature Award. Founded in 1997, SAWW is dedicated to the empowerment of South African women. The award was made in recognition of the outstanding contribution Case has made in achieving a better future for young people, for women, and for South African society.

REVIEWS

South Africans can be innovative and have the ability to adapt and change—that's the conclusion reached by Georges M. Jaumain (1999) after talking to various entrepreneurs in his book. They include a young woman who leases airplanes, someone who built his own cosmetics plant, and others in the arts and crafts industries, but most of the lessons Jaumain learned on his own. After building up Aftex Exporters, an importing and exporting business in Johannesburg, he published his book privately in order to share his ideas with prospective entrepreneurs on how to begin something meaningful from scratch. The book gives practical hints on how to be a winner. This is his list of mistakes to avoid:

- Don't promise anything you can't do or can't deliver on time.
- Don't ask advice from someone who doesn't have the experience or the knowledge required.
- Make sure that you appoint the right managers; the wrong ones could cost you a fortune.
- Be careful if planning to change an existing business.
- Impatience can lead to unnecessary mistakes.

Jaumain says that it is important to be in control of your work, your business, your life, and your money at all times, and he illustrates this with examples of what can happen when control slips away. He also warns about which type of person should not try to start a business (Naudé 2000).

Jaumain says it took a decade to build his import/export reputation of being a reliable link between South African manufacturers and African clients. Hard work and 100 percent commitment has resulted in a strong reputation among buyers in selected African countries and among South African bankers and manufacturers. He says it also took some years of experience to select trustworthy and reliable clients. He defines clearly the reasons behind his success:

- Taking some calculated risks to achieve profitable ventures
- Building experience and coming to know chosen fields well
- Watching expenses and spending only when there are good commercial reasons
- Negotiating as hard as possible to increase service performance and to offer the best prices to clients
- Giving special service to clients through caring, reliability, honesty, and helpfulness
- Being first to reply to client's queries
- Running the extra mile to help clients
- Maintaining a fair and competitive margin in his markup

Jaumain's Aftex Exporters started exporting high-quality, competitive South African products in August 1988. Since then their turnover has increased each year by 40 to 50 percent. Aftex is today one of the leading exporters in South Africa. Products are exported in the air, over the road, or on the sea, all over Africa, the Indian Ocean islands, and South America. Their priority is to ensure prompt and efficient service to their clients and to maintain competitive prices and competitive transport rates up to the ports of destination (thanks to the volume of goods handled). In South Africa many manufacturers are not knowledgeable concerning export requirements and do not have the necessary staff and skills to ensure that their products reach the final destination point safely and on time. Aftex's long experience and specialized skills in exports allows them to ensure that all the steps are performed properly and that the documentation is prepared according to the clients' requirements. Their efficiency has enabled them to become the central purchase office in South Africa for various international groups operating in Africa. Clients have discovered that Aftex's low profit margins, together with prompt and efficient service, saved them time and money and offered a simpler alternative to ordering from a range of manufacturers themselves and to incurring large telephone and fax bills from trying to oversee the shipments themselves from a distance. Aftex's teams of dedicated contract and shipping administrators assist the division managers and can communicate in French and English.

To do business in Africa, you must learn how Africans do business! Nowhere is this more important than in South Africa. Western investors, project managers, and business pioneers who wish to tap this dynamic frontier market must master African marketing methods. Distinguished African mercantile clans have honed and polished their methods and have formed notable, sophisticated, and successful trading companies across the continent for the past 2,000 years. Surely they have much to teach us. We must learn more about Africans in order to work more closely with them. We do not want Africans to perceive us as patronizing, arrogant, unwilling to learn African languages, contemptuous of local tradition, and hesitant to socialize with Africans.

Author Jeffrey A. Fadiman considers Africa as the West's commercial blind spot, believing we have ignored Africa since the 1960s and thus we have never learned how Africans do business. His book, *South Africa's "Black" Market: How to Do Business with Africans*, describes how we can use African methods to market African-style. He gives case studies of 21 African entrepreneurs. Fadiman knows Africa. He is a full professor of global marketing and an African area specialist with 32 years of experience in western, eastern, and southern Africa. He writes for the commercial pioneer who wants to venture beyond South Africa's small white market into the huge black market of more than 40 million with another 400 million beyond its borders. South Africa is the launch pad for the continent.

The book begins where you would—on the day you decide to launch a South African venture. Fadiman explains which tribes live where, what languages they speak, and where the markets are. Next he leads you through the history of South African racism, tribalism, and apartheid to illustrate precisely how each of these problems can still throw up major obstacles to Westerners who come for business.

After this rather sober beginning, the author takes you on a fascinating journey into the very heart of African methods, teaching you how to market yourself ("creating relationships") before even thinking of marketing your product. To do this well, you must learn how Africans greet, give gifts, do favors, show respect, and socialize as well as how their "big men" conduct negotiations, implement agreements, deal with labor, and so on. Then you must consider how to reach new market segments that have no U.S. parallels: dynamic African townships, extensive rural communities, and the large number of foreign Africans now pouring into South Africa.

Fadiman's tour then takes you into the "shadow" side of African marketing. You learn how to market your product through street hawkers and smugglers and even how to use the "tsotsi" (gangster) bands to implement your project. Fadiman is shockingly honest in analyzing South African crime. He tells it like it is and then suggests pragmatic and specific and effective methods to cope with it. In conclusion, Fadiman describes the sheer joy of working with a people whose optimism, exuberance, and love of life makes every day an adventure.

Why bother trying to understand black culture? Where are the opportunities and how can they be taken advantage of? How do you get your product on that crowded township shopping list? What are the channels of distribution in the townships? What is the secret behind the success of brands in the black market? Why are some ads more successful than others? What are the differences between award-winning and successful sales-generating marketing campaigns? These and other questions about targeting the so-called black or emerging markets are answered by rising marketing talent Muzi Kuzwayo (2000). For example, Simba is the undisputed king of the potato chip market in South Africa. In townships across South Africa, Simba has practically become the generic word for this snack. But while *simba* means "lion" in Swahili, *simba* means "shit" in Zulu. That this fact has not stopped millions of Zulus from munching away is a tribute to the bizarre power of advertising. It also shows the astounding disregard the advertising industry has for black people. Kuzwayo's book will make many among its target readership, white admen, wince at some of its home truths. Kuzwayo captures the subtleties of a dynamic lifestyle with its own lingo and social behavior.

Kuzwayo, one of South Africa's most resourceful and outspoken media men, completed his bachelor of science degree in microbiology and biochemistry at Rhodes University in 1992 and, after thorough soul searching, decided that there was no joy in spending the whole day monitoring organisms that cause diarrhea. He entered advertising in the early 1990s, when white brand managers and account executives were scratching their heads at the sudden emergence of a massive new black market. He started his advertising career through a graduate training program offered by Ogilvy and Mather, Rightford, Searle-Tripp and Makin in Cape Town and moved through the various disciplines of advertising—media, client services, strategic planning, and copy writing. He later earned a postgraduate diploma in copy writing at the Red and Yellow School of Advertising. While in advertising, he worked on various blue-chip brands and also worked on research projects for various companies. The white brand managers and account executives had no idea who their black audience was, how they lived, or what products they used and why. But they knew they had to start changing their pitches, as well as their company structures. And so Kuzwayo, who had been a radical as a student, became a sounding board for his employers.

In 1997, after cutting his teeth at Ogilvy and Mather and fed up with being told such nonsense as "black people don't like green because it's bad luck," he started his own business, Kuzwayo Advertising, offering research, marketing, and consultation services to marketing companies and advertising agents. His company has grown to include clients such as Vodacom, Guinness (SA), and Xcel Information Technologies. He has also contributed articles on marketing and advertising to various publications. His book carries an introduction by the famous free-marketer Clem Sunter and is an essential guide to advertising in the new South Africa, complete with practical tips. It is an interesting, almost sociological, study of the everyday life of millions of urban black South Africans that is seldom seen in the advertisements on South African televisions. It tells how the shop known as the *spaza*, which means "imitation," sprang up in response to the physical and economic isolation of townships, and how marketing by township entrepreneurs was limited to the bright, crude signs that now cover roadside walls. Kuzwayo captures the subtleties of a dynamic lifestyle with its own lingo and social behavior. He offers a fascinating, close-up look at the *stokvel* and the township funeral, wedding, and street bash and an amusing rundown on the status of various drinking places (Jacobson 2000; Kuzwayo 2000).

The second section of the book deals with the more technical aspects of marketing, such as branding and positioning, using a number of entertaining case studies of campaigns that have either succeeded or bombed. Kuzwayo describes how Unilever's cold-water Omo cornered the detergent market because the company realized that most township families did not have hot running water. And why an advertisement suggesting that a bag of corn costing only R10 was an acceptable offer for *lobolo* lost TBWA Hunt Lascaris the prestigious Iwisa Maize Meal account. African women must have parental consent to enter into a customary union. Such marriages are validated by *lobolo*, the transfer of cattle and/or money by the husband to the wife's father. Kuzwayo singles out the AIDS awareness drive as the saddest example of a failed campaign after one despairing AIDS worker told him: "The communication is wrong. We produce all these brochures, yet the majority of our people are illiterate." This highlights the book's strongest message—for communication to be effective, it must be culturally alert. This means knowing that poking fun at mothers-in-law may be humorous for some, but for others it may be taboo. Kuzwayo touches on the sensitivities of language in a brief but punchy chapter that gives a voice to the frustrations experienced by the Sowetan newspaper's marketing manager, Moses Mmutlane. While it is the biggest daily newspaper in South Africa, it gets little advertising because media planners, who are generally white, think the stories in it are badly written, writes Kuzwayo. Says Mmutlane: "White marketers want to see themselves in you. You must dress like them, eat like them and speak like them and only then will they think that you are successful" (Kuzwayo 2000: 130).

Stephen Hills is a professor of management and human resources at the Fisher College of Business in Columbus, Ohio. Steve Burgess is a Fisher alumnus and was a professor of marketing at the School of Economic and Business Studies at the University of Witwatersrand in Johannesburg, South Africa. During the 1999–2000 spring quarters, they taught an innovative course, "Establishing Import/Export Firms." At Fisher, Hills used a text by L. Fargo Wells, *Selling to the World* (New York: McGraw-Hill, 1996). At Witwatersrand, Burgess used Warren Keegan's *Global Marketing Management* text in the South African part of the joint class. The course objectives were to teach students how to get an export business started, how to compete in a global market, and how to expand the business globally. The course linked students from Fisher with a like group of undergraduates at Witwatersrand and that's where technology came into play. Video teleconferencing equipment brought the students face-to-face, and e-mail allowed them to continue their group research. Burgess and Hills were able to work "virtually" side by side, educating undergraduate honors students at both universities on the ins and outs of importing and exporting globally. Fisher and Witwatersrand students worked in multinational teams to develop import/export plans for Columbus-area businesses interested in exploring trade in South Africa, as well as several South African businesses looking at export opportunities in the United States. Interactions with company reps in both the classroom and at their businesses provided additional insights. At the end of the quarter, student teams at one university were expected to know how to export a manufactured product or service to the student group at the other university.

"This program," says Rose Blatch of the International Trade Institute of Southern Africa (ITRISA), "is highly innovative and is a good sign that

South Africa universities are getting more involved in international trade education." And, from a tertiary point-of-view, Professor Burgess is quite happy that South Africa is up to speed in training for international marketing. "We have an extremely good reputation in that field," he says. Indeed, his South Africa-aligned book, *The New Marketing*, is one of the "bibles" on the subject and is currently being globalized in its content for international distribution. Professor Burgess has now accepted a post at the Graduate School of Business at the University of Cape Town. For the participating companies in the course, the students' efforts will serve as a fundamental market research tool as they look at entering the South African and U.S. markets. They look forward to partnering with Fisher and Witwatersrand for the future. This is a great way to integrate the business communities with outstanding educational institutions.

Peter Bagshawe's 1995 book, *Viva South African Entrepreneurs*, presents eighty intriguing short biographies of businesspeople of diverse cultures, most of whom have succeeded after humble beginnings. These "rags to riches" stories are about men and women who have reached the top of their chosen fields by sheer hard work, perseverance, and determination. Eleven of these entrepreneurs were researched up to the present day and included in the southern Africa section of this report. Hopefully, these and the other examples within this report will inspire would-be entrepreneurs and provide them with the confidence to launch their own businesses. Determined efforts are being made by various organizations like Business Partners to encourage businessmen and businesswomen to venture on their own, helping to boost the economy and promote employment.

Reg Rumney and Janet Wilhelm (1999) include some 180 profiles of the South African business world. The book takes a comprehensive look at the new black business leaders and the women who are beginning to make their mark in male-dominated arenas. Rumney is an economics editor of the South African Broadcasting Corporation (SABC) and Wilhelm is a veteran business journalist who has written extensively on women's issues and on women in business. The book is a guide to the key people in the fast-changing world of South Africa business. Independent, candid, irreverent, and entertaining, it looks behind the façades of corporate power, providing facts and analysis in an accessible format. Patrick Leeman, in the *Mercury* of May 29, 2000, wrote that "The pen pictures of South Africa's most successful entrepreneurs make for fascinating reading. Rumney and Wilhelm, both with a sound track record in the field of financial journalism, have dug up some fascinating material on the men and women who keep the wheels of commerce and industry turning. For those writing in the sphere of economics, the paperback is an invaluable adjunct. For students of business economics and for laymen alike it is a most welcome addition to the literature of this genre, particularly its insights into the new black elite."

"Don't despair, create your own jobs." This is the message fifteen black entrepreneurs—ranging from former presidents of the National African Federated Chambers of Commerce (Nafcoc) to those keeping a low profile—want to get across to today's black youth by telling their stories of hard-won success in the apartheid years. By 1994, at least a million black South Africans owned their own businesses. Almost all had been forced to operate illegally because of the enormity and complexity of apartheid's laws. Ian Hetherington (1998) wrote about these entrepreneurs and their importance to society. He describes the obstacles they have to overcome and suggests ways to help them do what they do best—create wealth. He documents the experiences of some of these black entrepreneurs who rose above the deprivations of poverty, their education, and the laws that apartheid devised to suppress their enterprising spirit. During the apartheid years many independent mission schools, which had striven to provide blacks with a high-quality education, were closed down. The segregated state education that replaced them, prescribed under the Bantu Education laws, was often of a very poor standard. There were several cornerstones of apartheid, including the laws that prevented mixed race marriages, the Bantu Education laws that were designed to keep blacks poorly-educated, and the Separate Amenities Act that saw whites and blacks having separate toilets, buses, park benches, and so on. The biggest law, however, was the Group Areas Act, which saw residential areas of cities and towns designated as white or black. This was the catalyst for forced removals of non-whites to desolate, poverty-stricken townships, which are still in evidence all over the country.

For all fifteen interviewed it was a battle to get the education they craved. None was more determined than Nelson Segooa, who owns a tailoring and garment factory in the Northern Province that employs about 30. Segooa was a poorly educated farm boy from Mankweng, Lebowa. He worked as a gardener and domestic servant in Houghton, Johannesburg in the early 1930s. One day a chief's brother arrived, looking for lodging. Segooa agreed to put him up for a while on condition he teach him to read English. Once he could read, he bought books on tailoring and how to run a business. He bought a sewing machine and began to work at night for domestic servants and the staff at the Inanda Club. He attended a tailoring course in central Johannesburg on his day off for four consecutive years and later worked in a clothing factory to learn more. In 1961, at the age of 41, he finally set up his own business in Lebowa.

In the early 1960s the current president of the National Industrial Chamber (NIC), Joe Mogodi, ended up in court with his employer, a Mr. Lewis, for allegedly contravening job reservation laws. Mogodi had been hired as a messenger at Lewis's fencing and contracting firm in Pretoria, but he was surreptitiously keeping the company's account books. Whenever a stranger appeared, Mogodi would take out his broom and pretend to be the sweeper. Their secret was discovered, but Lewis, who was confined to a wheelchair, managed to convince the court that Mogodi was indispensable to him and was given a special exemption. This was not Mogodi's last run-in with the law. In 1976, at the age of 40, he picked up the idea and technology for a tombstone plant while in Japan. (By then Lewis was a director of the firm and Mogodi his personal assistant.) Mogodi worked for the Japanese for free to learn how to prepare the tombstones, which were made from South African granite. He was arrested three times for operating his tombstone manufacturing plant in his Mamelodi backyard. He was once raided by the security forces, who suspected that he had been in Japan to learn to make bombs. A.D.C. Makena is another entrepreneur whose foundation was an illegal backyard manufacturing business. His welding works in Mamelodi formed the basis of the two business office and shopping complexes he now owns in the area.

Frans Maluka and his daughter, Lillian, own and run the Leseding sewing school in Mamelodi, which has 350 students enrolled in its 12-month course. The school was illegally housed in the Malukas' Mamelodi garage for 17 years. In 1980 the Malukas finally bought a business site for the school in Mamelodi for R15,000. They raised the capital by liquidating the family's taxi businesses and borrowing from the Get Ahead Foundation.

Mogodi, Makena, the Malukas, and the many others in Hetherington's book were assisted by the small business loans, the training, and the manufacturing premises made available by philanthropists and development agencies. But it was always an uphill battle to succeed. Some, like Nombasa Nini, a merchant from the Ciskei, lost everything because of political violence, boycotts, and rivalry within their own communities. Zed Sobuza, who succeeded in keeping one step ahead of the government's restrictions on black business, was wiped out when his model 554-hectare farm in the Transkei was destroyed by squatters who killed his cows, vandalized his machinery, and hijacked his delivery vehicles. Both Nini and Sobuza rebuilt their livelihoods and went on to realize new dreams.

Sam Motsuenyane, is recognized for his direct contribution as entrepreneur. He was a hardworking businessman, playing a key role in, among other things, the formation of the first black-controlled bank (African Bank), the first black-controlled retailer (Black Chain), and the first black-controlled construction company (African Development and Construction Holdings). And he is recognized for his long and valiant fight to give black business a voice, through the National African Federated Chambers of Commerce and Industry (Nafcoc), as far back as the late 1960s. Motsuenyane always saw that political liberation must go hand in hand with economic liberation. Not only was black business part of the struggle for human dignity, it was essential to solving black unemployment. "Whites," he once said back in the apartheid era, "cannot deal with the problem of unemployment singlehandedly." Black businessmen have to see themselves as job creators and producers. He warned: "The survival of the free enterprise system in South Africa will only be ensured by the extent to which blacks perceive themselves as beneficiaries in that system" (Coulson 1999).

Successful businesswoman and clothing designer Nombasa Nini runs her traditional clothing store, Ilitha Kwikspar and Bottle Store, near the tiny Eastern Cape town of Berlin. The town's main claim to fame is that it is the home of Nini and her locally made traditional beaded garments which have reportedly taken New York by storm and have found favor as far afield as Germany. Her daughter, Roundy, is also contributing to putting the town on the tourism map with her traditional restaurant and jazz café. A number of activities mark the Christmas celebrations in this semi-rural area when Nini holds her annual party for the aged. "I am what I am today because I never forget my roots and it is actually these people who have stood by me in both good and bad times," she says. Recently, a new initiative to promote arts and culture in the Eastern Cape was launched with a program of traditional entertainment at her farm in the area. The main objective of the exhibition is to draw the attention of businessmen and the citizens of Mdantsane and East London to the artists. They are trying to overcome problems of marketing by attracting potential art buyers.

Barney Titus, who owns the Bashee Toyota dealership in the Transkei, was encouraged to pursue this line of business after meeting a black motor dealer in the United States in 1978. Yet none of the entrepreneurs attribute their successes to good luck. Almost all made their own luck by seizing opportunities in untapped markets. Once they tasted success, they never looked back. Many were born marketers, like Titus, who in 1973 enticed reluctant customers to fill up at his dilapidated gas station in Engcobo by giving their children schoolbooks and stationery for every purchase over R20. "To be successful in business you need great patience; there is no quick money," says Titus. "You must plough profits back if you want the business to grow and you must hire the right people."

Many of those interviewed speak of the considerable influence their teachers or parents exerted on them. Most say mathematics and English are the subjects that have helped them most in business. Archie Nkonyeni's success story was built on a solid education and his schooling was subsidized by a former principal. He was able to repay the principal about 30 years later. Nkonyeni won a scholarship to Healdtown, Eastern Cape, and later graduated with a BCom from the University of Cape Town (UCT). "I had this desire to achieve, to excel, but this is something that has been lost nowadays," says Nkonyeni. "Is it the culture of entitlement, or is it just that there are so many more opportunities now?" Nkonyeni is regarded as one of the most outstanding black business leaders South Africa has produced. Driven by the conviction that meaningful black liberation could be attained only if political liberation was accompanied by economic emancipation, he committed his time and energy to promoting black business. His chosen arena was the National African Federated Chamber of Commerce and Industry. After a string of successful business ventures in the Transkei, Nkonyeni was Nafcoc's president from 1992 to 1994. He has been chief executive officer of National General Agencies, leaders in black economic empowerment, controlling retailing, wholesaling, and property development concerns. A book of speeches made by this Eastern Cape Technikon council chairman and Dispatch Media board member was published in 2000. The book, *Capitalists Without Capital*, was a project of the Eastern Cape Technikon to honor Nkonyeni. The collection of speeches in the 180-page book covers the period from 1990 to 1994, a time when South Africa was redefining itself. Views are expressed on black economic empowerment; the impact of poverty and unemployment on development; investment and social stability; tolerance and freedom of expression and thought; affirmative action; the liberating power of education; and the role of South Africa as a regional, continental, and world player.

What the people Hetherington (1998) interviewed had in common was a sense of independence and a continual thirst for new experiences and knowledge. By researching and recounting their business histories, he has created a handbook for young entrepreneurs. Hetherington says, "It is my hope that this book will serve as a blueprint of inspiration for the many young people who have worked hard for their education, only to find that jobs are few and far between." This review is an expanded version of Bisseker (1998).

Claire Bisseker was the winner of the South African Science and Technology Journalism Award for best feature in science, engineering, and technology reporting in a national/regional newspaper during 1999. Claire was also the winner of the 1999 Mondi Paper Magazine Forsight Award for an article published on March 19, 1999, in the *Financial Mail*, "In a Class of Its Own," in which she reports that South Africa's top medical scientists are among the best in the world. Some are at the forefront of research that may lead to a cure for asthma and diabetes. Others are tricking the body into growing new bones, arteries, and heart valves. During the years 1997 and 1998 South African scientists discovered that the hepatitis B virus causes liver cancer; that a new group of compounds can switch off cancer cells' resistance to drugs; that certain plants exhibit anti-malarial and anti-tuberculosis activity; and how to grow new bones in adults. Claire writes that it is evident that South Africa's scientists are still able to compete with the best in the world, despite the huge pressures on medical research. Fortunately, international funding is much more readily available than in the past and islands of excellence that have been able to attract it are flourishing. However, Claire advocates that in the future the government invest more in medical research (one of South Africa's few areas of competitive advantage) and that medical schools align their research with industry and social needs, while still pursuing knowledge for knowledge's sake.

SOCIOECONOMIC ISSUES

Rob Marsh writes and speaks on a wide variety of topics. However, his forte is books and articles with a criminal element. His most recent book (1999) is an attempt to put the crime situation in South Africa into proper context, both domestically and internationally. It provides both a detailed examination of the crime situation in South Africa and a tentative prognosis for the future. Marsh states that the nature of South Africa's crime is not unique in the world. "Property crime—house-breaking, theft, car theft etc.—is no worse than the average developed country," and that "Crime remains a serious problem in both developed and developing countries."

Marsh suggests that it is the level of violent crime in South Africa that is alarming. And there is little evidence that the situation will improve in the immediate future because the cause of violent crimes—unemployment, discrimination, hopelessness, and an ingrained culture of violence—are still very much alive and well. He also makes the point that the South African police are also struggling to cope with the levels of crime in the country and that 1,000 police officers have been killed since 1994. To make matters worse, many of South Africa's most skilled and experienced police officers are leaving the police service, either out of frustration or for the better-paid and less stressful private sector.

"Crime," as Marsh says, "is largely a social problem and this malaise now seems to be endemic and is spreading rapidly through South African society and anecdotal evidence suggests that a vast number of people in South Africa are living in fear." Marsh believes that South Africa must first address some of its more pressing social problems—unemployment perhaps most important—in order to solve its crime problem. If you are not sure what the answers are to the scores of questions that South Africa's rampant crime rate raises, but you are interested in the subject and have some spare time and a "criminal" mind, Rob Marsh's book is for you.

Marsh has also brought to my attention that nowhere have I made reference to the AIDS pandemic. He points out that a number of books and papers are coming out that are examining the economic impact of this disease in subsaharan Africa and that the prognosis for the country as a whole is a matter of grave concern, both to the government and the private sector. The socioeconomic effects of this disease are predicted to be extremely far-reaching. Average life expectancy in South Africa is estimated to have fallen from 61 in 1990 to 57 in 2000 and is likely to fall to about 49 by 2010. South Africa can expect 4 to 6 million of its 43 million people to die of AIDS by 2010, leaving some 2 million orphans. Scarcely any aspect of South African life will be untouched by an epidemic of this size. The cost in term of personal misery is unimaginable. Some of the other consequences, however, can only be guessed at. To make matters worse, most of the people who are or will die of AIDS come from the most economically active sector of the economy.

Marsh believes that the consequences for South Africa's—and subsaharan Africa's—economy are alarming to say the least. Some estimates, for example, predict that South Africa's economy may actually shrink by up to 10 percent by 2010. Absenteeism as a result of sickness and the cost implications for health care are also of major concern. Marsh is currently putting together a 45-part radio soap opera for an organization called Soul City. The Soul City series will attempt to address a number of social issues in an interesting and informative manner. The point that Marsh makes is that in this series—the fifth—the Soul City brief is to provide information and advice to the audience about how to care for people with HIV/AIDS. In other words, Soul City has already gone past the "Wear a condom/How not to get the disease" stage. It is now looking at providing practical and effective advice about what to do about the dead and the dying. Believe Marsh when he says "This is scary stuff."

Mark Mathabane came of age under apartheid in Alexandra Township outside Johannesburg, South Africa. He is the author of six books, including the best-selling autobiography *Kaffir Boy* and the highly acclaimed *African Women: Three Generations*. He writes that the oppression of women is widespread in South Africa. This is largely because apartheid over the years emasculated and degraded black men and stripped them of their manhood by depriving them of the means to provide for their families and loved ones. Many of these men found convenient targets for their rage, frustrations, and bitterness in those under their immediate and absolute control, their wives and children. This abuse of women and children was made easy because apartheid, for its own devious ends, encouraged and rewarded tribalism among blacks. Husbands and fathers continued to cling to customs and traditions that had long outlived their usefulness, mainly out of a sense of desperation. Under tribalism men have power, authority, and respect, while in the modern world ruled by the white man they were powerless, got no respect, were called "boys," and were treated as less than dirt. *African Women* is a harrowing, poignant, heroic, and inspiring saga of three women who, in their individual ways, refused to buckle under to tradition, custom, and oppression. They fought against daunting odds to preserve their individuality and independence, their dignity and pride, their hearts and souls. They worked and raised children in a culture and society where black women had hardly any rights, were daily discriminated against by apartheid, and were regarded as the property of their husbands or fathers by custom. Any attempts to liberate themselves were condemned and harshly dealt with.

Jane Raphaely calls on women and men of South Africa to "volunteer, fund-raise, raise hell, keep watch, or speak out" in a bid to fight rape. She says a memorial to women and children who have died violently in South Africa should be built outside the Cape Town Parliament Building so people could not ignore the problem. She says there needs to be a concerted campaign that includes monitoring the courts, setting up a national register of rapes and murders, and prominent people—including politicians—pledging resources. Some 17–25 percent of women in South Africa are said to be in an abusive relationship; one woman is killed by her partner every six days. Violence, particularly sexual violence, tends to be the dominant male form of communication in asserting control over African women and children. The collapse of the family structure surely accounts for much of this violence in South Africa. And the AIDS pandemic, which resulted in 1 in 4 pregnant women in South Africa presenting as HIV positive, is the direct consequence of violent, nonconsensual, unprotected sex.

"Men in South Africa rape because they can—because they can get away with it," Raphaely says. "Most of the time if they are caught, accused, traced and identified, it doesn't succeed in a court conviction." The taboo on discussing sex, which led to the mistaken belief that AIDS could be cured by having sex with a virgin, had to be broken. She says the country was now in transition and has not stabilized or set up appropriate systems to counter the rising violence. "The normal things that you would depend on in other countries to stop this happening, such as police systems and legal systems, are in transition. We haven't created new structures yet which are strong enough to create an environment in which the vulnerable, weak and disempowered are protected." In 2000 more than 2,000 men marched in Cape Town in support of the campaign to stop violence against women. Early in 2001 the first-ever shelter for battered women opened its doors in an up-market area of Langa, paid for by money raised by Jane Raphaely, *Femina* magazine, Hilary Reynolds and the SABC's *Woman Today*. Another initiative supported by the magazine aims to open advice offices next to every police station where women can be informed of their rights under the new Domestic Violence Act and helped to turn their complaints into cases that succeed in court. Also, a national toll-free "stop woman abuse" hotline is in operation now. There is a campaign to get the government to reduce the excessively severe sentences passed on women who kill, or have killed, their abusive husbands. Raphaely is a key member of an organization called Women Demand Dignity. Women Demand Dignity is a coalition of concerned individuals and organizations from all walks of life who have come together to help empower women and children by creating awareness in various ways around issues of violence against women and sexual abuse of children. As part of its campaign to help publicize initiatives aimed at fighting rape and violence, Women Demand Dignity has set up an e-mail address, womendemanddignity@hotmail.com, and a Web site, http://mensmarch.mweb.co.za.

NICRO's Soraya Solomon says that "The abuse of women and children, especially rape, is an issue that needs the attention of all South Africans. We need to work on our judicial system, which I believe is in chaos, and on our systems within civil society to work in reducing the incidence of rape in South Africa. Within civil society we have to break down the patriarchal system that dominates South Africa—for example, many women in some cultures have limited rights or no rights. Our police force also needs to be restructured to deal with rape cases—especially in handling the cases correctly and effectively. Most rapists get off because of mistakes made by the police in their investigations. It is a worrying problem that needs more aggressive action from both government and civil society."

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III

East Africa

The eastern region of Africa is home to the great wildlife reserves of the Serengeti plains and the Rift Valley Lakes (African Great Lakes), which stretch across the countries of Kenya, Uganda, and Tanzania. These countries have signed the Treaty for the Establishment of the East African Community to ultimately allow for the free flow of goods and people between their countries. Further north lie the countries of the Horn of Africa and the source of the Blue Nile. Eritrea, Djibouti, Somalia, and Somaliland occupy much of the coastline, while Ethiopia is a large inland country.

The East Africa region has a population estimated for the year 2000 at 162.5 million. The major countries in the region are Eritrea (3.9M), Ethiopia (62.6M, capital Addis Ababa 2.7M), Kenya (30.1M, capital Nairobi 2.4M), Somalia (6.6M), Somaliland (3.5M), Tanzania (33.5M, capital Dar es Salaam (2.1M), and Uganda (21.8M).

10

Horn of Africa

Blue Nile Basin countries should equitably utilize the waters of the Blue Nile River to enhance their development activities. Daniel Kendie's (1999) studies show that the waters from the Ethiopian highlands accounts for more than 85 percent of the Blue Nile River that Egypt receives annually. Ethiopia could utilize its waters for irrigation and hydroelectric power generation for the purpose of socioeconomic development without causing significant negative impact to Nile Basin water users, particularly the Sudan and Egypt. The U.S. Bureau of Reclamation surveyed the Blue Nile Basin from 1956 to 1964 and proposed the construction of four major dams on the Blue Nile with a combined storage equal to its mean annual flow. The annual flood of the Blue Nile would be virtually eliminated and the flow into the Sudan would become constant. Because the Blue Nile terrain favors the construction of dams to generate power, Ethiopia could produce enough electricity not only to satisfy most of its own needs, but it could also export power to the Sudan and Egypt. Four million Ethiopian farmers would be needed to work the newly irrigated land. According to the experts, the amount of water available to the Sudan and Egypt would not be substantially affected (Kendie 1999). Some of the benefits to be derived from the Blue Nile Basin countries' cooperation are:

- reduction of evaporation and transmission losses,
- availability of regulated flow,
- control of flood hazards,
- possible development of river transport,
- an increase in water storage facilities,

- an increase in food production through increased acreage of irrigated land, and
- the generation of surplus energy for the benefit of Ethiopia, Sudan, and Egypt.

ETHIOPIA

Sara Abera is one of the foremost names in Ethiopian fashion. In 1989, she opened her own design shop and manufacturing company in Addis Ababa. Since 1989, Sara Garment Designers and Manufacturers has been producing high-quality garments for a wide selection of clients. Its product line ranges from traditional Ethiopian designs to the latest in international high-fashion concepts. The company has established a solid reputation for producing ready-made clothes and uniforms for any purpose, of the highest quality, to a wide range of clientele, including Ethiopian Airlines and school uniforms for Addis Ababa schools. Realizing that successful local production will help Ethiopia preserve much-needed foreign currency reserves, the company is putting a lot of effort into demonstrating that locally produced garments can compete internationally, thus convincing Ethiopians to rely more on locally produced high-quality clothes. Currently, the company employs approximately 30 workers, including several highly skilled dressmakers. They are striving toward exporting 70 percent of their product as they introduce to the rest of the world beautifully designed and tailored outfits, as well as other culturally inspired designs based on the rich Ethiopian heritage of indigenous weaving products combined with the contemporary adaptation of modern textiles. The company's designs, displayed at fashion shows in Paris, Düsseldorf, and other European and African cities, have caught the eyes of both fashion critics and designers (Getachew 1999a).

The late Yeshimebet Tessema (1942–2000) was the founder and president of the Ethiopian Women Entrepreneurs Association (EWEA). Because gender disparities dominate the business world in Africa, Yeshimebet advocated Africa's need for dynamic leadership in the new millennium that would be more gender-conscious, so that the promises and challenges for a bright future would also embrace women entrepreneurs. She embarked on a modest business venture in 1970 by exporting roasted and ground Ethiopian coffee known as "yeshi buna" (Yeshi's coffee, in the local language) mainly to Frankfurt and New York City through the outlets of her business acquaintances. Being an astute entrepreneur, her coffee business eventually grew into a respectable export concern. This enabled her to set up numerous enterprises, including a multimillion dollar hotel and entertainment complex in the town of Moyale. Moyale is some 770 kilometers southeast of Addis Ababa on the Ethiopian-Kenyan border on the main road from Ethiopia to Mombasa (*Addis Tribune* 2000).

On the evening of Friday, April 30, 1999, the Lalibela Grand Ballroom at the Sheraton Addis was the venue for the premier collection of American-trained and Ethiopia-inspired fashion designer Guenet Fresenbet, or Gigi, as she is popularly known. The models walked, strutted, turned, pouted, smiled, and posed in the latest fashion sensations to come out of Addis Ababa. Gigi specializes in Ethiopian contemporary fashion design. She believes that Ethiopian traditional fabrics, generally hand-woven, may create new markets for all involved, including the producers, promoters, and distributors. Gigi was the first to produce a fashion magazine in Ethiopia. Gigi has integrated her rich culture and international fashion experience for glamour to create a unique collection of Ethiopian dresses with ageless elegance.

Gigi was born in Addis Ababa but grew up in the eastern Ethiopian town of Dire Dawa. Gigi attributes her carefree nature in part to her experience growing up in laid-back Dire Dawa, where the women are famous for their free-spirited independence and for wearing bright and colorful clothing. She moved back to Addis Ababa as a teenager and attended the American Mission School, graduating in 1983.

Immediately after completing her high school studies, Gigi immigrated to the United States. She lived in the Washington, D.C. area, where she attended college and then moved to Los Angeles, where, with a partner, she established a design firm specializing in a "few of a kind outfits with one-of-a-kind hats." In order to augment her design credentials, Gigi moved to Massachusetts, where she attended the Boston School of Fashion Design.

After a series of visits to Ethiopia during the 1990s, Gigi finally made the big move in 1997. Armed with a portfolio of potential business projects, Gigi relocated to her birthplace, Addis Ababa. Explaining her reasons for returning, Gigi states that she always talked about coming back home, even while in school. She knew she could make it as a designer in the United States, but she knew it would be very difficult to make it just as an American designer because she was not American and she would have to specialize in something. She always wanted to specialize in Ethiopian fabrics. She believes Ethiopians have some very beautiful, very original designs and that the "shemanes" (weavers) do the most unique things that you might see in the United States, however, nobody is really exploiting it here. So she wants to do that. Her primary objective is to promote the Ethiopian textile industry, both in Ethiopia and abroad.

Gigi is pursuing her goal by introducing new designs and concepts for easily produced traditional fabrics. Her leather and suede designs are adding flair to an industry endowed with some of the best hide resources in the world. By demonstrating the tremendous opportunities in the fashion design world, she will no doubt be an inspiration to numerous young, creative Ethiopian minds. Gigi took her premier collection to the United States in July 1999, where it was presented to Ethiopian communities living in North America. The fashion shows took place during the annual soccer tournament, which was held in Dallas in 1999. After her American debut, Gigi received many orders for these Ethiopian fabrics and designs throughout the United States (Getachew 1999a).

Indrias Getachew was the editor for the *Addis Tribune*'s "Speaking of People" page. Indrias says that through his writing and photography in the *Addis Tribune*, he was able to establish an audience that was interested and curious about his work and the issues that are important to him. He gives thanks to the late Ato Tamrat Bekele and the publication he launched eight years ago, *Addis Tribune*, for providing him with the opportunity to showcase his work.

Ato Tamrat gave him the space and freedom to take the "Speaking of People" page in new directions—to explore and present a broad spectrum of Ethiopian personalities that Indrias believed were making significant contributions to their community. Often the profiles strayed from the conventional idea or image of what a community contributor is. "Listros" (shoeshine boys), businesspersons, mechanics, streetside typists, farmers, doctors, street cleaners, students, artists, historians, etc., have all graced the "Speaking of People" page. Essentially, all the individuals whom he has been honored to photograph and write about have been hardworking persons dedicated to their various occupations. It was an incredible experience for Indrias to meet so many people and to present their stories in a publication that through its Internet edition reaches a global audience. The *Addis Tribune* experience was a wonderful opportunity for him to do his part in presenting a more balanced and positive impression of Ethiopia—a country that has been plagued by one-sided and generally negative international media coverage for several decades now (Getachew 2000a).

The *Addis Tribune* was a major part of Getachew's life for a while—he has moved on since then and is only an occasional contributor now. Getachew graduated from the University of Pennsylvania from the College of Arts and Sciences in 1992. He also did his high school studies in the United States—at the prep school Northfield Mt. Hermon. He has recently published *Beyond the Throne: The Enduring Legacy of Emperor Haile Selassie I.* It is a coffee-table book with previously unpublished photographs of the emperor, published by a new company in Addis Ababa. Getachew wrote the text and was fortunate to get Richard Pankhurst to do his historical editing and Harold Marcus to write the foreword. Among the major projects he has lined up is a book of photography.

Noah A. Samara was born in Ethiopia in 1956 and raised there and in Tanzania, his Sudanese father was a teacher and a diplomat. Samara received a master's degree from the Georgetown School of Foreign Service as well as a doctor of jurisprudence from the Georgetown University Law School. He has also published numerous articles. During his education in England and the United States, Samara began to develop the vision that information was the key to expanding opportunities. Before founding

WorldSpace, Samara advised several global telecommunications and broadcasting concerns, including the International Telecommunications Union, on a wide range of issues regarding global business and regulations for mobile, portable, and satellite communications.

His vision of an information-rich society led him, at the age of 34, to found WorldSpace in 1990. WorldSpace is a satellite-delivered radio service that started as an idea on a napkin in 1990 at a Jamaican restaurant in Washington, D.C. Each satellite has three beams, each of which is capable of delivering more than 50 channels of audio and multimedia programming directly to WorldSpace's proprietary radios.

Today, the 44-year-old entrepreneur is chairman and CEO of the company. The corporation's mission is to create information affluence by using new audio technology to deliver programming to the three-quarters of the world's population that today lacks such access. WorldSpace is the worldwide pioneer in direct-to-receiver satellite audio service. WorldSpace has one of the largest coverage maps of any radio service, covering 70 nations with a potential audience for the WorldSpace service of nearly 5 billion potential listeners.

New digital technology developed expressly for WorldSpace was first implemented in Africa and the Middle East via the AfriStar satellite in October 1999 and covers all of Africa, the Middle East, and most of Western Europe. AsiaStar followed in March 2000; it covers Japan, China, Southeast Asia, India, and Iran. A third satellite, AmeriStar, is scheduled to go into orbit in 2001. It is expected to serve Latin America. "We're going to roll this out the way one would eat an elephant—one bite at a time," quips Samara. AfriStar, the satellite that covers the African continent, has performed so well, it has given WorldSpace an unexpected windfall: Its service-coverage area now includes most of Western Europe, which WorldSpace engineers had not foreseen.

Despite the sudden platform in a wealthy region, Samara remains adamant in his mission. "We want to continue to focus on making our business work on the original plan. The WorldSpace mission is to create information affluence by using new audio technology to deliver programming to the three-quarters of the world's population that today lacks adequate radio reception and program choice, and that desires, deserves, and demands news, knowledge, and entertainment of the highest quality at an affordable cost." WorldSpace has its headquarters in Washington, D.C. and maintains offices all over the world, including Ghana, Kenya, and South Africa.

At the beginning of this millennium, there is one person who has done more than any other to put Ethiopia's capital city of Addis Ababa on the world map. That man is Sheikh Mohammed Al-Amoudi, the biggest individual investor in Africa. On December 31, 2000, the "African Millennium" celebration at his Addis Ababa Sheraton Hotel was a proud moment for Ethiopians. It was a magnificent gathering of more than 5,000 guests, with

Africa's finest music from across the continent and a world-class fireworks display. Uniquely, this was the sheikh's privately organized celebration as a gift to his native country.

Mohammed Al-Amoudi was born in 1941 in Weldiya, a town in the northern Wollo area of Ethiopia. His father was from Wollo and his mother from Yemen, but he has Saudi citizenship after immigrating to Saudi Arabia in 1965 and living there until the early 1980s. Head of the Saudi Al-Amoudi group, he is heavily involved in Ethiopia, where he is by far the country's biggest foreign investor as chairman of Midroc Ethiopia. Sheik Al-Amoudi believes in Africa, particularly Ethiopia. The ordinary residents of Addis Ababa have long been enraptured by the grand scale and vision of Al-Amoudi's projects—tourism, construction, transport, manufacturing, meat export (possibly millions of sheep), and of course his famous Sheraton Hotel. Only the government employs more people than the sheikh, which causes some concern that Addis is overly dependent on Al-Amoudi's many enterprises overseen by Midroc Ethiopia. Some 30,000 Ethiopians living abroad came home for the millennium celebration. Maybe with a new conference hall and airport, Addis will soon truly become the diplomatic capital of Africa (Hussein 2000).

The Dinsho Group of Companies was established in 1991 as a multisectoral company. It operates mainly in the Oromiya regional state, the biggest regional state in Ethiopia, with a population of 20 million and with rich natural resources. The main purpose of the company is to serve the rural population. Dinsho's largest activity is the distribution of agricultural inputs. In Ethiopia, about 85 percent of the population is involved in agriculture. Dinsho has a transport company that is doing good business in the region. About 300 large trucks are assigned to get fertilizers from the stocks and distribute them to the whole country. Dubala Jale, chairman and CEO of Dinsho, says that Dinsho is proud to be heavily involved in Ethiopia's economy and that the Dinsho group of companies are focused on strategic development that will bring Ethiopia a higher economic growth rate and more self-sufficiency. Recently, sales turnover has been doubling almost every year, a clear sign of Dinsho's successful marketing strategy. In order to meet export market requirements, Dinsho is implementing projects in rose and vegetable production for export to Europe and for the improvement of the quality of the local food plants. Dinsho is also planning to build and manage a vegetable, fruit, and flower packing and grading export terminal, which will increase Ethiopia's exports and earn needed foreign currency (WINNE 1999).

Entrepreneur Ato Ermyas Amelga is the coordinator of the Ethiopian Enterprise Network, chairman of the executive committee of the East African Enterprise Network (EAEN) and on the executive committee of the African Enterprise Network (AEN). He holds a bachelor's degree from Amherst College and two master's degrees from Boston University, including an MBA. After working on Wall Street for twelve years, he returned to Ethiopia in 1996. He has been an active member of the productive private sector, first acquiring and operating an edible-oil factory. In 1998, he closed the oil factory that he had bought from the Ethiopian Privatization Agency. The reason was clear. His factory's oil couldn't compete with USAID and CARE oil sold on the local market and with contraband imported oil. The raw material for oil processing is available locally from the agricultural sector and cooking oil is a widely used commodity in Ethiopia. According to logic, oil production should be, and historically had been, a strong local industry and Ethiopia should have become self-sufficient in edible oil. Due to unfair external market forces, however, the industry is dying in Ethiopia. In 1998, he ventured into bottling mineral water. He is the owner and general manager of the Royal Crown Mineral Water and Highland Springs Mineral Water manufacturing plant in Ethiopia. He is one of a new breed of pioneering entrepreneurs committed to putting to use the skills and knowledge acquired abroad in developing the Ethiopian economy (Getachew 2000b).

The movement of people and goods in subsaharan Africa has been and will continue to be dominated by road transport. It is anticipated that there will be a continually growing market for passenger and commercial vehicles throughout the region. The African Lakes Automotive Group has a long experience of operating motor dealerships in Africa, having successfully maintained its relationship with the Ford Motor Company in Malawi for 75 years and in Ethiopia for 25 years. Representation agreements with other leading brands are also longstanding. The group is now represented in 13 countries. Distribution agreements for established leading brand products now include Ford, Nissan, Land Rover, BMW, Nissan Diesel, Cummins Diesel, New Holland, and Massey Ferguson. In January 2001, African Lakes Automotive displayed eight new BMW, Land Rover, and Ford models at the Fifth Addis Chamber International Trade Fair and they have plans to expand its business in Ethiopia.

African Lakes is planning to have a 10 percent share of the market in imported vehicles in Ethiopia by 2003, says Duncan Thomas, managing director with the corporation. Thomas says two major problems are the high altitude and the low-energy gasoline in Africa. Bob Hopkins, marketing manager for subsaharan Africa with Ford Motor Company, gives two reasons for Ford making a return to Ethiopia. They are the availability of a range of commercial vehicles very well adapted to the local operating conditions and the decision of its local partner African Lakes Automotive to make a substantial investment in facilities and infrastructure to support the three brands that they market in Ethiopia. "Our strategy is to launch with a limited range of commercial vehicles, the award-winning Ranger pickup, and the Transit range of front wheel drive minibuses, pickups, and panel vans. And to ensure that the aftermarket support for these products is first-class," says Thomas, the company's vision is "to become Ethiopia's leading consumer company supplying automotive products and services." The Ford Transit range was voted International Van of the Year 2001 by an independent 20-member panel of the International Van of the Year organization, who felt the Transit was the clear choice.

The African Lakes Automotive Group is an associate of the London based company, African Lakes, which has over 120 years of experience in Africa. African Lakes has its origins in the Livingstonia Central Africa Company founded in 1877 by Scottish missionaries near the shores of Lake Nyasa (now Lake Malawi). The company was founded by two brothers, John and Frederick Moir, and first operated as a general trading company active in transporting goods from the Indian Ocean ports to the various trading outposts in Central Africa. Early operations stretched across a broad geographical area from the southern shores of Lake Tanganyika, across Nyasaland (now Malawi), Eastern Zambia, down the Shire River to the delta of the Zambezi in Mozambique. The company changed its name to the African Lakes Corporation in 1894.

At the turn of the century, the company was instrumental in connecting this part of Central Africa to the rest of the world. Key to the operations of the company were a series of steamships that plied across Lake Nyasa. African Lakes' steamships with such names as "The Ilala," "The Duchess," "The Princess," and "The Queen Victoria" became synonymous with lake transport in the region. The steamships carried sugar and rubber from African Lakes' plantations for export and were important in importing many processed goods for early settlements in the Nyasaland Protectorate, established in 1891. However, the completion of the railway from Blantyre to the Zambezi in 1908 marked the beginning of a gradual decline in steamship use and a need to refocus the business. Meanwhile, African Lakes' primary local brand, Mandala, began being used in the area of goods stocking and distribution. Two early managers of Mandala, Duncan Beaton and Alan Kidney established a number of distribution outlets in Nyasaland from the early 1900s. By the 1930's, there were close to 300 Mandala retail outlets in towns and larger villages across the land. As a result, Mandala became a household name in the Protectorate and became instrumental in the first strategic shift of African Lakes in "Connecting Africa."

Focus for the company in the first half of the twentieth century turned towards benefiting from new opportunities opened up by improved transport links. Specifically, improvements in north-south road links within Malawi and the establishment of an inter-regional road network resulted in greater demand for motor vehicles. Mandala Motors was established in 1924 and was important in automobile distribution in the region. Automobile distribution was to become central to African Lakes in the twentieth century. The second strategic shift for African Lakes took place in 1985, when the company negotiated the representation rights for IBM in Ethiopia. The company was aware that an increased role in the distribution of technology in new markets would improve shareholder value and set the company on the right course for the future. The year 1990 saw the outright acquisition of the IBM branch operation in Ethiopia. In 1995 the acquisition of an IBM partner took place in Malawi. The acquisition of Nairobi-based Software Distributors Africa Limited in March 1999 further enhanced their position as one of the leading pan-Africa software distributors. African Lakes is changing their entire philosophy from that of an old-fashion African conglomerate into a modern player in the technology business. The African Lakes' story continues in the next chapter with their acquisition of Kenya's Africa Online and 3Mice Interactive.

SOMALILAND

Somaliland is the success story of the Horn of Africa that the world ignores. Its cities are booming and are so peaceful and stable that they put to shame the capital cities of many countries. The city of Hargeisa is jam-packed with the newest car models that you hardly see in any of the neighboring capitals in the Horn of Africa. Hargeisa may even be the only city of the Horn of Africa whose markets display hard currencies side-by-side with gold and jewelry that mobile merchants move about without the least fear. In Hargeisa's large market, a visitor finds anything he wants, and the prices of merchandise in the markets of Somaliland are much lower than those of similar merchandise in neighboring countries. The minimal duties levied by the port of Berbera have encouraged Somaliland merchants to extend their commercial activities to Kenya, Ethiopia, and Djibouti.

New buildings are springing up, many of them plush mansions being built by an emergent business elite capitalizing on the modest economic boom. Among the most striking scenes for a visitor to Hargeisa (population around 300,000) is the orderly plan of the city, which British engineers executed during the British colonial rule of Somaliland, and the cafés that are all along its streets. They are like clubs bursting with city residents. The women in Somaliland, and especially in Hargeisa, have a unique status, for they impart to the city unusual warmth while shopping in the stores lining its streets. Somaliland is considered, in comparison with many other Third World countries, advanced with respect to ease of communication. There are five telecommunication companies that provide service throughout Somaliland, and anyone from a distant village can telephone any other region or outside the country (Tewekal 1998).

Moustapha Osman returned to Somaliland in 1995 with a degree in political economy from Reading and Oxford Universities in England to run the family imported-food business. "It's a new country," said Osman. "There are a lot of opportunities to do a lot of different things without someone saying you can't." His company imports and wholesales Brazilian sugar, Italian pasta, French wheat flour, and Malaysian vegetable oil and ships the products to southern Somalia and parts of Ethiopia. About a dozen jobs have been created since Osman's return. "I think that if we can build on our strength, that is, basically, peace, we can achieve a lot," says Osman. "I think a lot of people are sick of fighting. People just want to get on with their lives and make the most of it."

Ali Omar Gulaid, who studied process engineering at the University of Houston in the 1980s, came home in 1994. "It's up to people like me to help build my country," says Gulaid. He now owns a restaurant, three guest-house villas, car and video rental services, and a public relations firm. He says, "It's easier to do business today, more freedom."

Abdulkader Hasni Elmi returned from Kuwait in 1995 to build the 24-room Maan-Soor Hotel, which is considered to offer Hargeisa's most luxurious guest accommodations at US$40 a night. Where with its gleaming tiles, clean rooms, crisp French bread, and the most friendly and efficient of Somali waiters, one is made remarkably comfortable. An expensive meal at the Maan-Soor may cost between US$5 and US$10 per person per meal. Hargeisa is full of a variety of restaurants, some specializing in fresh fish. Today, says Elmi, "It's up to you to run as fast as possible. Government has nothing to do with any kind of business. It's free now, and we want to keep it that way" (Simmons 1998).

DJIBOUTI

Daallo Airlines commenced operations in 1992 with a single Cessna aircraft, and by 2001 it had established itself as the premier airline of Somalia and Djibouti with a fleet of ten aircraft, all of which are operated on wet lease basis, such a lease includes crew members. Since the airline is registered in the Republic of Djibouti as a private limited company, it has ensured neutrality, flexibility, and independence in a rapid changing market. The airline is owned equally by the two working directors, Mohamed Ibrahim Yassin and Mohamed Haji Abdillahi. Since its inception, the airline has made a profit and it prides itself on being financially independent.

Daallo Airlines has one of the largest networks in Africa and is driven by the ambition to serve its customers well by offering a cost-effective and efficient service. Its current scheduled operations for passenger and cargo to East and Central Africa from the Gulf serves as an important "African Gateway to the Global Village." Being conscious of the enormous global changes in the aviation industry, Daallo is constantly seeking new partnerships and alliances as its core strategy in the new millennium. Daallo Airlines has interline agreements with leading world carriers like Emirates, Saudia, Srilankan, Ethiopian, and Das Air.

Daallo Airlines plans aggressive expansion in its pursuit to be a major player in the airline business. Launch of its European flights in June 2001 from Paris to Djibouti on a Boeing 767–200 was the first step in its quest for a pan-Afro-European presence. It also planned to add new routes to Yemen and Central Africa in 2002, and longer-term plans include Asian destinations like Karachi, Mumbai, and Bangkok. The head office is located in Djibouti with an executive office in Dubai and regional offices in Jeddah, Nairobi, Entebbe, Addis Ababa, Asmara, Aden, Mogadishu, Hargeisa, and several local ones in Somalia. The airline has a staff strength of about 100 employees from diverse backgrounds, which includes an array of professionals in finance, operations, and marketing. It has agency representation on every continent.

Daallo Airlines provides air charter services globally, and its client list includes the United Nations, the World Food Programme, and the Red Cross, to name just a few. It has participated in most of the relief and medical supply efforts in East and Central Africa. Plans include establishment of an autonomous air charter subsidiary. Upgrading its fleet from short- and medium-range aircraft to include younger wide-bodied and long-range craft, as well as investment in equipment and systems, is a core objective. In 1999 the airline set up its first aviation fueling facility in Somalia (Berbera) in a joint venture with Total Mer Rouge, hoping to cut costs and ensure better stability of domestic operations in Somalia.

The airline's designated IATA code is D3, ICAO code is DAO, it is a member of MITA since 1998 and has been affiliated to SITA since 1994. Its world wide reservation system is Gabriel, and its agreement with Galileo and Amadeus make online airline booking possible anywhere in the world. Daallo has initiated Internet bookings as part of its strategy in keeping up with the latest technological trends. "Coming Home to Africa on Daallo Airlines," as a pleasurable and pleasant travel experience for all its customers, is its most cherished dream.

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11

Kenya and Tanzania

KENYA

Three east African countries are beginning the new millennium by pulling down common borders in order to get closer to each other while aiming at extended frontiers in the sub-region. Twenty-four years after the 1977 collapse of the former East African Community (EAC), Kenya, Uganda, and Tanzania were demonstrating renewed will to promote regional integration and development, which is embedded in their history from the early years of the twentieth century. Even under colonial rule, the three enjoyed cooperation in several regional arrangements, and the three attained independence together as an economic community (Rwegayura 2001). The East African Community at the time of independence was arguably the most sophisticated regional cooperative arrangement in the Third World. External trade, fiscal and monetary policy, transportation and communications infrastructure, and university education were all regional rather than national. Subsequently, these links and services were systematically dismantled and all the high hopes that Kenya, Uganda, and Tanzania would eventually evolve into full federation under one government evaporated (Asante 1993). By June 1977, the whole structure of the former East African Community, once regarded as a model for African regional cooperation, caved in from both internal and external factors, which, all East Africans now agree, were not supportive of regional integration at that time (Rwegayura 2001).

There may be some doubting Thomases, but many citizens of the new EAC believe that it will serve as an anchor of stability in the subregion, beyond the borders of their own partner states. In contrast to the thrust of the former body, which centered on joint ownership and management of common services such as railways, mail, telecommunications, air transport, and ports, the new strategy for cooperation emphasizes the role of the private sector and civil society. Governments of the three countries will, in brief, provide the vision and enabling policies and structures for regional integration. In addition to agreeing to strengthen political, economic, social, and cultural relations, the three countries have agreed to adopt a common East African passport. Also envisaged are a customs union, a common market, a meteorological department and free movement of people and residence without immigration control. The presidents of the three countries will regularly set policy for the EAC, which also will have a council of ministers, a court, and a legislature made up of nine representatives from each country (Rwegayura 2001).

But for officials at the EAC secretariat in Arusha in northern Tanzania, and their colleagues in national capitals, "the process ahead is quite challenging," says Fulgence Kazaura, the EAC's deputy secretary general responsible for projects and programs. "We have to ensure the implementation of the (EAC) treaty through systematic steps that will enable the peoples of East Africa to appreciate our efforts to build a promising community," he explains. The treaty came into force on July 7, 2000, with the effect that from that day the cooperating member states became a community of partner states (Rwegayura 2001).

Tanzania, Kenya, and Uganda cover 1.8 million square kilometers with a combined population of about 85 million and have a vast potential in mineral, water, energy, forestry, and wildlife resources. They also have agricultural, livestock, industry, and tourism development. Their people have a common history, language (Kiswahili), culture, and infrastructure. These provide them with a unique framework for regional integration, but these strengths alone are not adequate to equip them to meet the challenges of global competition. Producers of goods and services are not afraid of any competition from the candidate countries. Retired and former EAC employee Calisto Kyaruzi says, "As East Africans, we want to maintain our internal cohesion because the ultimate goal is to create a political federation." Uganda's president H.E. Yoweri Museveni underlines the importance of the economic integration: "There is no way we can modernize without expanding our markets, I do not know of any government that has developed without a big market" (Rwegayura 2001).

KikoRomeo is the Nairobi fashion house renowned for its translation of African flamboyance into world-class chic. Ann McCreath, founder and principal apparel designer for KikoRomeo, combines an arts degree from the University of Edinburgh and a classical training in haute couture from the ateliers of Rome and Milan with a passion for the vibrancy and flamboyance of Africa. Her collections combine the discipline of precision cut and tailoring, with the inspiration instilled by ethnic shape, color, and flow.

McCreath has been in production in Kenya since 1997. She has two retail outlets in Nairobi and shows two major collections annually as well as exhibiting her garments extensively throughout Europe. "KikoRomeo takes the pulse of Africa to the catwalks [runways] of Europe." She won second prize in the professional category of the Smirnoff Fashion Awards 1998 and was in the panel of judges in the millennium awards. In 2001 McCreath did a four-week exhibition, "Shifting Images," that opened on April 5, 2001, in Nairobi. There were paintings by Sudanese artist El Tayeb Daw el Bait, his hand-painted textiles, McCreath's haute couture from these textiles, and photos and film of the photo shoot by Robert Maletta.

KikoRomeo has a rapidly spreading reputation for the creation of unique and innovative wedding collections and show-stopping evening wear. The KikoRomeo commitment to maximizing body potential has also created the flattering yet ultimately wearable concept of "Radical Nairobi Chic." KikoRomeo designs off-the-peg, tailor-made, and haute couture apparel for men, women, and children. KikoRomeo offers a complete range of "must have" fashion accessories such as belts, hats, bags, bandanas, and couture jewelry. KikoRomeo's models regularly display African attire at shows that aid the Nyumbani Children's Home or other worthy causes in Nairobi. KikoRomeo is also committed to the concept of community development through economic empowerment. They work exclusively with Kenyan artisans using predominantly Kenyan materials.

In 2001 McCreath sent clothes to London, where, on March 28, 2001, KikoRomeo joined celebrities to raise more than £7,000 for the Nyumbani hospice for HIV/AIDS orphans in Karen, near Nairobi. Nyawira Warui, one of Kenya's top fashion models, and her seven-year-old daughter, Tuki, modeled several outfits from the KikoRomeo Hot Season Collection 2000/2001. McCreath's clothes were a knockout; Warui could have sold the clothes off her back. Warui recently moved to London and is active in her support for Nyumbani and other African charities. The guest of honor, who was flown in for the fundraiser, was Father Angelo D'Agostino, who founded and runs the Nyumbani orphanage—the first in subsaharan Africa, where he cares for 70 children, as well as operating an outreach program for families in Kangemi. Nyumbani receives no government aid and exists only through the goodwill donations of supporters throughout the world.

McCreath originally came to Africa with Médecins Sans Frontières/Doctors Without Borders (MSF). After five years on the fashion scene in Europe, she took a year's break from design, working as logistician/administrator for MSF in Lubango, Angola. After a further year in Barcelona in fashion production, she came to Nairobi for a three-month contract with MSF, which turned into three years as country representative for MSF-Spain. Her motivation for setting up a design company resulted from a desire to create long-term development through doing business with craft groups and small-scale artisans in rural and urban Kenya.

Cottars Safari Service is the longest-established safari outfitting company in East Africa. Cottars was registered in British East Africa in the year 1919 by Chas Cottar and operated by him and his sons, Bud, Mike, and Ted, during the 1920s, 1930s, and 1940s. Thereafter by Mike's son Glen and his wife, Pat in the 1950s, 1960s, 1970s, and 1980s and by Glen's son Calvin and his wife Louise in the 1990s and 2000s. Cottars is a family business that has depended for the last 80 years on providing clients real value for money and real adventure, descriptions of which are in many of the classic and contemporary books. They are not in the safari business for money—it is their way to continue living in the land they love and their preferred way of life. Since Chas Cottar's days, the quality of safaris in Kenya has generally deteriorated as operators sacrificed adventure for convenience; safaris have become overitinerized, limited to congested big-name parks and having no room for the flexibility that always was the vital essence of the original safari. On Cottars safaris they work hard to keep the vital essence of safaris alive, and they evoke the light, the smells, and the unchanging atmosphere of Africa of the 1920s, the heyday of the early explorers.

Chas, Mike, Bud, and Ted introduced many innovations to safari that are taken for granted today. They were the first to use motor vehicles and the first to shoot color film in Africa. They have kept lion, cheetah, leopard, wild dog, chimpanzee, and striped hyena as pets. They were there to provide guiding and support to some of the most famous safari expeditions ever undertaken, including those of George Eastman, Martin and Osa Johnson, and the then Duke and Duchess of York, the present Queen Mother. They began the first permanent tented tourist camp in Africa, in Tsavo Park (1965). Calvin and Louise Cottars, together with fantastic professional guides are the current generation to provide unparalleled experience to discerning clients in Africa. They are proud to have earned the title of the longest-serving name in the business, and they believe that their 80 years of experience handed down through the generations gives them an advantage in providing the adventure, comfort, security, and variety that clients expect from a quality safari operation.

Weak economies, armed conflict, poverty, and hunger have become the universally accepted image of Africa. Yet for all the pessimism that is often expressed about it, Africa is a continent that continues to inspire. It is in this jungle of uncertainty that in 1995, an ambitious group of young Africans saw the opportunity to launch Africa Online, a transnational project that would bring the Internet to populations across subsaharan Africa. Today Africa Online is the largest Internet service provider in subsaharan Africa outside South Africa. Africa Online is the premier provider of Internet communications services throughout Africa, bringing Internet users a level of technical expertise and breadth of service unequaled by any other in East Africa.

Founded in 1994 by three Kenyan students who were studying in Boston, Massachusetts. Ayisi Makatiani and Karanja Gakio, classmates at the Massachusetts Institute of Technology, teamed up with neighboring Harvard and Princeton graduate Amolo Ngweno. Africa Online has evolved its charter to provide leading-edge Internet services to thousands of successful individuals and businesses. Africa Online products and services include high-speed Internet connections, Web site development, Web hosting, advertising, access to the World Wide Web, e-mail, fax services, intranets, and security. The company operates in Kenya, Uganda, Tanzania, Zimbabwe, Swaziland, Namibia, Ghana, Côte d'Ivoire, Egypt, and South Africa. By 2005, more than 20 million Africans will be online.

In the words of Ayisi Makatiani, CEO and cofounder of the company, Africa's challenges also represent its opportunities. Addressing a meeting of the Massachusetts Institute of Technology's Africa Internet Initiative Project in Nairobi June 2000, Makatiani observed, "At present, the world thinks that e-mail, the Internet, mobile phones, and computers are high-tech, and that Africa is low-tech. It follows that high-tech systems are for the rich, and Africa is poor. That Africa, the great majority of its people and its markets, will lag behind in the communications revolution, being unable to understand or unable to afford widespread use of the information superhighway, and therefore be unable to participate quickly and fully in the opportunities, advantages, and efficiencies it brings. I am absolutely convinced that, in this thinking, the world is wrong. So spectacularly wrong that their knee-jerk reaction to Africa's potential is not only short of the truth, but the exact opposite of the truth."

Africa Online's Internet Business Services division has been amalgamated with 3Mice Interactive, Ltd., to form an independent entity that focuses solely on Web design and development of e-commerce solutions. The new company operates under a management team headed by Paul Kukubo as managing director, assisted by Ken Njoroge (technical manager) and Betty Mwaniki (operations and customer support manager). Prior to his appointment, Kukubo was the client services director at the McCann Erickson advertising agency and is also a member of the Marketing Society of Kenya's executive council. Africa Online's special projects manager Gunnar Hillgartner says, "We are very pleased to join forces with 3Mice and look forward to providing our customers with an even higher quality of services for Web design and e-commerce solutions. It is our hope that we can extend our relationship into other African countries in the near future." Kukubo says, "Joining forces with Africa Online is a natural development of our ambitions of being the leading Web design company in Africa. We will be making sizable investments in new technology and staff in order to enhance our service offering for new and existing customers."

3Mice Interactive Media was founded in January 1999 by Kukubo, Njoroge, and Mwaniki and has grown into Kenya's leading Web design house.

In 1998, African Lakes invested in Africa Online. African Lakes consolidated its control of the sub-Saharan Internet business by acquiring 100 percent control of Africa Online in March 2001. In June 2001, African Lakes appointed Africa Online founder, Ayisi Makatiani, as strategic director, with responsibility for the company's group strategy and business development across Africa. As an executive director of African Lakes, he chairs African Lakes' strategy committee with responsibility for growing the business across the continent. Makatiani believes that with the integration of Africa Online into the African Lakes Group, the challenge is to develop strategic initiatives that consolidate the group's position as one of Africa's leading technology businesses. This will be particularly important in the face of changing expectations from the group's shareholders, customers, employees and business partners. Today, the process of change continues apace as the company continues to advance towards its strategic vision of "Connecting Africa." Management believes that transforming African Lakes from a conglomerate to a focused technology group is the right way forward and will yield fruitful results. They intend to continue to build upon group expertise and synergies to bring greater value to their customers and shareholders, and to focus on establishing real scale through partnership.

Kenyans are getting online, big time. Although only a tiny minority can afford a computer, hundreds of modestly priced public Internet outlets have sprung up. Large outlets offer cheap rates and access speeds as fast as those of many London cyber-cafés. There are 14 terminals at Carnivore, a famous Nairobi nightclub and restaurant that specializes in crocodile and zebra steaks. The Tamarind Group, which was started and is still wholly owned by Kenyans, owns The Carnivore in Nairobi and Johannesburg, in addition to the Tamarind restaurants in Mombasa and Nairobi and other hospitality enterprises. The Carnivore in Nairobi started in 1980 and leases space to Africa Online to operate the Cybervore Café. The Carnivore is Africa's greatest eating experience. This open-air meat specialty restaurant has become a standard stop on the safari trail. Every type of meat imaginable, including four choices of wild game, are roasted on traditional Maasai swords over a huge, visually spectacular charcoal pit that dominates the entrance of the restaurant. The waiters then carry these swords around the restaurant, carving prodigious amounts of the prime meats onto sizzling cast-iron plates in front of the diner. The cyber-café at the restaurant is a premier example of Africa Online's e-touch centers.

The Tamarind Group operates the three best restaurants in Kenya. The Mombasa Tamarind and the Nairobi Tamarind are unrivaled as seafood restaurants. In the early 1970s there were no high-quality restaurants in

Mombasa, and Chris Seex, who was managing a coastal resort hotel at the time, was determined to correct this. One of his ambitions was to create the finest seafood restaurants in Africa. With little financial or moral support, he designed and built the Mombasa Tamarind, which opened its doors in 1972 to instant acclaim. The Tamarind Nairobi opened its door in 1977 and has become the finest seafood restaurant in the capital. The Carnivore restaurant in Nairobi is an exciting, unique concept and is currently the busiest restaurant in Nairobi.

The Tamarind Group also has a luxury condominium complex at the coast, Tamarind Village. Offering a wonderful alternative to any luxurious hotel accommodation on the coast, the Tamarind Village apartments are located just north of Nyali Bridge and set in beautiful landscaped tropical gardens on a cliff-top overlooking the spectacular view of Mombasa's old town harbor. With a surrounding air of comfortable privacy, the Tamarind Village offers a perfect place for business and leisure. Each apartment in the complex is tastefully designed and furnished to complement the local coastal style of architecture. The 55 apartments overlooking the Old Mombasa Harbor are all individually owned but are serviced, maintained, and rented by Tamarind Mombasa on behalf of the owners. Tamarind has recently added a luxury casino on to the roof of Tamarind Mombasa, which offers everything one would expect from a first-class casino. Tamarind has also created and constructed the first waterpark facilities in Kenya, Splash. The Tamarind dhow *Nawalilkher* was built in 1977 for trading. At 23 meters, she is the largest dhow on the coast. Purchased in 1986, she was converted for restaurant use by her original builder Fundi Bini on Lamu Island, under the watchful eye of Mohammed Shalle, who is still her captain today. With two sailings a day, you may choose lunch, shaded from the midday sun by a canvas awning, or a romantic candle-lit dinner under a star-filled sky.

Manu Chandaria belongs to one of the influential South Asian families settled in Kenya. Since the 1950s, members of the Chandaria family have achieved recognition as true Kenyans by ensuring that their business ventures benefit the country as well as themselves. Chandaria was born March 1929 in Nairobi to farming parents who had migrated from India. His father went into business only six months after coming to Kenya in 1916, setting up a provision store in Ngara that catered principally to Asian customers. It later expanded into Mombasa to serve a European and African clientele. Chandaria's father was determined that his sons should receive the best education available. Chandaria and his brother and his two cousins returned from overseas colleges in 1950. The four, plus two elder brothers, took over the family flagship business, Kaluworks, Ltd., with its 45-member staff. By 1958 they were employing more than 800 personnel in the manufacture of a diverse range of steel and aluminum products. By the late 1960s, with the third generation joining the family businesses, the focus of activity was shifting to steel, specialized hardware, plastics, and, later, computer hardware and software components. Chandaria is one of the senior family members who head the family business, which has spread to more than 50 countries in Africa, Asia, Europe, North and South America, and Canada. Their 14 large companies in Kenya employ 5,000 people. Worldwide they employ about 50,000 people. Their business empire is known as the Comcraft Group.

Chandaria has been chairman of the Kenya Association of Manufacturers (1995–1997). He was instrumental in setting up the East African Business Council (1997) and remained its chairman for two years to support the East African Co-Operation. The chairmanship now rotates around the three East African countries every year. He believes in the discipline of professional management. None of their businesses is actually run by members of his family but rather by professional managers appointed strictly on merit. The businesses themselves are the product of a process that involves identifying an idea by an individual entrepreneur or group that they can support, either by investing or by enabling access to capital, or indeed by taking it over altogether. In a 2000 survey by Pricewaterhouse Coopers and the Nation Media Group to determine East Africa's most respected companies and CEOs, Chandaria won the accolade as East Africa's most respected chief executive. James Mulwana came in third and Manubhai Madhvani came in seventh in this peer survey of 130 top business people.

Comcraft Group's Mabati Rolling Mills, Ltd. (Mabati), has a cold rolling mill in Mariakani near Mombasa and has installed a new US$30.4 million galvanizing and aluminum-zinc line near the existing mill, which has a current capacity of 100,000 tons per annum of cold rolled steel. The new line will be able to process cold rolled steel coils into 80,000 tons per annum of galvanized and aluminum-zinc coils for the local and export markets. The plant employs state-of-the-art technology and is the first galvanizing line in Africa capable of producing aluminum-zinc-coated coils, which are longer-lasting and have a much higher corrosion resistance than the traditional 100 percent zinc-coated galvanized steel. It is in great demand for roofing applications and will be used widely in the building and construction industries, domestically and in the region. The project will introduce new technology and new products and create the nucleus for a mini industrial complex near Mombasa to facilitate exports, boost the town's local businesses, and generate increased foreign exchange earnings.

Chandaria wants computer studies made compulsory in secondary schools in Kenya. He calls for efforts to adequately equip schools countrywide with computer facilities and for enough training schools and colleges offering information technology courses. He blames poor planning for the lack of computer facilities at local institutions and cites the fact that college and university graduates are unemployed as evidence that there is something wrong with the allocation of resources. He believes that there is a tendency to mix up issues without placing the right emphasis on what is important and absolutely vital.

Chandaria believes that no one from outside Kenya can help the country unless Kenyans resolve to help themselves remove poverty. The only way to do so is to empower the poor to earn their own living with dignity. This is only possible by the creation of an enabling environment where cottage industries (the informal or Jua Kali subsector) can prosper. These would then grow largely on their own into the formal sector and cater to even larger numbers of people. For instance, Chandaria was instrumental in setting up the Asian Foundation (and remained its chairman for several years). With the aim of giving farmers and traders easy access to markets, the Asian Foundation set up a vegetable hawkers' project in Nairobi that employs around 1,000 people with an indirect employment of another 2,000 (farmers, transporters, etc). At the inception of this market project, the foundation's target was to establish at least one new market per year at various locations in Kenya. Unfortunately, no new land became available to carry on with the project. There was also the primary issue of a general unwillingness to admit to the reality of poverty. The solutions include strengthening the institutions that enable the correct allocation of resources in the working economy.

Chandaria feels that if the number of ministries were reduced it would help bring down government expenditures. He feels that the economic ministries—Finance, Agriculture, Industry, Transport and Communications, and Public Works, for example—should encourage the private sector to play a greater role in Kenya's affairs. He believes the time has come for the private sector to have a greater role in development. The private sector is now seen globally as the engine of development in the next millennium. The growing consensus around the world is that governments should withdraw from economic activity and concentrate on governing the state. This has come out of a realization that governments have proved to be poor managers of economic enterprises and should leave them to those who can run them efficiently (Githongo 2000).

Chris Kirubi, one of East Africa's most-respected CEOs, has built a business empire spanning 11 local companies. Kirubi is the epitome of "from rags to riches" life. His formal education was made possible by generous donations, for his family was very poor. He studied business management at the INSEAD institute in France, Handles University in Sweden, and the Harvard Business School in Boston. He started his working life with Shell Oil and then moved to Sterling Winthrop Pharmaceutical, CMC motor dealers, and the taxi company Kenatco before venturing into private business. He believes that working for such diverse fields gave him a broad business perspective that has served him well in his various business activities. He has interests in property management, insurance, and courier services as well as manufacturing and investment funds. Delegation of duties and responsibilities has been his guiding principle. He has never been averse to delegating to good mangers, despite his hands-on approach. He uses head-hunting agencies to identify young, dynamic, and motivated managers and, unlike many of his African contemporaries, he is not afraid to hire Asians, Europeans, or Kenyans of any tribe. He stands by his "Buy Kenyan, build Kenya" mantra, arguing that the importation of goods that can be produced locally (second-hand or new) damages local industry. He argues that foreign exchange used to bring in second-hand clothing and cars can be better spent supporting upcoming businesses and modernizing factories that will provide employment for Kenyans. He exhorts Kenyans to protect their own industries and jobs by buying locally manufactured goods. He says the dream of industrialization would remain a distant mirage unless Kenyans gird themselves and start believing in their potential. He declares, "It is time to inculcate a sense of national pride in our buying decisions. For every foreign good we buy, we are putting our countrymen on the streets and exporting their jobs." He advises Kenya's college graduates that it is no longer tenable to wait for jobs. They have to create market niches and turn adversity into advantage. They have to sell their services where they are needed most. Kirubi's prosperity is built on his ability to avidly keep updated on new local and international technologies, trends, and thinking (Githongo 2000).

BDO Githongo and Company, accountants and auditors in Kenya, was established early in 1969, and today it is the largest and oldest indigenous firm of Certified Public Accountants in Kenya. It is among the "big seven" professional firms (which includes some of the major international accounting firms) in the country. The firm has also trained a large number of Kenyans for the attainment of their accounting qualifications, and currently it has a professional staff of 50—of whom more than a dozen are qualified certified public accountants of Kenya. Some of the professional staff also have other qualifications, and several have overseas accounting qualifications. Githongo and Company has now grown into one of the largest firms in the republic and is by far the largest indigenous firm. Githongo and Company's clients are spread throughout the agriculture, tourism, finance, utility services and industrial sectors of Kenya. The contribution of Joe M. Githongo, the founder and managing partner of the firm, to the accounting profession in Kenya was recognized by his appointment to an unprecedented two terms of a year each as chairman of the Institute of Certified Public Accountants of Kenya.

It was recognized very early in the development of the practice that it would be essential to forge international links, organized with Githongo and Company as an equal partner with overseas organizations. Githongo and Company became a member of BDO International Consultants and Accountants. BDO International is a worldwide network of professional firms serving global and national organizations and is also one of the largest associations of independent accounting firms in the world. Joe Githongo's son, P. Gitau Githongo, is an associate consultant with BDO International Consultants, Ltd. Gitau Githongo is a development economist by academic training, with a specialization in financial markets in developing countries. He is also an entrepreneur in business practice, having set up and managed his own motor vehicle retail, repair, and service center for the last ten years. The perspectives that Gitau adopts in the articles he writes are heavily influenced by the operating environment that he has experienced since starting his business operations. Particularly over the last three to four years in Kenya these experiences have been hostile due to the poor economic conditions.

Operating from Kenya for more than five decades, the Chandaria Group of Industries was founded by a hardworking and self-made businessman, Magan Chandaria, popularly known as MM within the business community. With support from his two sons Dinesh and Mahesh, MM steered his kiosk-size unit into regional operations in the 1980s and into a multinational group in the 1990s. The group now employs 2,500 people and generates value addition in excess of US$100 million per year with a presence in Africa, Europe, and Asia.

It obviously did not all start that way. MM founded the company in Mombasa in 1947. The company manufactured paper drinking straws using a converting machine hand-operated by MM himself, followed by the manufacture of adding-machine rolls, toilet paper, teleprinter rolls, and other products before the relocation to Nairobi in 1974. In 1985 the group installed its first papermaking machine, manufacturing various grades of paper and tissue. In 1987 the group purchased Kenya Paper Mills from the Lonrho Group. Madhu Paper Kenya, a paper converting company, was added to the group in 1988. Garnett Paper was acquired in the UK in 1989. Today, Garnett manufactures specialty paper, 60 percent of which is exported to 65 countries worldwide. In 1990 the group doubled its paper production capacity all at once, meeting 100 percent of capital expenditure from internal generation. In 1991 the group widened its product range through Colour Packaging, Ltd., offering high-tech flexible packaging solutions to Kenyan pharmaceutical, cosmetic, food, and tobacco industries. Tanpack Tissues in Tanzania was the fifth addition to the group's papermaking plants. In the year 2000, the group established a surgical cotton plant, creating employment for 80 people. In the Indian subcontinent, the group has nearly completed the commissioning of a green-field project making printed laminates and cast polypropylene film, a preferred packaging medium in the modern, glamour-demanding snack industry. The group has opted for a mixed blend of technology. While in Africa it rigidly pursues labor-intensive technologies, its European and Asian units deploy the most up-to-date methods applicable to the sector, meeting the exacting needs of the paper-consuming industry.

Chandaria Group entered into the financial sector in 1994 with a finance company—Euro Finance, Ltd. Even in this diversified business, the group excelled, and within two years it opened its doors to a full-fledged banking institution—Guardian Bank—providing comprehensive banking services with an international corresponding network in 70 countries and 1,700 branches worldwide, a medium-sized bank by today's standards. During the 1998 crisis in the banking sector, five commercial banks were placed under Kenya's Central Bank's statutory management. The visionary MM protected the interests of depositors of two banking institutions by merging the operations and management of First National Finance Bank and Guilders International Bank with Guardian Bank, which avoided their closure.

The group takes pride in remaining wholly family-owned and is structured as a web of small, focused units independently managed by professional teams of managers committed to ensure excellence in all the departments of business discipline. In Kenya, the Chandaria Group, in addition to employing 1,000 people full-time, provides a source of income for 300 families in the informal sector. The group collects waste paper nationally from Busia to Lamu to Nairobi and converts this secondary source of raw materials into perfectly functional value-added products. It is a group that can be proud of its achievements. It is a force to be reckoned with in the paper manufacturing and converting sector, with exports to Uganda, Tanzania, Rwanda, Burundi, Ethiopia, and other countries besides catering to 70 percent of the local tissue paper requirement.

Concern for the environment is a common issue among paper-related operations. Chandaria Industries has addressed the issue successfully and pragmatically; it claims to cater to 80 percent of the East African tissue paper requirements without chopping a single East African tree. Chandaria Industries converts what the majority of Kenyans would label throwaway into functional, valuable products, both economical and high-quality. Their final product is biodegradable, reusable, and processed by a closed water system that discharges cleaner water than that pumped in, characteristics of a truly environmentally friendly operation. As mentioned earlier, waste paper is collected nationally from both the formal sector (printing industry, government offices, schools, parastatals, and so on) and from the informal sector (mostly unskilled self-employed women). All the paper produced by the group in Kenya and Tanzania is 100 percent recycled. Printing grades include newsprint, duplicating paper, bread wrap, and offset paper used for printing magazines.

MM is a firm believer in maintaining a low profile, and one would find him conservative in approach. Yet he came into the limelight when he pioneered the Small and Medium-size Banker's Association to protect the interest of its members to basically regain the lost confidence of depositors in small banks during the 1998 turmoil in the banking sector. Continuing as chairman of the association, he has been playing the dominant role in instilling the prudential norms recommended by the Central Bank in the Kenyan banking industry. His untiring effort to motivate small banks for merger and acquisition to make them strong enough to face competition from big players is commendable. Admiring his visionary role in lifting up the standard of services and healthy competition among small and medium size banks, the Central Bank of Kenya appointed him director of the Deposit Protection Fund (DPF) Board. The achievement of DPF during his tenure has been distinguished.

MM, in his late 70s, works 16 hours a day. He nurtures a simple vision of becoming consumer, customer, employee, supplier, and government-friendly investor and of participating in the government's nation-building endeavor to make Kenya a safe and sound destination for local and overseas investors. Reflective of this, the group has incurred a capital expenditure of US$1 million in 1999 and another US$1 million in 2000 for modernization and rehabilitation while the nation at large awaits recovery from three continuous years of economic slump.

MM pragmatically entrusts the responsibility of course plotting the future of the group to his two sons, Mahesh and Dinesh Chandaria. Receptive to the opening up of African economies and measures taken by various African governments toward market unification, the group has established an investment arm with a focus on investments in the COMESA region. Starting with Uganda, Mahesh navigates group plans to establish its presence in one new country every two years. Similarly, in response to the worldwide trend, Dinesh has taken the helm of the high-tech sector and the group's globalization shift. The group immediately plans a broadband Internet service operation in Kenya, and by partnering with entertainment cable operators, it plans content distribution and franchised cyber-cafés that can support cost-effective e-mail boxes, Internet browsing, and wireless payphones with Voice Over Internet Protocol. Once again the objective is simple—to offer cost-effective products at the doorsteps of middle-income Kenyan households.

Hasit Shah is a second-generation entrepreneur now running the horticulture-products-exporting business established by the family in 1972 under the name Sunripe. Shah's father is a Kenyan citizen descended from a Gujarati (India) family who had immigrated to Kenya at the beginning of the twentieth century. He had run several other businesses in the family before deciding to go into partnership with a good friend and a group of Kenyan African farmers to produce & export fruit and vegetables to Europe. The operation began with a team of three in the office and 60 workers on the farm in 1972. Today it has 500 employees in the three pack houses and a further 1,800 workers on the farms and is a leading producer and exporter of fresh fruits and vegetables. Sunripe had a technical and marketing agreement with one of the largest horticultural product specialist in France, Lacour, which was bought out in the early 1990s and now works closely with Jesfruit SA France who supply most of the French supermarket chains.

In addition to supplies from its own 5 units totaling 2,500 Ha, Sunripe has contracted 15 production units to farm beans, edible peas, mangetout, sugar snaps, baby veg, raspberries, asparagus, colored peppers, mangoes, bananas and avocados. Some of these product lines are also available as organic from 3 specific units that are certified by the Soil Association and/or Ecocert. These are organizations of control and certification of the products of biological agriculture. Farmers who qualify for organic certification are licensed to use the Soil Association's "organic" logo on all certified products. This adds great value to their products as certified organic food can be sold at up to 30 percent more than the competition in European markets. All three of the Sunripe specific units are under the direct management or supervision of Sunripe's Procurement department and each unit incorporates and conforms to Sunripe's Good Agricultural Practices (GAP), Integrated Crop Management (ICM) and Integrated Pest Management (IPM) guidelines which promote the principal of sustainable farming utilizing minimum chemical usage, preservation of land fertility and farming in a sociably responsible manner with respect to the environment, the surrounding communities and Sunripe farm employees.

Sunripe has been instrumental in broadening access to markets; improving cultivation practices; providing more regular employment for small farmers, their families, and hired labor; and raising and diversifying rural incomes. Shah says that the future of Sunripe is bright as long as the company can deliver high-quality produce at competitive prices. He goes on to say that the needs and requirements of the majority of the population on the African Continent are extremely basic. Sunripe deals with lots of small farmers who are what Shah considers at grass root level—and he can assure us that their requirements are simple—food, clothing, medical assistance and school fees for the short term and a piece of land to farm and to retire on for the long term—African farmers are more committed to a positive social life and to the society they live in (Marsden 1990).

Born in 1929 in Kiambaa (Central Province), Njenga Karume started a small pub in the Kiambu district of Kenya in 1957. He was then encouraged by East African Breweries to start beer distribution in Kiambu. He went on to become the leading beer distributor in Kenya. Meanwhile, he also diversified his business and ventured into cattle ranching, flower and coffee farming, manufacturing, real estate and hotels. What started humbly as one little pub grew to become the present-day business conglomerate known as Karume Investments Company. This shrewd businessman wields immense political power as the Kiambaan member of Parliament (elected 1997). He cherishes peace and is on record saying peace and tranquility must be put above all else. Njenga Karume is the chairman of Gikuyu, Embu, Meru Association (Gema) and the chairman of Agricultural and Industrial Holdings, Ltd. He has been a nominated member of Parliament (1974–1979), elected Kenya African National Union (Kanu) member of Parliament (in 1979 and 1983), assistant minister of housing and urban development (1979–1982), assistant minister of energy (1982–1988), and assistant minister of cooperative development (1988–1991) (Wainaina 1999).

Of all the marketing wars, none has captured the imagination of Kenyans more than the so-called beer wars, which has spilled outside the country. As the fourth-largest brewer in the world, South Africa Breweries International (SAB), employing more than 100,000 people, brawls with Africa's second-largest, Kenya Breweries, Ltd. (KBL), for domestic and regional foothold. Since SAB set up shop in the town of Thika, 40 kilometers outside Nairobi, about two years ago (their brewery, called Castle Brewery, Ltd., started distributing alcoholic drinks in September), the two have treated the consumer market to an exciting show. All the same, KBL remains the giant in the country, with virtually all drinking places swathed in their colors. Karume is a joint owner of the Thika brewing plant by dint of heading a consortium that holds 34 percent. SAB's Ksh 2.4 billion (US$40 million) plant is expected to produce 80 million liters every year and directly employ 600 workers. Another 6,000 opportunities are to be created at the retail and supply levels. KBL, listed on the Nairobi Stock Exchange (NSE) since 1954, on its part employs 3,000 workers directly and is the largest single contributor to Kenya's tax revenue. Both companies hold stakes in the vast and growing Tanzanian market and also in Uganda. Furthermore, in Uganda SAB owns 20 percent of Nile Breweries, while KBL also owns brewing plants. In Tanzania, SAB owns two-fifths of Tanzania Breweries, Ltd. (TBL), through a subsidiary called INDOL, and KBL has set up Kibo Breweries in Moshi, apparently to pay back SAB for setting up camp in Kenya. Castle beer, the world's eleventh most popular, was, before the inception of production at Thika, being brewed by TBL for the Kenyan consumers (Gatiba 1998).

Naushad Merali, chairman of Sameer Investments, Ltd., was born in 1951. In the 1970s, Merali joined the well-established automobile trading company Ryce Motors, Ltd., as chief accountant. Shortly afterward, the original founder of Ryce Motors, Ltd., decided he wished to sell the company, and Merali took the ambitious step of buying it outright. This historic move set the pattern for the later series of successful acquisitions that eventually created the powerful Sameer Group of companies. Under his dynamic stewardship as the group's chairman and principal shareholder, the Sameer Group began a program of acquisition in 1985 that sought to give the group visible representation in all key areas of the Kenyan economy. Over the period, Merali has built a vast empire, which brings together leading companies in manufacturing, banking, agriculture, telecommunications, and trading. He controls some of Kenya's foremost companies, notably Kencell Communications, Firestone East Africa, Eveready Batteries, Sasini Tea and Coffee, Sameer Industrial Park (EPZ), East African Cables, First American Bank, Equatorial Commercial Bank, Commercial Bank of Africa, and Ryce Motors.

Merali has a clear vision of where he would like to take the Sameer Group as it continues to rise in the firmament. He sees the group continuing to grow in the face of competition. He sees it being at the forefront of local Kenyan-based business expansion both into neighboring countries and also into designated preferential trade area countries. But while Merali has big plans for the future of Sameer Group, he will not forget its roots. The companies will continue to generate capital at home in East Africa—services and jobs that, in turn, create a better quality of life for East African people. Merali assists countless charitable organizations throughout Kenya, and his contributions both to the Kenyan economy and to the general well-being of so many of its people have earned him the highly prized national award of the "Elder of the Burning Spear."

Pranay Gupte, the editor and publisher of *The Earth Times*, reports that Prince Karim, Aga Khan IV, the spiritual leader of 15 million Shia Ismaili Muslims spread over 25 nations, is changing the face of global philanthropy. The Aga Khan has over the past forty years or so been taking, through his economic development institutions, equity in small-scale enterprises in order to spur economic development at the grassroots and lessen what he calls "aid dependence." In the process, he's making everyday people more affluent—or at least, more self-reliant—in many developing African countries. Jobs are being created with a minimum of the bureaucratic interference long favored by third-world governments and international aid agencies in the name of illusory concepts like sustainable development. The Aga Khan is impatient with bureaucracies and the jargon they spew. He is concerned with the improvement of the quality of life of people.

You don't have to be an Ismaili Muslim to participate. The Aga Khan's approach to development is very simply stated: it is to encourage and enable the less fortunate to take care of their own futures. The Aga Khan Development Network (AKDN) focuses on a wide range of activities. These include primary health care, early childhood and female education, the development of income generation opportunities, the provision of clean water, agro-processing, manufacturing, micro credit and financial services, infrastructure, the upgrading of shelter in rural as well as urban areas, architectural education, restoration and the promotion of culture. The Aga Khan Fund for Economic Development (AKFED) operates as a network of affiliates with more than 90 separate project companies employing over 15,000 people and controlling assets in excess of US$1 billion. The Fund is active in 15 countries in the developing world: Bangladesh, Burkina Faso, Congo, Côte d'Ivoire, India, Kenya, the Kyrgyz Republic, Madagascar, Mali, Mauritius, Niger, Pakistan, Senegal, Tajikistan, Tanzania, and Uganda. AKFED's institutional partners include, among others, the International Finance Corporation-IFC (World Bank Group), Deutsche Investitions-und Entwicklungsgesellschaft mbH-DEG (the German development institution), CDC Capital Partners, PROPARCO (Agence Française de Développement Group), European Bank for Reconstruction and Development-EBRD, East African Development Bank-EADB.

While AKDN disburses some $140 million overall into third-world enterprises each year, a high proportion of spending is directed to small but appropriate and highly effective grassroots projects. One of the priorities the Aga Khan has is to make these enterprises self-sufficient without continuous inputs, either from his own pocket or from other donors such as the OECD countries. And his aim is to turn these communities away from this dependency culture and into something, which comes from within themselves. The Aga Khan's Network, mainly through the Fund, takes equity in the projects of small-scale entrepreneurs so that they can generate money for themselves and the Network. The Fund pays dividends to its external shareholders, reinvests and, supports the wider Network, which is increasingly funding social development programs. For example, the Aga Khan recently undertook a major rehabilitation of schools in Uganda that were returned to his Network by the government. The schools had been seized by the dictator Idi Amin Dada in the early 1970s and had become dilapidated. And the Aga Khan has been doing all this without abandoning the ethos that has characterized his Ismaili Muslim community for a thousand years—social service to all, regardless of religion.

The Frigoken Company is a good example of the AKFED approach. It was established in 1994 in Kenya, where there has been an Ismaili community for a century, to assist non-Ismaili local African farmers to grow and can beans and export them to European supermarket chains. A typical Kenyan farmer has an average plot of 600 square meters, of which a third is marked to grow beans for the market, while the remaining land is used to cultivate subsistence crops such as corn and cassava. The Aga Khan funded company provided seeds, fertilizers and crop expertise that enabled the farmers to increase yields and also to cultivate crops year-round. From 1994 through 1999, the number of farmers associated with the company grew from 100 to 20,000. The company's success has meant that the number of local schools has grown, and also health clinics in what were once deprived rural areas. Local population growth rates have fallen, as have infant mortality rates. Frigoken's revenues in 1999 exceeded US$12 million. The Aga Khan's initial investment of barely US$5 million has not been repaid, but AKFED gets substantial income each year from Frigoken.

Then there's Filtisac in Côte d'Ivoire. AKFED set up the company to provide jute bags for key Ivorian exports such as cocoa and coffee. From 1988 through 1998, the annual production of such bags rose from 3 million to 18 million. The company has 2,000 employees, revenues of $60 million in 1999, and has expanded operations across West Africa. In 1992 Filtisac set up a subsidiary in France to distribute large bags. The company now also produces high-quality jute yarn that is used in carpet making. Everyday Ivorians can buy Filtisac stock on the Abidjan Stock Exchange. Filtisac employees have also been given a special stake in the company. In the field of power generation, AKFED is joining hands with ABB and the national French electricity supplier EDF, to develop a US$225 million thermal power station in the Côte d'Ivoire, with a 288 megawatt capacity. Other AKFED infrastructure projects in Africa include the Energie du Mali power and water utility in Mali and the greenfield Tsavo Power Project in Kenya.

Tourism is another success story for the Aga Khan, particularly in Kenya and Tanzania, where AKFED's Tourism Promotion Services, Ltd. (TPS), is traded on the Nairobi Stock Exchange. In fact, tourism has been the generator of foreign exchange and in some years has actually overtaken the traditional foreign-exchange earners of tea and coffee. The Aga Khan-funded Serena Hotels is the most significant tourism group in East Africa, operating ten properties in Kenya and Tanzania with 1,750 beds. Serena operates five lodges in Kenyan game parks and reserves and two hotels in Mombasa and Nairobi. In 1997–1998, Serena added three new lodges and a luxury-tented camp in Tanzania's fabled Serengeti game preserve and a major hotel on the island of Zanzibar. And then there's banking and finance. Ventures such as the Jubilee Insurance Company have been successful in establishing themselves regionally with presence in Kenya, neighboring Uganda, Tanzania and Mauritius. Diamond Trust Bank now trades on the Nairobi Stock Exchange. In Cairo, work is now underway by the Aga Khan Trust for Culture on creating the Al-Azhar Park. This is a landscaped park on a 74-acre site adjacent to and incorporating the ancient walls of the Fatimid City of the Aga Khan's forebearers, along with the rehabilitation and revitalization of surrounding buildings. A similar urban rehabilitation initiative combined with a tourism development project has been successfully launched in the historic Stone Town of Zanzibar.

The Aga Khan remains, in his private capacity, a media player in Kenya. The Aga Khan founded *The Nation*, a daily and Sunday newspaper, in the early 1960s to champion the interests of the African population in Kenya, prior to their political independence from the British government. Since then he has started several satellite publications in the country (some in Swahili), including, most recently, *The East African*, a "quality" weekly. The Aga Khan would like to see *The Nation* expand as a major force in the region as a publisher. Evidence suggests that *The East African* was his sort of baby to push it off. A recent survey showed that *The Nation* enjoys 23 readers per copy—in excess of 4 million readers a day; the print run each day is over 200,000. In the Kenyan capital of Nairobi there are office cooperatives specially created to encourage reading the paper. Workers subscribe to the cooperative; the cooperative buys the paper and other publications, and *The Nation* is lent over a period of 48 hours. In Uganda, street vendors actually have to staple the paper together at the edge so the people don't get free reads—but they rent it out for five shillings (the equivalent of about two US cents) and take it back again. The Nation Media Group has grown to be the dominant media company in Kenya and the rest of East and Central Africa. With its mission statement clearly spelled out at the onset as a newspaper of record, the newspaper group has continued to adhere to the fundamental principles of professional journalism; thus remaining non-partisan, independent, objective and truthful in its news reporting. The Nation Media Group, headquartered in Nairobi, Kenya at its prestigious Nation Center building, has bureau offices in all major cities and towns throughout East Africa. The Nation Media Group now also includes a television station and a FM radio station in Nairobi as well as an English-language daily in Uganda, *The Monitor*.

Whoever his successor is, the Aga Khan is confident that the emphasis on promoting entrepreneurship in the third world will continue. He is ensuring that his two sons and daughter are immersed in entrepreneurial developmentalism. Prince Rahim is Executive Director of the Aga Khan Fund for Economic Development for West Africa. Prince Hussain is involved in the Aga Khan Trust for Culture. Princess Zahra looks after the Network's health and education programs, with a particular emphasis on the concerns of women. At the same time, the Aga Khan has brought in some high-fliers such as Thomas Kessinger, former President of Haverford College, who runs the Aga Khan Trust for Culture. He's also set up a small think-tank within his Secretariat to advise him on how to refine ways of meeting the economic and social challenges confronting developing societies. This profile is an updated version of an article written in 1999 by Pranay Gupte as editor for *The Earth Times*.

Tanning and the manufacture of leather products have considerable potential in most African countries. More and more tanning factories have been relocated from developed to developing countries. The Training and Production Center for the Kenya Shoe Industry, established in 1993 at Thika, at the request of the Kenya Footwear Manufacturers Association, organizes specialized training courses for manufacturers and provides support services to small and medium-sized producers. The goal is to improve quality and design of locally made footwear in order to make it internationally competitive. There has been a 30 percent rise in leather production by local tanneries. Footwear manufacturers have increased their purchases of good-quality leather, which is used for manufacturing sandals designed for export under the unique brand name of "Out of Africa Look." A distinctive feature of these sandals is the universal appeal of their ethnic ornaments. The casually elegant sandals retain the attraction of exotic traditions while appealing to contemporary tastes. This is just one of the many leather programs in the African countries of Ethiopia, Kenya, Malawi, Namibia, Sudan, Uganda, Tanzania, Zambia, Zimbabwe, Botswana, and Morocco that have been or are being established to address all sectors of the leather and leather products industry. These programs might include the improvement of the raw material (hides and skins) up to the finished products, and from the application of cleaner technologies and pollution control to the integration of women in the industry, says United Nations Industrial Development Organization's (UNIDO) and Italy's leather expert, Aurelia Calabro in Bellamoli, Italy. African countries frequently ask Calabro and UNIDO to do an assessment of their leather and leather products industry and advise them on what actions should be taken to make their leather sector competitive.

In order to assist women manufacturers of textiles and garments, the "Jua Kali Women's Textile Project" was started in 1991 with funds provided by the UN. The project grew rapidly to include training programs in textile and garment making, textile surface-finishing techniques, product development, entrepreneurship, and marketing. These programs were organized and conducted at the Kenya Textile Institute in Nairobi and at the Kimathi Textile Training Institute in the rural area of Nyeri. The six-month training programs were completed by 700 women in Nairobi and Nyeri, and now 665 women run their businesses in comparison to 140 before the training. About 30 percent are already exporting some of their products to other African countries as well as to Europe and North America. The opening of new businesses created 2,242 jobs. The Enterprise Development Agency (EDA), founded in 1997 to ensure the continuation of these training programs, trains 100 businesswomen and 25 trainers annually. EDA also plays a regional role and has proven to be a valuable support for UNIDO's projects in Tanzania and Uganda (Yuen-Hoi Lee, personal communication).

TANZANIA

Tree Farms group, East Africa's leading private timber company, offers superior-quality African timber at highly competitive prices. Their products include treated softwood railway ties (from *Pinus patula* and *Pinus elliottii*); pressure-impregnated utility poles from eucalyptus saligna and eucalyptus grandis; and hardwood railway ties. Tree Farms was the largest forest planter in eastern Africa from 1997 to 2000. Their headquarters is in Norway. Their major operations are in Tanzania, and there is a subsidiary in Uganda. Escarpment Forestry Company, Ltd. (EFC), was established in 1996 and is headquartered in Mafinga, Tanzania. It is the owner of Kilombero Forests, Ltd., and Mafinga Forests, Ltd., and it is a 50 percent owner of Sao Hill Timber, Ltd. In addition, EFC is operating a sawmill with 10,000-cubic-meter-per-year capacity of sawn timber. Sao Hill is the largest sawmill in eastern Africa. The Tanzanian government owns the mill. The assets of the mill are leased out to the Sao Hill Timber group on a leasing contract, which runs for 10 years from 1996 with a right to renew it for another 10 years. The huge pine and eucalyptus forests at Sao Hill were planted during two periods, the 1960s and 1970s. The forests are located in the Iringa region, approximately 2,000 meters above sea level, where growing conditions are excellent. The favorable growing climate, combined with the high altitude, generates logs of very high quality. This provides an excellent basis for production at Sao Hill Sawmill. In accordance with plans worked out with the Tanzanian Forestry Department, the department plants seedlings plot by plot and year by year, as soon as the forests are harvested. After some 20 years, the plots are ready for harvesting again, and the supply of raw material is secured for years ahead. Sao Hill is paying a log royalty before logging, and the forest owner (the forestry department) is responsible for the regeneration and the tending of the forest. This is now due for change, as the forestry department has instituted a policy of partly privatizing the government-owned forest. Kilombero plantation of Kilombero Forests, Ltd., was established in 1997, with large-scale planting starting in 1998. It has 12,121 hectares of land on a 99-year lease from the Tanzanian state. Already 1,400 hectares of forestland have been planted with eucalyptus and pine. Busoga Forestry Company was established in 1996 and is operating in Jinja, Uganda. It has concession on 5,000 hectares of land for planting eucalyptus and pine. BFC has planted about 300 hectares of forest and was the largest forest planter in Uganda during the second half of the 1990s.

NewAfrica.com is based in Dar es Salaam, the capital of Tanzania, and is operated by 90 young East Africans dedicated to publish the best information about Africa on the Internet. NewAfrica.com started with a staff of three in June 1998 and has grown tremendously since then with 75 permanent employees. In addition, there are 15 Tanzanian high school graduates. NewAfrica.com is owned by Green Growth, Ltd. (GGL), a Tanzanian private investment company founded in June 1998. GGL is owned privately by individuals from Norway and the employees. The main shareholders are common with Tree Farm A/S, East Africa's largest tree planter and saw miller. NewAfrica.com believes that there are several business opportunities for the company. Their main target group is the general public in Africa and abroad who are looking for news and information about Africa. The second main target group is travelers wanting to explore Africa. Information derives from country travel guides, general travel, country maps, country gateways with links to other sites, and country profiles with general information about a country. The third target group of users is companies around the world with an interest in investing in Africa, who use the information on business, investment, mining, and economy to identify business opportunities in Africa. NewAfrica.com provides other specific information on gender, education, environment, culture, and has an online Swahili lesson.

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12

Uganda

As African states have shaken off their postcolonial despots, new leaders with sweeping ideas about a pan-African alliance have emerged—and yet the internecine struggles go on. Uganda's dynamic and visionary president, H.E. Yoweri Museveni (2000), expresses a wide and forceful vision for Africa's future. Working with a broad historical understanding and an intimate knowledge of the current problems, Museveni describes how movements can be formed to foster democracy, how class consciousness can transcend tribal differences in the development of democratic institutions, and how the politics of identity operate in postcolonial Africa.

Museveni has proven to be a powerful force for change. Ugandans and their beautiful country went through so much tragedy in the 1970s and 1980s, but leadership is now replacing and improving lost institutions, judicial systems, and economic policies in order to enhance development. It has been a tough mountain to climb. The country was devastatingly destroyed—ethnically and physically. There is much work to be done and there is room for all Ugandans to commit themselves to the effort. In the future, Uganda will be independent of donors and there will be less corruption and more individual output. Uganda has made remarkable strides in politics, civic life, and economics and will continue to do so. Privatization, liberalization of the foreign-exchange market, industrialization, modernization of agriculture, and eradication of poverty continue to make a very big positive impact on the growth of the Ugandan economy. Modernization of agriculture will help both smallholders and commercial farmers get information and access to broader markets. Industrialization consumes Uganda's raw materials, which benefits both farmers and manufacturers (Museveni 2000).

Uganda's ambassador to the United States, Edith Ssempala, endorses Museveni's philosophy that developing the private sector is the key to bringing prosperity to Africa (Durant and Kurata 1999). She says African countries should seek foreign investment, noting that textiles, shoes, agricultural products, service industries, and tourism represent promising sectors. She points out that Uganda is creating a silk industry with mulberry bushes, which grow very well in Uganda. Uganda is growing long-staple cotton, which is the cotton of the highest quality. The shoe industry is growing in Africa. Toys will come. Those industries do not require extremely high skills, but they create numerous jobs. She is especially interested in high-tech. She notes that foreign aid has fostered dependence and has hurt Africa, and building the private sector has been left out of the assistance schemes. It is clear to her that only the private sector can stimulate economic growth. In her view, Africa must do more to integrate itself into the global economy. This includes efforts to empower women in Africa and to end ethnic-based conflicts. She emphasizes the empowerment of women because it is good economics, leaving more than half the population out of the market, reduces the market. Women are the backbone of their families and communities. If you educate the woman, you educate the family and the nation. The empowerment of women has led to the improvement of the well-being of families because when women have money, they spend it on their children (Durant and Kurata 1999).

Once synonymous with despotic chaos and economic devastation, Uganda in recent years has become a showcase for economic reform in Africa. Rising out of the ashes is the Muljibhai Madhvani and Company Ltd., known as the Madhvani Group. From humble beginnings, the late Muljibhai Madhvani (1894–1958), the family's pioneer in East Africa, steadily expanded his enterprises into a widely diversified conglomerate, the Madhvani Group. Madhvani and Becker (1973), a collection of memoirs contributed by sixteen friends and acquaintances, provides good background material for East Africa. Much of the following is drawn from that book and from correspondence with Jayant's wife, Meena Madhvani. Combined, they provided a great historical perspective based on a "real life" story of the Madhvani Family's commitment to Africa in general and East Africa and Uganda in particular.

We learn that Muljibhai, through austerity, hard work, a lot of enterprise, and good fortune, built the foundations for the Madhvani empire. A man of great vision, Muljibhai's is a story of rags to riches. Muljibhai was born on 1 May 1894 at Ansiapat, a small village in Saurashtra in India. He was the son of Prabhudas Madhvani, who was a man of devotion and duty. Muljibhai, whose mother died when he was young, was a smart and intelligent student. He studied in Ranavav, and secured admission at Lohana Boarding House in Porbandar in 1906. Muljibhai's mind was ever yearning to fly to greater heights of adventure. In 1908, he joined his elder brother Nanjibhai, who had immigrated to Uganda in 1906, in the retail trade business. At that time in Uganda, trade could only be taken at risk to one's life. A man with determination as unyielding as iron and will power as strong as steel, he remained firm even in this situation. After passing through this ordeal, he was entrusted with the independent management of a shop at Kaliro owned by his cousin, Vithaldas Haridas Madhvani who had come to Uganda in 1890 and had been influential in getting Muljibhai and his elder brother to immigrate to Uganda (East African 2001).

Vithaldas was a pioneer in developing the Ugandan economy. He had sailed to East Africa in a dhow from Porbunder a port of Saurashtra, which is twelve kilometers away from his native village Ranavav. He landed at Mombasa port (Kenya), from there he proceeded to Uganda via Kisumu and established himself in Iganga, a small town of Uganda. Vithaldas started retail (Duka) shops in the jungle. Business was so good that after he called his younger brother Kalidas Madhvani and his uncle's son Nanjibhai Madhvani to Uganda, they started acquiring lands and expanded the retail business activities. Being short of hands in the business, he then called upon three more youngsters from Ranavav, they were Nanjibhai's younger brother Muljibhai Madhvani and two more cousins Dayalji Vadera and Devjibhai Hindocha. Business activities of the firm commenced to progress with rapid strides. In 1912, the Jinja office of this firm was placed under Muljibhai's charge for managing its business affairs. Jinja was home to the most vibrant Asian businesses in Uganda at the time. With little more than brains and an outgoing personality, Muljibhai concentrated all his energies in order to develop the business activities of the firm in a solid way. In 1914, World War I broke out and, for four years, sea born trade was hazardous. The merchant fleet was mobilized for war and the few ships that still carried commercial merchandise were always at risk of being sunk. Muljibhai's export business suffered (East African 2001).

After the war, the partners ventured into coffee, but the economic depression that followed the end of hostilities virtually killed demand for the commodity in Western societies. The coffee venture proved to be a disaster. From this experience Muljibhai learned a big lesson. Never rely on export prices, which you are powerless to control; make things for the home market instead. The partners conceived the idea of branching out into consumer goods manufacturing. Sugar was ideal because its market would mostly depend on local demand. Already Muljibhai's friend Nanji Kalidas Mehta had put up his own sugar factory. So it was that in 1930, the partners put up a small sugar mill with a crushing capacity of 150 tons of cane per day. They formed a private Limited company by the name of Vithaldas Haridas and Co. Ltd. (V.H. and Co) in Jinja in the year 1932. On the original building of the office situated in Jinja and built in 1919, Kalidas's name still appears as "DUKA YA KALIDASI." This company flourished and various industries and business activities were established. During the following years, Muljibhai was to become the managing director of four concerns: Vithaldas Haridas & Co. Ltd., Uganda (Kakira) Sugar Works Ltd., Nile Industrial & Tobacco Co. Ltd. and Uganda Cotton Brokers Limited. In the year 1947, the Company was dissolved amicably and Muljibhai took over the sugar estate as his part of the settlement. Vithaldas had three sons Vallabhdas, Jivanbhai and Pravinbhai. Vallabhdas passed away at age of 32 in the year of 1942. The Vallabhdas family formed a firm called V. V. and Sons which was run by his three sons Ramnik, Praful, and Rajnikant. They have business in Uganda/India and mainly two Tea Estates in the Nilgiris in South India. Even today Ramnik is looking after the Tea Estate. Unfortunately Praful is no more, but his son and Rajnikant Madhvani look after the East African business of a Sugar Farm in Uganda. Thus Vithaldas Madhvani and Kalidas Madhvani were the first pioneers to take all other Madhvani family to Uganda (East African 2001).

Muljibhai relaunched his business under the name Muljibhai Madhvani and Company and was able to go full speed ahead in all directions. He saw possibilities in Uganda, Kenya and Tanganyika, now known as Tanzania. Enjoying an excellent rapport with the locals as well as the colonial authorities, Muljibhai set about expanding the area under cane. Infested with the "mbwa" fly, which spread blindness, the marshes around Lake Victoria were unpopular with the locals. The area chief allowed Muljibhai to put them under cane. He then bought more land adjoining the factory, making up a total of 22,508 acres. Thus laying the foundation stone of what his sons were later to develop into the largest industrial and commercial enterprise in East Africa. The following 13 years, right up to the 1960s were good for Uganda and Muljibhai. At the family level, he had five sons. The commodity market was doing well and the middle class spawned by Uganda's industrialization was growing steadily. By the 1950s, the sugar estate was well established. Conditions were right for consolidation and diversification. It was during that decade that Muljibhai ventured into textiles and beer. Using what was probably the first International Finance Corporation loan to an African country, he set up Mulco Textiles in Jinja. Assisted by his elder sons Jayant and Manubhai in running the business, he acquired Nile Breweries in 1957. As he prospered, Muljibhai was keen to share his good fortune with the country that had been so kind to him. His workers and their dependants have long enjoyed free education, housing and healthcare. When asked whether he was paying wages that were too high, Muljibhai would say that he pays well because he expects good work and if employees have a good life they will work happily. He always had the human touch and always remembered human problems and individual faces. One of the keys to his success was getting the best out of people and getting them to give their best gladly. By 1958, when he died, a number of schools such as the prestigious Muljibhai Madhvani Girls School in Jinja, several community schools, libraries and charities were running through his generosity (East African 2001).

After his death in 1958, his son Jayant Madhvani (1922–1971) took over the helm of the Madhvani Group. In cooperation with his younger brother Manubhai Madhvani, who joined him two years later, these true sons of Uganda were unofficial ambassadors of Uganda and led the group to great heights at an international level. These remarkable brothers always kept in their hearts their father's advice: "Your wealth is not your money, but the people behind the organization." The Madhvani Group of commercial and industrial activities grew tremendously. In 1958 it operated seven companies. By 1970 Jayant and Manubhai and their brothers had established a formidable empire of some 70 companies. The group was the largest private-sector investor in Uganda and was closely linked with the country's agricultural and industrial development.

Jayant's real contribution to economic advancement in East Africa was this shift from traditional agricultural to pioneering industrial development based on the manufacture of goods through utilization of local resources. He emphasized diversification in agriculture (cotton, soybeans, oilseeds, tea). He processed raw materials to add more value (cotton into yarn, yarn into textiles, sugarcane into processed sugar, corn into meal). He manufactured goods locally whenever possible (soap, matches, candy, beer, glassware). He started basic industries (iron, steel, industrial chemicals, and agricultural chemicals).

The sugar estate that was the nucleus of the Madhvani empire became surrounded by many light and heavy industries—East Africa's first steel mill, breweries, a match factory, metal container and cardboard box factories, a giant textile industry, and glass works, to mention only a few. The pattern was repeated in Kenya and in Tanzania, making Madhvani a household name throughout East Africa. The group's East Africa activities also included tea, oil, soap, confectionery, china, link fencing, wire, and corn milling. The group employed 22,000 people from almost every tribe and race within East Africa. To Jayant, a cash surplus meant a success. Therefore, a positive cash flow was of overall importance. The planning of new industries, the organization of their financing, securing and training people to staff them, and obtaining markets for their products—these were fields in which Jayant excelled. As Jayant became more involved in the group planning, group policymaking, and governmental affairs, Manubhai took over more of the operational management of the Madhvani companies. Both brothers took positive steps to introduce responsible Africans into the management ranks of the Madhvani Group and to implement a policy of introducing black Africans into the Madhvani industries. Today, the Madhvani family continues to make a distinguished and valuable contribution to the growth and prosperity of Uganda.

Jayant had an impressive grasp of the economic, political, and social situation in Uganda and an obviously sincere commitment to his country of Uganda and the welfare of its people. Although his father was of Asian origin, Jayant was a true African at heart. In Jayant's numerous trips abroad, he established and developed commercial contacts that resulted in huge investments in East Africa. Jayant was always promoting industry, commerce, and the social well-being of the people of East Africa. He saw the need to preserve a climate in Uganda healthy for attracting foreign investment. He believed that Africans should welcome all peoples of European, Arabic, Asian, Australian, and American origin who are willing to identify themselves fully with the aspirations of Africans and the development of Africa. Upon being asked whether she missed her husband during his many trips abroad, Jayant's wife Meena Madhvani replied that he was always there in her heart.

Jayant showed at all times great care for the workers in his various enterprises and also a sympathetic interest in many schemes for educating and training the people of his country. Jayant was deeply involved in the welfare and education of his African workers through schools, colleges and health facilities. The Madhvani Group spent millions on the health, education, and general welfare of their workers. There was a corresponding gain to the group in greater labor productivity and a diminished threat of strikes among the workers.

Jayant had a knack for understanding people. He judged people by their standards, but also by what he knew to constitute integrity, intellect, competence, and performance. For Jayant there were no nationalities, no tribes, no castes, no races, but ordinary men, whom he carefully selected and backed; and once having put them in positions of responsibility, he supported them fully to ensure success of the venture. In this way he was able to build up harmonious integration of a very great diversity of people working side by side, in a spirit of cooperation. This was the career of a man who believed that good and sound business was the sum of the efforts of capable men, doing what they could do well in a way that fit them best.

Jayant pioneered progressively in increasing black African participation in his commercial and industrial enterprises. He was sincerely concerned about the training of black Africans in various fields, especially in the fields of commerce and farming. All through his life, Jayant had a well-organized policy of assisting the economic development of Uganda and the full participation by black Africans who form the majority of the population in Uganda. He assisted, both with advice and financial help, many black Africans who wanted to set themselves up in business. Jayant also introduced a scheme in 1967 for share ownership by his workers in some of the Madhvani companies. Later, as a means of forestalling nationalization, the Madhvani group offered equity shares in their industries to the government of Uganda.

In August 1972 the despot Idi Amin expelled the Madhvanis and 70,000 other South Asians and took over their businesses. The interruption was a costly one, not just for the expelled, but most particularly for all the people of Uganda, who lacked jobs and economic opportunity while their gangster rulers plundered the country. Amin's expulsion of Asians was and is the root cause of Uganda's economic woes. After years of armed struggle, the dictatorship of Idi Amin was toppled in 1979 and the dictatorship of Milton Obote was toppled in 1985. Uganda's dynamic and visionary leader, Yoweri Museveni became president of Uganda in 1986. A major factor in Uganda's economic recovery has been the return of the country's Asian business class. In 1986 in cooperation with the World Bank the Museveni government began returning large amounts of property to Asian families, property that had been seized by Idi Amin when Asians were evicted from the country in 1972. Many Asian families returned to find dilapidated factories and farms that had languished. The enterprises have since been refurbished and are now contributing to Uganda's impressive growth. In 1984, under an agreement signed between the government of Uganda and the sons of Muljibhai, the Madhvani family was among the first Asian-Ugandan families to return to Uganda. The sugar estate was in a shambles. Less than 5,000 acres was under cane and sugar production had long ceased. All the associated industries such as oil and soap were mere shells of steel. It was a very painful sight to behold, but the Madhvani family had come home and they took on the challenge (East African 2001). All family members work in the spirit of the late Muljibhai and the late Jayant with Manubhai as the overall head of the family. A board of directors, with Mayur Madhvani, Muljibhai's youngest surviving son, as the chief executive officer, now manages the group. The group is again one of the most successful groups in Uganda, consisting of numerous companies that produce a wide range of products and services and employ more than 13,000 people in Uganda. "Our strategy was to rehabilitate the production facilities that had fallen into disrepair and then attract investment from other major players. We find the Ugandan government supports an environment that encourages investment and business," says Mayur Madhvani. "The government recognizes the private sector as the engine of economic growth. We've had good communication and cooperation with the government."

Kakira Sugar Works, comanaged by Manubhai and Mayur, is Uganda's largest sugar producer. It cultivates sugarcane on a nucleus estate of more than 7,900 hectares producing 550,000 tons of cane per annum and is supplemented by cane from over 1500 "out grower farmers," who produce 150,000 tons per annum. A study recommends expanding the out growers' area by planting over 15,000 hectares with sugarcane. Sugarcane is an ideal crop, which is highly remunerative to prospective farmers with an assured market in the area. Also, a bagasse (byproduct of sugar) fired steam and electricity cogeneration, which would generate steam for the factory as well as about 30 MW of electricity (including export/sale of 19 MW to the National Grid) is highly desirable in terms of environmental and development needs of the area. Nile Breweries is the market leader in Uganda, with an extremely strong and established brand portfolio—including the flagship Nile Special, Club Pilsner, Chairman's Extra Strong Brew and Castle Lager. In 2001, South African Breweries acquired a majority interest in Nile Breweries from the Madhvani Group. Nikesh Madhvani heads up the Mwera and Nakigalala Tea Estates. Over 700,000 kilograms of tea are produced from the two tea estates both for the domestic and international markets. This will increase to over a million kg on completion of rehabilitation. Rickin Madhvani manages Kakira Sweets and Confectionery, where a variety of sweets are produced for the domestic market with a planned diversification into toffees, chewing gum and other confectionery. Madhvani's Mweya Safari Lodge, in western Uganda, is Uganda's leading game-park lodge. It is now complemented by the recently acquired Paraa Safari Lodge in the north of Uganda, providing a circuit for tourists who usually prefer to visit several locations. Both lodges are managed by Roni Madhvani and add value to the chain of hotels being developed in East and Central Africa by the Madhvani Group. In 2000, the Madhvani Group signed an agreement in which the Uganda government sold its 23% shareholding in Steel Corporation of East Africa (SCEA) to the Group. This allowed the Group to own 100% of SCEA, which located in Jinja is Uganda's largest fully integrated steel plant producing finished steel from scrap metal. The steel sector in Uganda is still a virgin territory, with a lot that is not yet exploited. In the future, the Madhvani Group could venture into mining for ore in the western part of the country. Uganda Metal Industries, managed by Jayant's youngest son Amit Madhvani, produces galvanized chain-link and barbed wire fencing materials for the agriculture and construction industries.

Jayant's eldest son, Nitin Madhvani, is pioneering the reform and development of the power sector in Uganda. Uganda's power shortage is the single greatest obstacle to the country's economic growth. Demand is growing so fast that electricity is rationed almost daily, retarding industry and sometimes even crippling it. The economy of Uganda has been growing at about 7 percent per annum. The Ugandan finance ministry thinks that the economy would have been growing by 9 percent had it not been for power shortages. Under Nitin's direction, Madhvani International has established a joint venture with AES Nile Power, Ltd., an American power company, to build a 300-megawatt hydropower plant in Bujagali, Uganda. Various potential hydroelectric sites on the Nile were explored, and after extensive studies Bujagali was chosen as one of the least costly and most environmentally benign sites. The power plant will be built at an altitude of 1,100 meters in the Bujagali Falls, along the Nile, near the outlet from Lake Victoria. The facility is a so-called run-of-the-river power plant that utilizes the natural fall height of the Nile. An environmental impact assessment has been performed to ensure that the environmental effect is minimal. The US$580 million project was scheduled to begin in summer 2001 and to be completed in 44 months. When it begins operations, Uganda's population will have greater access to electricity and the planned production surplus will also earn income by generating power exports to neighboring Kenya. Madhvani International is currently developing projects in mining, energy, agriculture and financial services. Nitin is the Director of Economic Policy Research Center in Kampala, where he has set the research agenda to include growth analysis, trade, agriculture, and fiscal and monetary policies. He has participated in supporting the Ministry of Finance in designing growth policies with a focus on poverty eradication. He has contributed to Consultative Group deliberations between Uganda and the donor community, and has established scholarships for Kenyan women graduates to Bryn Mawr College. In 2000, Nitin's son Hrishikesa Madhvani won the UK National Award for the best design for the logo of the Archbishop of Canterbury. The Ugandan Hrishikesa was 16 years old and studying at Eton in England when he achieved this. There was no problem for him competing even though he is of a different citizenship. He showed he has the genes, spirit, inspiration, and pride of his family's roots in Uganda to achieve further success in the future.

Jayant's daughter, Nimisha Madhvani, Bryn Mawr's first Ugandan undergraduate (class 1978), was appointed by Uganda's dynamic and successful president, Yoweri Museveni, to be first secretary and trade and investment officer with the embassy of Uganda in Washington with the brief of attracting and promoting new investment. With fortitude and commitment, Nimisha continually promotes an up-to-date and realistic picture of Uganda and its progressive policies toward business. Nimisha, who is the only Asian to serve in Uganda's foreign service, speaks of her experience as a third-generation Ugandan woman of Asian origin, born in an extremely traditional, male-dominated family from Gujarat, that emigrated to Uganda at the beginning of the last century: "I have had to continuously keep the family alert to my abilities being equal, if not better, to theirs," she says, while lauding her mother and late father for being "my sources of inspiration and support to take on the challenges that face Indian women—from Laxmi to liability to asset (In Indian mythology, Laxmi is the goddess of prosperity. Through tradition, a girl born in the family is to some extent viewed as an embodiment of the great virtues of Laxmi and therefore requiring the family to be responsible for her exclusive care). I am one of those most fortunate women to be where I am today, but it has been a continuous challenge," Madhvani says. "It was a dream when I wrote my final political science thesis at Bryn Mawr that I would love to work in East Africa's politics, but reiterated that could never happen as I was a double minority—a woman, and an Asian woman at that." She recalls that when she wanted to "work in my family business, and do something concrete for my people, contribute to the land from which we took," her uncles and her brother just would not hear of it. "I mean, they just got it all wrong," she says. "But as they start producing daughters, there is a stark attitudinal change." Nimisha says that when she was offered a job at the Ugandan Embassy in Washington, D.C., by President Museveni—quite by accident, during a meeting her family had with the president—the male members in her family "had a difficult time coming to grips with this."

In addition to its diversified business activities in Uganda, the Madhvani Group has interests in various countries of Africa as well as the rest of the world. The Madhvanis are dedicated Asian-Africans, first and foremost Africans at heart and committed to the development of Africa—not just Uganda. Over the years, the group has developed a team of various nationalities that work in close cooperation and harmony—with a unique combination of managerial, technical marketing, and financial expertise. The group's growth strategy also encompasses joint ventures with leading international companies to meet the needs of various businesses and markets. The group is shortly to be listed on the local stock exchange. "Our thinking has changed," admits Mayur Madhvani. "We see ourselves as custodians for the general public. Let them feel part of it. Once you're involved, you protect it more." By their actions, second-, third-, and fourth-generation Madhvanis show they are true sons and daughters of Uganda and Africa in their commitment to the development of Uganda and Africa. (Madhvani and Becker 1973).

The Mehta Group traces its origins to the year 1900, when a 13-year-old Indian village boy driven by a spirit of adventure set sail from India for the beckoning shores of Africa to seek his fortune in East Africa. His name was Nanjibhai Kalidas Mehta (1887–1969). By the age of 18, Mehta, Uganda's pioneer industrialist, had established a trading post in the Ugandan village of Kamuli, trading with the local tribes in cowrie shells, the local unit of currency. From his small trading outpost, it did not take long for his entrepreneurial ability to realize the vast potential of the land. Aided by bountiful nature and virgin, fertile soil, he soon started growing vegetables. The introduction of varieties of cotton, through seed imported from India, reaped a rich harvest and soon twenty-nine cotton ginneries were dotting the landscape.

The real reward came when Nanjibhai successfully grew sugarcane in the ubiquitous swampy areas. From sugarcane to the manufacture of sugar was a natural progression and he soon established himself as the undisputed sugar king. Thereafter he turned his attention to tea and coffee plantations. Later there were major diversification moves into such fields as engineering, cement, textiles, paper, and international trade. And by the 1970s the Mehta Group had grown into one of Uganda's largest business operations, with more than 15,000 employees and assets of US$40 million.

The various industries and business houses of the Mehta Group in Uganda and Kenya bore testimony to Nanjibhai's contribution to the economic well-being of the people. He believed in the welfare of the society, spent his money generously as if he were returning it back to the society, and had succeeded in numerous industries in the land of Africa before his death in 1969.

In 1972 the group's assets in Uganda were expropriated, along with those of the foreign community. The Mehta family had to leave the country overnight, carrying just one suitcase each. In 1980 the group was invited to return to Uganda and take over its old assets—and since then, the group has invested more than US$100 million in rehabilitating those assets and operations. Looking back today, the setback of 1972 was a blessing in disguise, for it forced the group to take a global perspective on business. Today, as a result, the group is a multinational, multiactivity enterprise with a global presence spanning four continents—Asia, Europe, North America, and Africa—with a name recognized in business circles all over the world, controlling assets in excess of US$350 million and with more than 15,000 employees worldwide.

The group has successful business activities in international trade, cement and building materials, packaging, sugar, floriculture and horticulture, engineering, electrical cables, consultancy, management, and financial services. The Sugar Corporation of Uganda, Ltd., plays a key role in the development of the Ugandan economy. The corporation employs more than 7,300 people directly and is among the largest employers in East Africa. The company's complex at Lugazi spreads over 10,000 hectares. An important distinguishing feature of the group is its sensitivity to economic environments and its flexibility to meet their often widely divergent needs. Whether in Uganda, in India, or in North America, its business policies and operating style grow organically out of the local economic scenario.

The Madhvani Group and the Mehta Group demonstrate that the growth of individual enterprises from small to medium- and large-scale operations, in terms of both production and employment, is quite feasible. Marsden (1990) points out that successful African enterprises have often expanded this way, as their owners have acquired experience, accumulated capital, and penetrated markets progressively. African entrepreneurs will contribute to the long-term industrial growth of Africa, since an increasing number of enterprises will grow out of the small and medium enterprise (SME) sector. The emergence of wholly modern SME industries is likely to be a prerequisite for any endearing industrialization on the continent of Africa.

An amazing entrepreneur in Uganda is Amirali Karmali, founder and chairman of the Mukwano Group of Companies. It was in Bukandula, Uganda that Amirali was born in the mid-1930s. He went to Kalagi Mission School for his early education while at the same time assisting his father in his business. His father, Alimohamed Karmali, was a pioneer Indian investor in Uganda, arriving in 1904. After the family moved from Bukandula to Fort Portal, business opportunities and prospects became even brighter. While in Fort Portal, the young Amirali developed an interest in the transportation business and eventually acquired a secondhand truck to transport produce and other merchandise between Fort Portal and Kampala. He ran the business for many years, eventually covering western Uganda and some areas of eastern Congo. In 1968, the family moved to Kampala. They stayed through the Amin time and started soap and oil companies and grew and keep growing. When Amirali's kids were young, they were going to college in Canada. In Kampala, Amirali continued the transport business until 1978, when he opened his first shop under the business name Egesa Commercial Agencies. In the early 1980s, he opened Mukwano Enterprises Ltd. The business flourished, diversifying into Mukwano Industries Ltd. The new venture began operations in 1986, manufacturing laundry bar soap, to be followed soon by an oil mill in 1987. The mill produces cooking oil from locally produced cottonseed, sunflower and soya as well as sesame. Since the establishment of Mukwano Industries in 1986, the group has diversified into various economic interests. The new industries and businesses are in full production and their contribution to the national economy is significant. Currently, the Mukwano Group is a conglomerate of business ventures as diverse as manufacturing, logistics, commodity trading, property management & development, financial and forex services and employs a total of over 10,000 people (Wakabi 2001).

The Mukwano family participates in philanthropic activities and generously supports various homes that take care of foster children, hospitals and health institutions, orphanages, street children, mosques and churches, disabled persons, disaster affected people and refugees, building or construction of schools, individuals and groups/charitable institutions. They also provide food to hospital patients and destitutes. Amirali handed over the management of Mukwano Group of Companies in 1995 to his son Alykhan Karmali and became its chairman. Amirali Karmali has since embarked on a new venture in Fort Portal, western Uganda, where he spends most of his time tending to tea nurseries, planting, growing and processing tea for both the local and foreign markets. Amirali says his group wishes to provide affordable world class products and services to the people of Africa and in the process ensure that they:

Are guided by industry best practices and corporate ethics,

Provide a safe eco-friendly working environment to their employees and their families,

Always ensure a positive impact on the community they work and live in; and most importantly,

Lend a helping hand in nation building and betterment of Uganda's citizens (Wakabi 2001).

His son, Alykhan Karmali, is now continuing the business as managing director, and they are expanding. Alykhan says the group has introduced some new products to the market, in a bid to promote small manufacturers. "Recently we introduced baker's fat and catering margarine, which are used in bakeries. Before we started making these products, they were being imported. Right now, we have capacity to produce anything edible," he says. Alykhan discloses that the Mukwano Group has about 50 other new investment plans for the 2001 to 2006 time period. One of the investments to be ventured into is the extraction of seed residues for the purpose of selling them to pharmaceuticals for further use. "Once we get a buyer, we are ready to start. We are contacting various possible buyers abroad," he said. Mukwano's biggest business now is cooking oil processing and tea exports. It exports 600 tons of tea to Egypt and the United Kingdom as their main consumers. Other products are detergents, plastics, sweets, packaging containers, (both plastics and paper), soft drink crates, and liquid containers. Others are petroleum containers in all sizes and cooking fats and other edibles. Mukwano also imports rice and sugar and exports seed cakes to Kenya. All its other products are exported to the Common Market for Eastern and Southern Africa (COMESA) region. Alykhan confesses that the global market threatens Mukwano because there the competition is stiffer. "I think this is a universal threat to all manufacturers. But we are getting more prepared by improving quality of our products day by day," he says (Kalyabe 2001).

The Mukwano Group provides transport and logistics support to member companies, specializes in road, rail and marine transport of conventional, containerized and liquid cargo, and provides warehousing plus freight forwarding solutions for bulk cargo in the East African Region. A developing nation leads to expansion in commercial and residential property. The Group acquires and develops quality premises at affordable rates with emphasis on industrial, housing, and shopping complexes. The Group has recently embarked upon a countrywide survey to explore the abundant natural resources in Uganda. The outcome of such surveys would in the long run induce farmers to adopt better cultivation methods and ultimately increase their produce of seeds such as cotton, sesame, sunflower, and soybean. This effort is finally slated to ensure regular and increased availability of raw material and boost self-employment in the rural areas. The Group is totally committed to support the economic, ecological and environmental aspects of Uganda and the African continent as a whole—a true partner in progress with Uganda and its people.

Renowned industrialist and entrepreneur, James Mulwana, a most influential and respected figure in the Ugandan private sector, declares that economic policy should focus on small and medium-sized enterprises. He believes that incomes will increase if they are given incentives and a strong positive framework in which to do business. He adds that this will quicken the process of creating a middle class, so essential for national social stability. He also believes in harnessing regional cooperation to create bigger markets that will foster additional prosperity for Uganda, Kenya, and Tanzania. He states that the economic integration of East Africa has a lot of advantages for Ugandans. The already existing railway network will benefit Uganda a lot, as imports and exports will come by rail, which is cheaper than road transport. He says Ugandans should not envy the advanced technologies in Kenya but should aim at transferring such technologies to Uganda so that Uganda can raise the quality of their products, which will enable them to be competitive in local, regional, and global markets.

Mulwana is a veteran industrialist and a very successful entrepreneur in Uganda. His personal business empire includes, among others, Nice House of Plastics, Uganda Batteries Limited, Jesa Mixed Dairy Limited and he is the former chairman of the Uganda Manufacturers Association. He is chairman of the boards of the Private Sector Foundation, British American Tobacco Uganda, Standard Charter Bank, and Simba Blankets Limited. He is a director with the East African Development Bank, Celtel Uganda, the pioneer of mobile phones in Uganda, and SOS Kinderdoff, a charitable organization.

Charles Onyango-Obbo (1997), managing editor of the *Kampala Monitor*, writes that although Mulwana did not go far in formal schooling, he is a self-taught and self-made hardworking man who has done better than others with several degrees who have been given parastatals to manage and instead destroyed them. The Uganda economy is not so robust as it should be because the well-educated bureaucrats and politicians who make the decisions lack two very crucial things that Mulwana has: lots of common sense and sharp instincts. Onyango-Obbo goes on to write that Uganda's entrepreneurial winners include

James Mulwana

Gordon Wavamunno, general manager of Wanno Engineering, the Spears Motors Group of Companies, and WBS Television

Sudhir Ruparelia, who owns Sanyu FM 2000 radio, the Crane Bank (the largest Ugandan-owned financial institution), a string of hotels, and the Speke Resort Munyonyo

Karim Hirji, owner of the Hotel Equatoria, the Grand Imperial Hotel, and the amusement park Didi's World

The managers at Capital Radio, who now also own KISS FM in Nairobi, Kenya

The visionary directors of Oscar Industries

Roni Madhvani of the Madhvani Group

The business chiefs at the *Monitor*

Aga Sekalala Sr., managing director of Ugachick Poultry Breeders

Onyango-Obbo writes that these winners have one thing in common; even though some are highly educated, they don't make a big deal of it because they set a higher value on experience and business instincts. Successful entrepreneurs of Uganda, even if some of them are not well educated themselves, send their children to the best schools. But not because that is what they believe is needed to succeed in life. No, they do it so their children can compete more easily with the rest, unlike themselves who won against great odds (Onyango-Obbo 1997).

Ugachick Poultry Breeders, Ltd., is the king of poultry industries in Uganda and is owned by Aga Sekalala Sr., Aga Sekalala Jr., East Africa Development Bank (EADB), and Uganda Development Bank (UDB). Sekalala Sr. is a Ugandan whose business activities span hotel ownership and management, vanilla production and export, a dairy farm, veterinary drugs, and agro-chemicals. He was one of the directors of the Bank of Uganda for 13 years. He was a treasurer of Uganda Manufacturers Association until 2001 and was one of the founding members. He is a director of Tropical Africa Bank and the managing director of Ugachick Poultry Breeders, Ltd. The company was established in 1991 and began operations in 1992. A farm complex includes a breeder farm (broilers and layers), hatchery, feed mill, broiler farm, and processing plant. The farm is in the beautiful green hills called Magigye, on Gayaza road just a 25-minute drive out of Kampala City. Their main objective is to bring to Uganda and the regional markets high-quality chicken products and with their technology, and experience they are proud to provide it. In fact, after only nine years of existence, Ugachick changed the picture of the poultry industry in Uganda from the village chicken production systems, that was based on the indigenous or native domestic fowl and characterized by a low level of inputs and outputs, to the introduction of specialized breeding and intensified management.

Ugachick aims to:

- Promote the poultry industry in Uganda through production of day-old chicks, high-quality animal feeds, and processed chicken
- Assist the local poultry farmers in operating their farms profitably and provide a sure and stable market for their products
- Assist farmers with well-organized and generous extension services
- Establish the price of processed chicken in the market and to make chicken meat and eggs affordable to low- income people and provide a high-protein diet to the people of Uganda
- Improve the standards of hygiene and the quality of processed chicken on the local market
- Remove the seasonal fluctuations in the supply of processed chicken and eggs

One of the newest independent stations in Africa is Uganda's Radio Simba, which started broadcasting in June 1998. Radio Simba is a private station belonging to Ugandan businessmen Isaac Mulindwa Jr., Gordon Wavamunno and Aga Sekalala Jr., who is also the station's managing director. The station was privately financed by the shareholders in the amount of US$500,000 and was licensed by the Uganda Investment Authority in January 1997. The project was implemented within six months from the start of studio construction and within one year from incorporation of the company to the first test transmission. Most of Radio Simba's programs are in the Luganda language, but some of the 15 daily news bulletins are in English. Radio Simba describes its format as African and its music programs encompass various musical genres: Ugandan, south, central, and western African, reggae, soca, calypso, and rumba. To present the programs, Radio Simba has hired a blend of established personalities from the world of radio and theater, and young presenters with a fresh approach. As well as music, the station offers sports, talk shows, and comedy. As one of the most modern stations in Africa, it's not surprising that Radio Simba has its own Web site with a live audio stream, so it can be listened to from anywhere in the world. Also on the Web site is a daily news summary in English in text format. In Kampala, Radio Simba broadcasts on 97.3 FM. Its slogan in Luganda is "Ffe Mmwe—Mmwe Ffe," which means "The station is one with listeners and the listeners are one with the station."

Aga Sekalala Jr., coordinator of the Uganda Enterprise Network, was trained as a chemical engineer in the United States, receiving a bachelor of science in chemical engineering with minors in economics and mathematics, at the University of New Mexico in Albuquerque. He returned to Uganda in 1989 to join the family business, which at the time consisted of a hotel in Kampala, a farm-implement manufacturing plant, a mixed farm, and a small trading company. He was active in the restructuring of the business, focusing on processing and marketing of Ugandan agricultural commodities. He established Uvan Limited, a vanilla processing and vanilla export business that in 10 years has become the leading vanilla export operation in the region.

Uvan is a private company that buys, processes, and exports vanilla. It works with groups of farmers organized into associations, which facilitates the company's operations, as the associations play a role in selecting suitable farmers for participation in the company's lending program, recovering loans and bulking up and assessing the quality of vanilla for purchase. They also mobilize farmers to attend training programs provided by the company and negotiate with the company on the price paid for vanilla each season. Each association agrees on common objectives and rules and Uvan provides some secretarial support and legal assistance. Each association has a voluntary executive committee and members are required to pay dues. Benefits to members through membership in the association are improved access to extension services; timely marketing of produce and immediate cash payments; a collectively negotiated price for vanilla; and access to financial services.

With his family and foreign investors, Aga Jr. helped establish the previously mentioned Ugachick Poultry Breeders farm, animal feed mill, broiler farm, hatchery, and poultry processing facility. The company is exporting now to Tanzania, Rwanda, Kenya, and the Democratic Republic of Congo. He has also launched projects in entertainment. Together with a group of entrepreneurs, Aga Jr. built the Club Silk, one of Kampala's top nightclubs. Club Silk is one of the biggest and best-equipped discotheques in Uganda. It is situated in the heart of Kampala, attracting people from as far as Nairobi to come and have the time of their lives. Their premium sound system, stunning light show, massive music collection, and exquisite service make Club Silk second to none. The club boasts the greatest number of theme nights in Kampala every month. Every theme night has a different beat, a different style, and a different feel to it. Club Silk has a detailed Web site and is open on Tuesdays, Fridays, Saturdays, and all public holidays.

James Kalibbala, managing director of Avo Machinery, a small-scale engineering company employing 25 persons, specializes in the design and installation of low-voltage electrical control systems for factories, industries, and commercial installations, technically termed "panel building." Avo Machinery is the only firm in Uganda today that offers this type of service locally. Kalibbala is interested in expanding his business into the regional market to the West, notably Rwanda and the Republic of Congo.

Hussein Kyanjo is the senior director of Siphon, Ltd., in Uganda, a fully computerized graphic design and printing company that handles work from original design to final stages for traditional stationery printing, screen printing, plotting, and sign cutting and mounting. The company provides professional conference services such as typesetting, printing, and binding of reports and brochures. The company also produces promotional products like badges, stickers, and assorted plastic welded items.

Elvis Sekyanzi Wavamunno is a director of several companies in Uganda. He studied electronics and computer technology in the UK, returning to Uganda in 1989 to assist with the family business, Spear Motors Group. He worked specifically with Tumpeco Company, creating its department for number plates and signs. He designed the new license plates for Uganda that were launched on July 8, 1998. He was a partner to Aga Sekalala Jr., in setting up Club Silk, a top nightclub that has successfully operated since 1994 and where he is the managing director. He is the executive director of the number-one TV station in Uganda, WBSTV, which was launched in 1998.

Gloria Turyamureeba is the managing director of CNS Upholstery. Her company sells high-quality carpeting for residential and commercial purposes, including wall-to-wall and exclusive rugs. She also provides curtains of various types. Her company has been in business for 10 years now.

Her products are mainly made in the United States; however, a few come from Turkey, China, and Belgium.

Sudhir Ruparelia a leading local financial services provider and real-estate developer, has staked his future on Uganda's economic growth. His belief is based on the simple formula of exploiting what you have in plenty. What Uganda has in plenty is a natural beauty few other countries can match with the same abundance. That is why he is developing Speke Resort Munyonyo. Although it still is in its early stages, the fifty-plus-acre site shows all the signs of being an exceptional leisure spot. "We Ugandans sometimes don't appreciate enough of what we have. Why go to other countries for holidays, when there are so many undeveloped attractions here at home?" Sudhir says, "In developed countries, it is the local people who first popularize a place before foreigners come in. That is what I want to do with Munyonyo. I want to make it a place where people from all walks of life can come and enjoy themselves." Before Sudhir knew it, he was importing horses and planning for a marina, self-contained huts, apartments, restaurants, and an outdoor stage. Of essence to Sudhir's way of thinking about Munyonyo is having as much expanse of green as possible. "I don't want to strain people's eyes with so much construction. I believe in using as much natural effects as possible. Uganda has so much to offer. Why destroy it?" he says. However, a sober look at what he has accomplished to date and what he aims to do for the place suggests that Speke Resort, a multibillion-dollar project, could set other able Ugandans thinking. As for Sudhir, he is talking about developing an island (Musoke 2000).

Capital Radio 91.3 FM began broadcasting in January 1994. It is 55 percent owned by William Pike, who is British but a long-time resident of Uganda, and the Ghanaian Patrick Quarcoo. The remaining 45 percent ownership is Ugandan. Capital Radio targets the higher-income social class between the ages of 20 and 40. It broadcasts in English from two studios and covers most of Uganda, with relay stations in Mbale and Mbarara, which are in the east and west of Uganda respectively. There are no immediate plans to expand over the rest of the country. According to its directors, Capital has the highest audience ratings in Uganda, and is the most successful station in attracting advertisers. It generally makes good profits, although the market is very competitive. Programming consists of 90 percent music and entertainment programs. There is a five-minute news bulletin every hour, a political talk show from 10 to 12 on Saturday mornings, and "Capital Doctor," a very successful educational program on health issues. Although the station is nondenominational, it broadcasts Christian greetings and gospel music on Sunday mornings. Lack of trained personnel is a significant constraint. The station is sometimes criticized for being repetitive.

Capital Radio now owns KISS FM in Nairobi, where there is "a bigger market and enough advertising." Its managing director, Patrick Quarcoo, says, “We shall focus on music, entertainment, fun, and local and international news targeted at urban professionals aged between 20 and 35.” Kiss FM will broadcast on FM 100.3, in English and Kiswahili. KISS FM has signed an agreement with Worldspace, the Washington-based international satellite radio service. KISS FM will be heard on the south beam of the Worldspace Afristar satellite, which covers all of Kenya and much of eastern, central, and southern Africa (Baguma 1999).

In November 1992 Charles Onyango-Obbo returned from the United States (Harvard) to join five of his journalist colleagues as deputy editor of the *Kampala Monitor* newspaper. Led by veteran journalist and editor Wafula Oguttu, Obbo’s colleagues had started the *Monitor* in July 1992 as a weekly newspaper. Obbo is now the managing editor and David Ouma is the editor. Monitor Publications, Ltd., the publisher, is a leading publishing company in Uganda. Starting in the newspaper publishing industry with the *Monitor*, it has since expanded to include publication of the *Monitor Business Directory*, school books (Readers Series, fun books and novels), Islamic studies books, and reference books. It also offers printing services for magazines, other newspapers, other book publishers, and stationery outlets. Monitor Publications, Ltd., has been at the forefront of introducing leading-edge technology to Uganda and to the newspaper industry in particular. In 1996 the *Monitor* Internet version at http://www.africanews.com/monitor was born, making it the first newspaper in black Africa outside South Africa to go onto the Internet. In March 1999 Monitor Publications, Ltd., pioneered the spread of the Internet into corporate Uganda by providing Internet service to all its employees. It has since followed this with the setup of a Web page at http://www.monitor.co.ug, which currently averages 16 million hits a month. In August 1999 the company acquired a license to operate FM radio service in Uganda and commissioned Monitor FM in March 2001 as Uganda’s first all-talk and news private station.

Since 1992 the *Monitor* has managed to grow into the most influential and bestselling independent newspaper in Uganda. In March 2000 Monitor Publications entered into a partnership with the Nation Media Group of Kenya in a bid to widen its readership beyond Uganda. The *Monitor*‘s managing director, Wafula Oguttu, says the Nation Group’s investment opens up opportunities in many areas, including developing Monitor Publications’ human and technical resources and expanding the distribution network. “The move is in line with the spirit of East African cooperation and the global trend toward strategic alliances and partnerships across industries to harness synergies,” he says. Under the agreement, the Nation Media Group of Kenya, the largest media house in Africa outside South Africa and Egypt, owns 60 percent of the *Monitor*. Onyango-Obbo and his five colleagues at the paper own the other 40 percent of the paper. Managing editor Onyango-Obbo specializes in security and democracy issues in the African

Great Lakes region. Born in the town of Mbale in eastern Uganda in 1958, he studied at Makerere University in Kampala; the American University in Cairo, where he obtained his master's degree in journalism; and Harvard University in 1991 on the prestigious Nieman Fellowship. He writes a popular column, "Ear to the Ground," every Wednesday and a column in the prestigious regional weekly, the *East African*. He is also Uganda's leading political commentator and appears on a lively Saturday morning talk show on Capital Radio. He is regularly interviewed by international media on Uganda and regional affairs. He has published two books, *Ear to the Ground* and *Uganda's Poorly Kept Secrets*.

FINCA (the Foundation for International Community Assistance) has been helping families to create their own solutions to poverty since 1984. They invented the "Village Banking method" of credit delivery, now used by more than 80 other organizations worldwide. They operate on five continents in more diverse cultures than any other micro credit provider. They offer loans, not gifts, and they promote financial independence, both among their clients and in their programs. Although they are a nonprofit organization, they strive to operate with sound business principles and an entrepreneurial spirit. They provide financial services to the world's poorest families so that they can create their own jobs, raise household incomes, and improve their standard of living. They deliver these services through a global network of locally managed, self-supporting institutions.

FINCA Uganda was founded in 1992 as FINCA's first village banking program on the African continent. The US-funded program is aimed at stimulating new economic activity in Uganda, particularly among mothers, and to assist the poorest families to create and sustain their own employment. FINCA's very first village bank was at Wakitaka in Jinja district before it spread to other parts of the country. By 1997 FINCA (Uganda) was the fastest growing program in the FINCA network. Although it is not the oldest FINCA program, FINCA Uganda is among the largest programs in the network, operating in 12 districts of Uganda, representing approximately one-third of the country. Its size is a testament to the tremendous demand for micro credit in Africa. Clients run food kiosks, sell fish, brew beverages, and provide services such as tailoring. A number of clients are refugees fleeing conflicts in the north and west of the country, near the Congo and in the African Great Lakes region. FINCA also estimates that 75 percent of its clients care for children who have lost their parents to the AIDS virus, a fact that reflects the devastating effect of that disease on the society as a whole.

In 2000 FINCA Uganda disbursed loans to more than 25,000 clients for a family average of US$263. In Uganda, US$263 represents more than 9 weeks' average salary. As a model program in the region, FINCA Uganda has experimented with several new products, including offering its clients access to group insurance. FINCA Uganda dealt admirably with a financial crisis in 1999, when the Coop Bank of Uganda closed its doors, freezing a portion of FINCA Uganda's—as well as some of its clients'—assets. With quick action and emergency assistance from the African Hub and FINCA's Village Bank Capital Fund, FINCA Uganda was able to borrow against its frozen assets and recapitalize its Village Banking groups with only a one-day delay. This rapid response was vital, not only to FINCA Uganda's ability to collect its repayments, but also to clients' confidence in FINCA.

In 1998, accompanied by First Lady Hillary Rodham Clinton and President and Mrs. Museveni of Uganda, U.S. President William Clinton visited a number of businesses of FINCA Uganda borrowers, including Teddy Bamwite a tailor and sewing teacher, Lamulati Kibirige a baker, Betty Namugosa a store operator, Mary Wanene a grocer, Robinah Balidawa a brick-maker, Milly Mukyala an operator of a milk and yogurt business, and Margaret Magabane a woman who raises rabbits. Clearly impressed by the determination of FINCA entrepreneurs, President Clinton said, "The United States is proud to support FINCA in these efforts." It is through micro credit programs like FINCA that women in villages all across the world are going to be able to better meet the needs of their children. They will be able to build the economies of their villages. This will make their nations stronger and the world a better place.

Entrepreneurs Mark Gordon and Tony Kay are finally moving toward their dream of linking the South African Cape with Cairo by rail. Since November 1998, the Trans Africa Railway has been operating a rail link from Johannesburg, South Africa, through Botswana, Zimbabwe, Zambia. and Tanzania to Kampala, Uganda, in East Africa. The rail line competes with ships sailing from Durban, South Africa, and stopping at various ports on the way to Dar es Salaam, the capital of Tanzania. The link is expected to revolutionize commodity trade in Africa. Trade between East Africa and Southern Africa should blossom as new markets open and demand increases. Expansion of this rail service in both capacity and routes should progress until someday freight can be shipped by rail from the Cape all the way to Cairo (Robertson 1999).

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IV

Central Africa

The small landlocked central African countries of Rwanda and Burundi form part of an economic union of countries in the central African region. Other members of the Economic Community of Central African States are Cameroon, the Central African Republic, Chad, Equatorial Guinea, the oil-rich Congo and Gabon, and the vast country of the Democratic Republic of Congo.

The Central Africa region has a population estimated for the year 2000 at 111.1 million. The major countries in this region are Angola (12.9M, capital Luanda 2.8M), Burundi (6.7M), Cameroon (15.1M), Central African Republic (3.6M), Chad (7.6M), the Democratic Republic of Congo (51.7M, capital Kinshasa 6.1M), and Rwanda (7.7M).

13

Central African Republic, Gabon, Chad, and Cameroon

CENTRAL AFRICAN REPUBLIC

In 1996 Tony Teixeira was trying to find a way for the Central African Republic to barter-fund a US$188 million hydroelectric scheme. The Central African Republic is rich in rivers and natural resources. He noticed people digging holes everywhere and discovered that the Central African Republic's wealth lies not in crops but in gold and diamonds—lots of them. He formed his own company called Camco Sarl and sunk his own money into proper diamond trading and mining projects. Camco Sarl is a Central African Republic registered mining company with concessions and mining operations in that country. It is wholly owned by Lyndhurst, Ltd., a private company controlled by Tony Teixeira. Camco has six blocks of diamond-rich concessions with river terraces and gravel that bear diamonds. Where there are rivers, there are diamonds. Camco is forming joint ventures with professional diamond diggers on Camco's blocks. Camco has also established Cadco Sarl, one of three authorized diamond-buying agencies. Cadco Sarl is a private diamond-buying and export company registered in the Central African Republic. The company is a venture between Lyndhurst, Ltd., controlled by Tony Teixeira, and PDR, Ltd., a company controlled by Brian Menell. Cadco will buy stones for export from Camco's operations. In the meantime, Teixeira has recommended rejection of the hydroelectric scheme in favor of river turbines at a cost of only US$20 million. The Central African Republic may be undeveloped, unexplored, and underinvested, but Teixeira is finding the country full of thrilling prospects and open for business (Walker 1998).

GABON

Petrolin Group was born out of a series of key business decisions and actions conducted by Samuel Dossou-Aworet, the Founding President, in the late eighties. These actions were later formalized by the creation of several companies of the Group to engage in the following petroleum sectors:

1. Trading of crude oil and refined products, and Processing.
2. Oil Exploration and Production.
3. Services including E & P Data Management, and Technical Assistance to state entities and oil companies.

Their turnover in 2000 was US$380 million. Their core business remains Trading. However, with a 26.1 percent working interest of Petrolin Group in an oil discovery in Yemen with recoverable reserves estimated at 50 millions barrels, they are now strengthening their Exploration & Production activities. As a service company, they are implementing a comprehensive turn key petroleum databank solution for Gabon and an E & P database for the African Petroleum Producers Association (APPA). Petrolin Group's highly experienced management team has made it possible for the group to provide intense consulting services in Africa to state entities and oil companies.

Samuel Dossou-Aworet is a well-seasoned oil professional, with over 30 years experience in the oil industry. He holds several engineering degrees from reputable European universities. His dynamic professional career has led him to be entrusted with the following positions:

1. Chairman of OPEC Board of Governors (two mandates);
2. General Manager at the Gabon's Ministry of Hydrocarbons;
3. Founding and current President of African Institute of Petroleum; and
4. Advisor to several international companies and state entities, with a particular focus in the South Africa, Central and Western African regions.

Petrolin Trading Ltd., the trading arm of the Group, markets about 50,000 barrels per day of crude oil and products from countries such as Angola, Benin, Cameroon, Congo, Democratic Republic of Congo, Gabon, Nigeria, and soon the Middle-East region. Their main suppliers are independent oil producers, state entities and fully integrated oil companies. They sell most of their crude to fully integrated oil companies and major refiners for use in their own systems. The United States/Caribbean is their main outlet. Prior to 1996, it was the European market.

In 2001, Petrolin was processing up 6,200 barrels per day of crude oil. Its refined products such as gasoline, jet, gas oil and fuel oil are manufactured and exported to other West African countries, particularly Angola, Togo, Guinea, Benin, Namibia, Senegal, Congo, Democratic Republic of Congo, and Gambia.

Petrolin Group is active in oil exploration and production in Yemen. In East Sarr Block 53 the Group holds a 26.1 percent interest in the Sharyoof oil discovery. The recoverable reserves are estimated at 50 millions barrels. East Sarr Block 53 is strategically located in the vicinity of regional pipeline networks leading to neighbouring Ash Shihr terminal near Mukallah on the Arabian Sea coast as well as other existing oil infrastructures. The field is now in a developmental phase. First oil was targeted for November 2001.

Petrolin's data management team uses state of the art facilities to provide petroleum data management services for oil companies, national organisations and state entities. Their experienced team designs data repositories to meet the specific needs of clients and offers a tiered system of data management solutions. Their data management strategy incorporates the following services:

1. Conception, design and implementation of petroleum databank projects
2. Databank project evaluation
3. Data and media auditing—Cataloguing of existing data assets
4. Tape transcription to new media formats—Document scanning
5. Data recovery—Reformatting and demultiplexing—Vectorisation—Digitising
6. Data compaction and archival—Databank loading

Currently they are implementing a comprehensive turn key petroleum databank solution for Gabon and an E & P database for the African Petroleum Producers Association (APPA).

Petrolin Group has played an active role in the promotion of important oilfields in Africa, especially:

1. Rabi and its peripherals in Gabon,
2. N'Kossa and Yombo in Congo,
3. Doba in Chad, and
4. Marginal fields such as M'Bya and Oguendjo in Gabon and Seme in Benin.

The Group has organized and promoted Gabon 8th and 9th licensing bidding rounds in partnership with IndigoPool.com Ltd, Geoquest and Geco-Prakla, all Schlumberger affiliates.

On several occasions, Petrolin has been requested to perform specific interventions in Africa such as:

1. Assistance to several oil companies on acquisition opportunities and creation of affiliates in Africa.
2. Assistance to governmental institutions for negotiation with oil companies, elaboration of Petroleum law, legal documents.

3. Valuation of national oil company assets.
4. Assistance in the settlement of disputes between oil companies and State entities.
5. Feasibility study for the construction of a joint pipeline linking several marginal fields to a main terminal.
6. Technical audit of refineries.

Apart from its commercial objectives Petrolin Group and its Chairman are keenly involved in social and cultural activities and investments related to African development through "Foundation Espace Afrique," a non profit organization recognized by the Canton of Geneva (Switzerland) as a public utility organization. Under the leadership of Samuel Dossou-Aworet, "Foundation Espace Afrique" contributes to the improvement of the social conditions of the disadvantaged African youth living in rural areas by providing free access to education and medical care for these communities and promoting social, cultural activities and artistic talents.

CHAD

As an example of the cooperation needed between Central African countries to improve the economic environment for entrepreneurs in Central Africa, construction has commenced on the Chad-Cameroon Oil Development and Pipeline Project in Central Africa. The project will develop landlocked oilfields at Doba in southern Chad (at a cost of US$1.5 billion) and transport the crude oil 650 miles by buried underground pipeline to offshore oil-loading facilities on Cameroon's Atlantic coast for export to world markets (at a cost of US$2.2 billion). The project will produce about 225,000 barrels of oil per day. The project is expected to produce one billion barrels of oil over its 30-year life. The environmental and socioeconomic assessment estimates that, depending on the world oil prices, the project could result in nearly US$2 billion in revenues for Chad (averaging US$80 million per year) and US$500 million for Cameroon (averaging US$20 million per year) over the 25-year production period. The sponsors are ExxonMobil of the United States (the operator, with 40 percent of the private equity), Petronas of Malaysia (35 percent), and Chevron of the United States (25 percent). The Chad government acceded to Non Government Organization (NGO) and World Bank demands that 80 percent of the oil revenue be spent on health, education, infrastructure, and rural development. This will provide Chad with an opportunity—unique in its troubled history—to modernize and possibly produce an economic development value for Chad of at least US$8.5 billion over the project's life. An additional 5 percent will be returned to the areas where the oil is pumped, 10 percent will be set aside in a trust for future generations, and 5 percent is earmarked for discretionary use by the government. Meanwhile the Chad government plans to establish an oil refinery at the capital city of N'Djamena. The refinery will have a planned capacity between 3,000 and 5,000 barrels a day and will produce fuel for transport and power generation. The oil for the N'Djamena refinery will be piped from the Sedigi field in the Lake Chad Basin, which holds reserves of between 12 and 20 million barrels of high-quality crude oil.

CAMEROON

Mohamadou Dabo is chairman of the MODA Corporation, located in Hydrocarbures, Douala, Cameroon. From its creation, MODA has endeavored to become a strong and internationally renowned holding firm with interest in international trading, telecommunication, computers and electronics, real-estate development, finance, automobile retailing, and public transportation. Today, they owe their success to the confidence that its partners and customers have bestowed upon them. This trust is a clear sign that they operate as a group of professionals who fulfill their agreements with both customers (quality of products, service, and delivery time) and partners (repayment schedule and technology transfer), leading to a mutually beneficial relationship.

In an economic environment characterized by globalization, successful firms are seeking new strategies to meet the complex challenges of the future. For those of their partners who would like to relocate or invest in Africa, MODA has secured an industrial free zone area in Douala, Cameroon, that is available to them. MODA offers their partners a strong and lasting partnership so that that they can continue to satisfy the needs of their customers and promote the social welfare of their global village. MODA is a holding company registered in Cameroon that invests in various activities through subsidiaries or acquisition of shares. Founded in 1986, the group is now largely diversified and has acquired world-class know-how and experience. With a portfolio of ten (enterprises, the MODA Corporation operates in telecommunication, data processing, finance, transport and logistics, automobiles, mineral water, import and export, general trading, international trading, real-estate development, and construction.

The goal of MODA is to enter the third millennium with an integrated set of enterprises that have mastered the technology and are giving total satisfaction to the customers by the quality of products and services and to the shareholders by their productivity and a high return on investments. Working in conjunction with government economic policy, MODA intends to give a priority to industrialization in the coming century, which will produce more wealth for the country and the shareholders.

The overall objective requires identifying profitable sectors, conducting feasibility studies and creating SMEs and SMIs with or without partners. When necessary, it requires seeking technical or financial partners, laying the emphasis on technological transfer through technical assistance and training. It also requires upholding the basic philosophy that has been the strength of MODA, striving to provide quality products and services at reasonable prices and forming stable joint ventures in Cameroon and Africa that are mutually beneficial.

Until recently women could not inherit in Africa. Françoise Foning, vice president of Les Femmes Chefs d'Entreprises Mondiales (FCEM), deputy of the Cameroon National Assembly, and president of Groupement des Femmes d'Affaires du Cameroun (GFAC), believes that everybody should strive to fill the credit gap. Credit access, information, and currency exchange are the main problems she points out. She recommends building information networks at all levels. Locally, nodal enterprises could function as spiders building webs of knowledge. Regionally, women entrepreneurs could share information through trusted partnerships. Globally, their highly resilient World Association has defended their interests for almost half a century and appears to be going strong.

The women in the organization are generally not business tycoons. They do not form the top of the economic pyramid, but rather the backbone of its structure. Their businesses have developed gradually from small market operations into medium-sized enterprises with some 10–15 employees. Foning asks, "Why do we succeed?" She answers, "Because we have built networks of trust. We do not need banks, as long as they see no need for us. We have our tontines, or rotating savings and credit associations. African banks are just interested in deposits, and little do they venture into investment finance. They require collateral we generally do not have. Tontines work on trust, they have very low transaction costs, build capacity for management, and provide networks of support."

The challenge is how to build on these networks and generate a women's banking system based on mutual trust. "Why," she asks, "can our world federation not make a Women's World Bank?" Foning is president and CEO of Groupe Foning in Douala, Cameroon, a group that is active in carpentry, decoration, cabinetmaking, tapestry, furniture, forestry, and export of wood and furniture in addition to batteries, clinics, education, supermarkets, and construction. She is also an executive board member of the African Business Round Table, representing the Central and East African Chapter (Foning 1999).

Today, as founder and chief executive officer of Application Technologies, Inc., Rebecca Enonchong remains passionate about her native Africa. Born in Cameroon in 1967, Enonchong moved to the United States in 1982. Having worked as an accountant during college and while finishing her master's degree in international political economics, Enonchong got a job selling accounting software at an Egghead software store. Customers interested in accounting would wait until Enonchong was on duty to shop, she recalls, and a business idea was born. Launched in 1999, Application Technologies helps companies set up and run financial and enterprise-resource planning software systems. The Bethesda, Maryland, consulting firm now has nearly 60 employees and offices in the United States, Europe, and Africa. Africans have to make sure there are training programs so that more people can be trained in technology, not just at the university level, but also at the professional-school level. Africans need to put more computers in the hands of these training institutes—Africans already have many training institutes on the continent, training people on population control, agriculture, and how to start a small business, for example. Channeling technological knowledge through the same training institutes could make the technology seem less far away. Africans also need to let people in developed nations know that there are technology resources available in Africa.

James O. Onobiono is one of the first Cameroons who succeeded in building a real holding after the government changed its economic policies. After studies in France that ushered in a PHD in mathematics, he was hired by the famous French Research Center CNRS and, after some time, went back to his country as a lecturer in polytechnics at the University of Yaoundé—Cameroon, Onobiono decided to work for himself. He began by setting up a home appliance plant, FAEM, in 1979. The tobacco company that he is president of, Société Industrielle des Tabacs du Cameroun (SITBAC), was created by him in January 1983. After a full year of promotion and deep studies on distribution, he started production in 1985. After a few years of activities, the company has achieved a 65 percent market share in Cameroon and is expanding into Gabon, Congo, Nigeria, Guinea, and Chad. Exports are around 25 percent of production. Onobiono has invested in almost every sector of the economy in Cameroon, including dairy products, fruit juices, industrial packaging, insurance, and financial services.

Onobiono has served a two-term mandate as president of the African Business Round Table (ABR), which is an Africa-wide private-sector organization that has enjoyed wide international recognition since its inception in 1990 by the African Development Bank (ADB). The ABR enjoys special relations with the ADB, agencies of the UN, the U.S. International Development Agency (USAID) and its members are involved in banking, communications, telecommunications, international transport, agribusiness, tobacco processing and manufacturing, pharmaceuticals, fisheries, insurance, minerals, petrochemicals, and public works. Business executives, corporations, and organizations interested in contributing to Africa's private-sector development join the ABR to promote dialogue between governments and private-sector operators and to promote good governance and democracy as well as private-sector initiatives. To strengthen links between its members, the ABR has launched two major programs: the ABEX Program (African Business Executive), which is a kind of data bank on businesses in Africa, and the Africa Millennium Fund, worth US$50 million, to finance industrial projects. The ABR also initiates or participates in events related to Africa's private-sector development.

Victor Fotso, who is 74 years old, made his fortune by himself from practically nothing. He is the true pride of Cameroon. He is known as the "Child of Tsela," which is the name of the neighborhood where he was born. He began as a salesman in the bush, like many *bamilekes* (Cameroons) after studying the local wholesale grocer business and starting the first European-style supermarket. He then a transportation business and later became a partner in some brasseries, ice-cream shops, and liquor stores. Then he launched into the industrial forest business in pursuit of his match manufacturing business. Ten years later he is the head of dozens of businesses—batteries, small inns, matches, packaging products, agricultural chemical industry, food, beer, and household goods. His son is the present director general of the Cameroon air transport company, CAMAIR.

The banking sector has not been able to offer all the financial services the economy of Cameroon needs. It lacks specialized financial services. To seize new opportunities and to benefit the most from the current economic growth, a financial market seems indispensable. Also, services for long-term investments like mortgages have to be developed. These lacks demonstrate the room for growth in the financial sector of Cameroon. Understanding this, in late 1997, Fotso's Commercial Bank of Cameroon (CBC) opened its doors in Douala, Cameroon. First commercial and industrial leader of Cameroon, Fotso had to wait a long time before becoming an independent banker in Cameroon. The window of opportunity for the banking sector has been reopened and the sector has learned valuable lessons. If the banking sector succeeds in keeping up its newfound professional attitude and continues to offer the services demanded by its clients, the sector will prove to be a major catalyst for the economic development of Cameroon.

Prescraft, an established exporter of crafts, is dedicated to preserving the rich cultural heritage of the North West Province of Cameroon in Central Africa. It was founded in the 1960s by the Presbyterian Church to provide employment for local youth. Its goals are to stem the flow of peasants from the rural area to the cities, to preserve traditional craft skills, and to instill self-confidence in the craftsmen. More than 500 men and women in rural villages around the provincial capital of Bameda work in their homes and small open-air workshops to produce traditional handicrafts for Prescraft. Prescraft provides training, hand tools, and local raw materials. The artisans produce woodcarvings, calabash (gourd containers), brassware, pottery, musical instruments, woven grass, tailored fabric, toys, and puzzles. The crafts are exported or sold through two shops in Bameda.

Among the many misperceptions about African art is that the traditions of African art survive only in antiquities. Prescraft's Cameroon artists Edwin Fotachwi and Nchinda Wanjel Frances are just two examples of how the traditions of African sculpture are thriving without compromise. Wanjel lives in the remote mountain community of Oku, surrounded by the mystical Kilum mountain forest. His gift for carving life into traditional

Oku masks has earned him a place as the favored carver of the king of Oku, known as the "Fon." Edwin Fotachwi distinguished himself early on as a talented carver—literally becoming Prescraft's "poster boy" after he was photographed as he carved a particular intricate ceremonial bowl. Like Wanjel, Edwin is the favored carver of his own king, the Fon of the not-so-remote town of Bali-Nyonga. Both these artists have a deep sense of the thread that connects them to the history of their people and to the traditions of their ancestors. They are carvers for their kings not because they copy what other carvers have done in the past, but because they have the creativity to grab that thread and pull it into the future.

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14

Democratic Republic of Congo, Rwanda, and Angola

DEMOCRATIC REPUBLIC OF CONGO

As the third-largest country in Africa, Democratic Republic of Congo's development potential is considerable. Copper, cobalt, coffee, petroleum, and diamonds provide most of its foreign exchange earnings. Laced by well-watered tropical rivers over broken terrain, Congo's hydroelectric potential exceeds 100,000 megawatts, some 13 percent of the world's total. The largely unexploited forests represent the world's largest reserves of tropical hardwood. Arable land is plentiful through much of Democratic Republic of Congo, and inland waters contain abundant supplies of fish. Improved political stability would boost Democratic Republic of Congo's long-term potential to effectively exploit its vast wealth of mineral and agricultural resources. The economy is largely undermobilized and underused, with 80 percent of the labor force deployed in subsistence activities and large untapped mineral, agricultural, and energy potential. The land transportation system is multimodal, utilizing railways, roads, and long navigable stretches of inland rivers and lakes. Congo's electricity sector is its best prospect for rapid growth, besides offering significant prospects for improvement in industry and in the local standard of living. Renewed growth could rely on the country's low-cost and potentially competitive labor force, strong natural resource base, large domestic market, dynamic local communities, and nongovernmental organizations (NGOs), preferential access to European markets, and proximity to the South African economy (U.S. Department of State 2001).

Janet MacGaffey has a Ph.D. from Bryn Mawr and has taught economic anthropology, social organization, and underground economies in Africa as professor of anthropology at Bucknell University. She wrote *Entrepreneurs and Parasites* and is coauthor of *The Real Economy of Zaire*. She and Rémy Bazenguissa-Ganga have published a new book, *Congo—Paris: Transnational Traders on the Margins of the Law* (2000), which is about globalization as practiced by Congolese traders who operate a thriving second economy linking Central Africa and Europe. She investigates the transnational trade between Central Africa and Europe by focusing on the lives of individual traders from Kinshasa and Brazzaville, who operate across national frontiers and often outside the law. Challenging the boundaries of anthropology, Janet MacGaffey follows complex international networks to examine the ways in which the African second economy has been extended transnationally and globally on the margins of the law. Who are these traders? What strategies do they have, not only to survive but also to shine? What kinds of networks do they rely on? What implications does their trade have for the study of globalization? The personal networks of ethnicity, kinship, religion, and friendship constructed by the traders fashion a world of their own. From Johannesburg to Cairo and from Dakar to Nairobi as well as in Paris, the Congolese traders are renowned and envied. This lively book shows that it is not just the multinationals that benefit from jets and mobile phones.

In July 2000 the U.S. Embassy in Kinshasa said that the largest U.S. investor in the Democratic Republic of Congo was Chevron International, with its Congo Chevron Oil subsidiary. Other U.S. investors were the Intercontinental Hotel, Midema ("Flour Mill of Matadi"—inaugurated in 1973 as a member of the Continental Grain Group, but now part of the Seaboard Overseas Group), Mobil, Citibank, the family-run Groupe Agro-Pastorale (GAP), and Telecel.

The largest non-U.S., non-Congolese firms were:

- Bralima, a brewery and a member of Heineken Group, which operates five plants, in Bukavu (Kivu), Boma (Bas-Congo), Kinshasa, Mbandaka, and Kisangani. The plants produce Amstel, Guinness, Mützig, Primus, and Turbo-King. The firm also produces and distributes Vitalo water and soft drinks (Coca-Cola, Fanta, and Sprite)
- BraCongo, another brewery, a member of Castel Group, which operates four plants, in Kinshasa, Mbuji-mayi (Kasaï oriental), Kananga (Kasaï occidental), and Isiro (Haut-Congo). Brands produced Castel, Doppel-Munich, 33 Export, and Skol. It also produces and distributes soft drinks under the brand names BAKO-Djino and Eau-Vive
- TabaCongo/BATCongo, cigarette manufacturer
- Marsavco, a member of Unilever Group that produces oil, margarine, soap, and toothpaste from palm oil refining
- Chanimetal, represents shipyard industrial equipment suppliers, including Caterpillar

- Utexafrica, a textile producer
- Beltexco, a general commerce concern
- Roffe-Congo, another general commerce concern
- Groupe Damseaux/Orgaman, a private multisector conglomerate created in 1974 by William Damseaux, its current chairman and managing director, to restart frozen food importation after the "Zairianization" nationalization

Georges Jaumain writes that there are a few very serious entrepreneurs in Central Africa. One of the best entrepreneurs he met and even worked for is William Damseaux of the last-mentioned group in Kinshasa. Jaumain says that Damseaux has built an incredible company despite numerous difficulties and is definitively someone to include in my study for that region. Today, Damseaux's Orgaman is a holding company that includes:

- Orgacom: the first importer of frozen goods (fish chickens, offal, and meat)
- Transmac: the first road transporter using Mack trucks
- Sebo: raising of cattle, pork, and sheep and food processing for the delicatessen trade
- Sotramar: a shipping and forwarding agent
- Ecop/Mampeza: in general commerce and river transport
- Orgatec: assembling, maintenance and repairing of more than 400 cold rooms
- Domaine De Katale: plantations of Arabica coffee and coffee-processing plant
- Orgamines: Retail gold purchasing
- Ogmconstruct: building construction and maintenance

William's father immigrated to what was then the Belgian Congo during the first-world crisis in 1931. He was 29 years old and suffering very much after the death of his young wife from a miscarriage. His two sons William and René rejoined him two years later in 1934. He first practiced his professions of butcher, cook, and caterer, and then became an innkeeper and restaurateur from 1937 to 1945 while developing an ultramodern farm on 10 hectares for pork, milk cows, laying hens, chicken breeding, dairy, cheese factory, and a pork butchery till 1951. William was 15 when, during school vacation of June 1941, he learned how to work with his father, who was already managing his hotel of 120 rooms (the biggest one in Kinshasa, then named Léopoldville). His father asked him whether he would like to continue working with him, which meant to leave his studies, "as you can read, write, and calculate," to help him build a new ultramodern farm, and Willliam agreed with enthusiasm.

In December 1942 they received their first livestock of milk cows, breeding pigs, and young laying poultry from South Africa by railway through Katanga, traveling more than 4,000 kilometers. By 1945 the farm became so big that his father decided to give up the hotel business to enable him to concentrate entirely on the farm development. In 1946, with the construction of their first cold store and new pork butchery, and the farm already worth 40 million Belgian francs, they started the importation of perishable goods conveyed once a week by "villeboat" (refrigerated freighter/reefer) between Antwerp, Belgium, and Matadi, a Congo River seaport. In the meantime Léopoldville had developed and their farm was situated near the Reine Elisabeth hospital. Their farm was developed on a field of ten hectares, which they had leased for ten years but could purchase if they improved it. They did improve it and received the ownership of the field after a special inquiry "commodo/incommodo" and the instructions to move the farm seventeen kilometers away from town. It was 1949 and they had two years to move.

In January 1951, William quit his father after a dispute on a question of the cold room temperature after their apples froze. One month later he took a job with Doctor Pasteels, a veterinarian who had just bought all the poultry equipment from William's father. Four months later he had a motorbike accident when riding from Dr. Pasteels's farm to town. A police superintendent picked him up from the ground. His right hip was broken. When this happened, his father was in Brussels and was informed of the accident by his third spouse. He had William transferred immediately to Brussels. On his arrival in Brussels by DC-6 on a stretcher, his father met him and proposed that his son take over his business as soon as he recovered. That is how four months later, in September 1951, William disembarked in Léopoldville with two crutches to take over his father's business. His father's wife helped for a few months. On January 1, 1952, he became his father's leaseholder, creating his first company, les Frigos Damseaux, in short Fridam, with his signature at the bank for a credit line of 2 million Belgian francs.

Damseaux's first hard shock as a boss happened just a few months after he took over his father's business, in 1952. His father had never taken out any insurance for the sea transport of perishable goods imported from Europe. His father used to say that "One can suffer a loss only in the case that a ship sinks." William was importing weekly fifty tons of frozen beef quarters from Argentina, through his supplier Van den Branden of Antwerp. A lot of fifty tons was loaded on a ship called *Mahenge*, and the ship was broken into two parts by another ship in the English Channel! Happily, his supplier Van den Branden, with whom his father had worked since 1947, accepted payment by bills of exchange for twelve months. The weekly shipments of frozen meat were sold in the Léopoldville Grand Marché market, but the Congolese consumers had a preference for fresh meat.

In 1953 William introduced the first importation of fresh beef quarters. Shipments from Chad arrived three times per week on DC-3 airplanes, each with the cargo capacity of three tons. Flight time was seven hours from

Fort Lamy (now N'Djamena) to Léopoldville with a technical stopover in Libenge near the Ubangi River. From 1953 to 1960 they upgraded to three weekly seven-ton loads on DC-4 flights. Flight time was four hours, with no stopover. Then they again upgraded to two weekly 35-ton loads on DC-8 flights. Flight time was under two and one-half hours. They were also importing fresh fruits from South Africa by plane from Johannesburg. To reduce the air freight fees, William decided in 1956 to look for a small refrigerator boat. He bought the wreck of a Moroccan sardine and tuna boat, which was in the Lisbon port, and had it transformed into a refrigerator boat with three holds for the transport of fresh fruits and frozen meat between Cape Town and Matadi. He created two companies with partners in Cape Town, Charter Marine Agency, with a Greek as shipping agent; and Fridam, with a German as buying agent. In 1952, when William took over his father's business, the monthly turnover had been 2 million Belgian francs. In June 1960, at the Independence of the Belgian Congo, the business had reached 16 million Belgian francs per month.

William Damseaux was now at the head of a large organization controlling a "state in the State." Then came the riots, civil war, and the exodus of Belgians and expatriates. Despite huge losses, Damseaux adapted to the situation and managed to supply the country with perishable food. Then he was asked to supply the UN troops in the Congo. This kept him out of bankruptcy, and his business started up again once the country was pacified. He started importing meat from South America.

But in 1970, Mobutu nationalized all foreign companies in the Congo. Mobutu's uncle Lito wanted to grab the Damseaux Company (Congo Fridge). Damseaux was forced to give it to him at one-third its value. He was the first to experience "Zairianization." A few years later Lito had completely destroyed the best company in the Congo and Mobutu had destroyed the economy of the Congo, because 99 percent of the beneficiaries of the nationalization didn't have a clue of how to run a business! William Damseaux had lived a few years in Belgium after the loss of his empire, but the call of Africa was too strong and he decided to start all over again in Kinshasa (Léopoldville had also been Zairianized). He rented a small butchery and a two-room office near the rail station and started importing perishable food (meat, fish, and chicken) for the populace, a field he knew very well! In 1974 he started all over again and created Orgaman, which in time will become a holding company. The Orgaman Group would become the largest company in Zaire!

By 1985 (after 10 years of very hard work) Damseaux had created a new empire called the Orgaman Group, distributing approximately 80,000 tons of food per year. The group dealt with the import of frozen perishables. He had his own trucking company (and was also an agent for Mack trucks), clearinghouse, and purchasing offices in Europe. He had riverboats to transport goods on the Zaire River (as the Congo River was temporarily renamed), cold rooms in Kinshasa, a technical company to build and repair cold rooms, farms to grow pigs and chicken, and cattle ranches to produce his own meat. In order to get the much-needed foreign exchange for his importations, Damseaux had to open a diamond-purchasing comptoir and also financed the refurbishment of the Kilo-Moto gold mine in the Northeast. Diamonds and gold for export are not commodities to get rich by. Damseaux's worries were, and are still today, generating foreign exchange to cover his import requirements, since he can not rely on the banking sector to do so.

In 1990, when Mobutu's power crumbled, the dictator-president authorized his soldiers to start stealing from his opposition in Kinshasa. The population soon joined in, and the entire town was ransacked! Damseaux's cold rooms and many Mack trucks were damaged. Soon after, the powerful Gecamines company (copper and cobalt mines in Katanga) was unable to pay the employees' salaries, and Damseaux was called on to lend money to the mine. In 1991 Congo was faced, with riots and again in 1993. The country was on its knees. Damseaux managed to keep feeding the people in Kinshasa.

Then came hope with the arrival of the revolutionary leader Laurent Kabila on May 17, 1997. Damseaux said, "We all hoped that everything would be better." But when Kabila, backed by Rwandan Tutsi soldiers, took power in Kinshasa, Kabila started questioning all the large companies and harassing them because he thought that they all belonged to the Mobutu family! Tough times again for William Damseaux and his son Jean-Claude Damseaux and all his associates. Damseaux was evicted from his house (which he built in 1941) because it was close to the prime minister's house. And what about tomorrow? He could enjoy peace and all the benefits of his wealth in Europe, but Damseaux answered, "If my son Jean-Claude had not shown an interest, I would have sold everything for one-fourth of its value. However, I remain optimistic. I have great trust in Congo's people's rich potential—and I finally got my house back!" Despite those hard times and instability, Damseaux still works twelve hours a day. Jaumain doesn't know anyone else who loves the Congo that much and still dreams of building the economy and contributing to the upliftment of the masses despite the incredible hardship experienced with the local politicians and soldiers. Quite a rare breed of entrepreneur indeed!

Miko Rwayitare, Telecel's president and executive chairman, was born in what was the Belgian Congo in 1942. Using current geographical boundaries, Rwayitare's mother came from the Democratic Republic of Congo and his father was from Rwanda. Rwayitare continues to hold his citizenship in Democratic Republic of Congo, but he resides in South Africa. After his formal education in the Congo, Rwayitare spent several years in Europe, earning a graduate degree in engineering from the Technical University of Karlsruhe, Germany. He put this to use working for Gecamines, the state-owned mining company in the Democratic Republic of Congo when the country was named Zaire. During the 1970s, Rwayitare recognized the rapidly developing computer industry in North America and Europe. As an engineer, he knew how computers were typically applied to mining and other disciplines practiced in developed countries. And in the late 1970s Rwayitare convinced Hewlett-Packard to grant him a distributorship in Zaire for Hewlett-Packard computer products. He subsequently convinced Xerox to do the same thing with their office systems product line. Rwayitare developed these businesses successfully and was one of the first sources of this technology in Central Africa during the late 1970s and early 1980s. In 1985 Rwayitare had become familiar with the introduction of cellular technology in North America and Europe. Zaire, at that time, was plagued by an inefficient, poorly maintained, state-owned public telephone network that serviced less than 40,000 lines for a total population of more than 40 million people. Rwayitare convinced the Zairian government to let him bring a cellular system to Zaire for one year as a trial. That system initiated its first call in December 1986. It was the first cellular system on the African continent. The cellular service in Zaire's capital of Kinshasa dramatically increased the availability of telephone service.

Rwayitare and the company he founded, Telecel International, went on to construct cellular systems in four other Zairian cities and in 1991 Telecel expanded into neighboring Burundi. By 1995, Telecel was operating in five African countries, and in every case Rwayitare had spent months or years convincing government officials that the inclusion of private companies in the telecommunications sector was a progressive and painless approach to upgrading any country's telecommunications infrastructure. Today, Telecel has expanded into 10 African countries and has upgraded all its original analog systems to the digital GSM standard. In 2000 Telecel was operating in more African countries than any other operator and had over 400,000 subscribers in 12 countries: Benin, Burkina-Faso, Burundi, Central African Republic, Côte d'Ivoire, Democratic Republic of Congo, Gabon, Niger, Togo, Uganda, Zambia, and Zimbabwe. Recently, in April 2000, the founders of Telecel sold 80 percent of the company to Orascom Telecom, the leading Egyptian information technology and telecommunications conglomerate. This deal has given Telecel an enhanced financial capacity and strength to achieve its target of covering 20 countries by December 2002 and thus further contribute to Africa's social and economic development. Rwayitare continues to provide Telecel's strategic direction and vision. Telecel International, now based in Johannesburg, South Africa, will remain under the management of its chairman, Miko Rwayitare, while Orascom Telecom will hold the majority of directors on the board of the company. Rwayitare, aside from serving as president and CEO of Telecel Pty, will continue as president of C.I.E., exclusive distributors for

Rank-Xerox office equipment, Hewlett-Packard computers, and e-mail (RTI Paris) in Kinshasa, Congo.

In the twenty first century, Rwayitare says the principal challenge facing subsaharan African countries is to reduce poverty among the rural villagers, who constitute at least 70 percent of the population. He believes that in order to address this challenge effectively, African governments need to take charge and formulate and implement strategies that reduce poverty. This creates a platform and market for Information and Communication Technology (ICT) services to the benefit of all parties concerned: governments, the rural poor, and the sellers of goods and services. In these endeavors, African countries would need to continue to deepen their rural development policy and structural reforms, promote good governance, and build the institutions that foster peace and security and mobilize the maximum support possible from their development partners. Otherwise, without this focus by governments, the worldwide access to ICT will not have much relevance and impact on the rural sphere. Because of the lack of infrastructure, and the presence of abject poverty, Rwayitare says the role of virtual trade (e-commerce) for remote areas is still too far away to have any meaningful relevance to the rural poor in Africa. The communities are more concerned about basic issues like food, health, and transport. Abject poverty is often precipitated by unnecessary wars, conflicts, political instability, and the natural vagaries of drought and flooding. He believes that once the basic transportation and telecommunications infrastructure has been set up, there is then a platform to aggressively promote education and human resource development in areas of protecting the environment and enhancing trade in agricultural and mineral production, tourism, and other income-generating ventures. He acknowledges that the introduction of GSM licenses already has made a small but significant contribution in introducing ICT technologies to Africa and in increasing the number of people with access to a telephone. Coverage to rural villages is slightly better than before. With time, political commitment, and good governance, he is confident that rural villages will also benefit from ICT technologies (Rwayitare 2000).

The Mont Rochelle Mountain Winery in the Frankenschhoek Valley became South Africa's first wholly black-owned winery when Rwayitare bought it for 17 million rand (about US$2.1 million) on July 1, 2001. The 82-acre estate produces Cabernet Sauvignon and Chardonnay and bottled its first vintage in 1994. Mont Rochelle handles a production of up to 14,000 cases per year. Rwayitare is the first outsider from another African country to invest in the slow to change Cape wine industry and is planning to retire from the telecommunications business to take the helm of his new venture. Having no previous experience in wine, Rwayitare will retain the resident winemaker, UK-born Justin Hoy. Enthusiastic about exploring new export markets, particularly in the United States, Rwayitare is determined to develop the Mont Rochelle brand, with its 22 acres under vine and an additional 64 acres of leased vineyards in the valley.

In the area of textiles, Utexafrica (founded in 1923) is the Democratic Republic of Congo's main textile producer. It is a fully integrated textiles company, doing everything from growing cotton to producing finished clothing. It is one of five companies under the Belgian Company Texaf (Société Financière et de Gestion Texaf S.A.). Philippe Croonenberghs is the managing director of Texaf. He has held a number of operational and sales positions in Belgium, the Congo, and the Middle East. Texaf's activities are concentrated in the Democratic Republic of the Congo. Once per month, Croonenberghs, a graduate in applied economics from St. Ignatius University in Antwerp, accomplishes short stays in the Democratic Republic of Congo to follow the multiple activities of Texaf through its many subsidiary companies. For him, the Democratic Republic of Congo has always offered very good business opportunities, in spite of its frequent civil conflicts. Apart from textiles and cotton, the Texaf group owns holdings in Carrigres, an aggregates quarry in Kinshasa; in Mecelco, a boilermaking, metal-working and railway construction workshop at Lumbumbashi; and in Inforindus, a data processing and telecommunications company.

Croonenberghs states that new investment projects are discussed at the group's headquarters in Brussels. During the civil conflicts, only one of Texaf's subsidiaries, La Cotonniere, was prevented from exporting its products from Uvira, Maniema, and Kasai—where it employs about 5,000 workers—to the Kenyan port of Mombasa. All Texaf's other subsidiaries continued to operate as normal. Located on a complex of 26 hectares in Kinshasa, Utexafrica—which employs 2,800 workers in the production of textile and garments—carried on unaffected by civil conflicts. In fact, in the short term at least, any impact from the civil conflicts was positive. How? Competition in the form of cheap Asian goods, smuggled in with relative ease through the Goma airport, had completely stopped by mid-November 1997. Mecelco enjoyed a substantial increase in demand for building and repairing railway cars in Lubumbashi. This was due to an onrush of mining operators—American Minerals, Anglo-American, and Outokumpu, to name a few—staking a claim in the resource-rich Shaba province (Misser 1997).

In January 2001, Jean-Leon Bonnechere, marketing director of Utexafrica, reported that his company was experiencing unprecedented sales due to almost insatiable orders for khangas bearing the late president Laurent Kabila's image. A *khanga* is a rectangle of pure cotton cloth with a border all around it and printed in bold designs and bright colors. It is as long as a person's outstretched arm and wide enough to cover from neck to knee, or from waist to toe. Khangas are often bought in pairs and are usually worn in a most attractive and useful way. Most traditional outfits require a matched or unmatched pair. Women also use khangas to cover other clothes and to carry their young children on their backs. Khangas are also used as tablecloths or decorative wall hangings.

Entrepreneur Ngoyi Kasanji and his partners mortgaged their homes and hocked their cars to buy the biggest diamond the central African nation of Democratic Republic of Congo had produced in years—267.82 carats of "pure" glistening stone worth an estimated US$20 million. Kasanji, the chairman of the Fédération des Commissionnaires du Diamant (Federation of Diamond Agents, FECODI) and head of a group of 15 traders in Kasai Oriental province, acquired the gem from local miners. The story of the big diamond began in the summer of 2000, when about 20 diamond diggers found the stone in a mine in the Bena Tshiswaka, about fifteen miles from Mbuji Mayi, Democratic Republic of Congo's diamond capital. The diggers sold the diamond for $1.6 million worth of homes, cars, and cash to Kasanji. Kasanji flew with the diamond to Kinshasa and began negotiating with several traders. Before he could complete the deal, a mighty row broke out over its ownership. The diamond was seized, and Kasanji was jailed while the authorities investigated reports that the diamond had been stolen from the state-owned mining company, MIBA. Kasanji's arrest embarrassed the government. The dispute gave rise to a series of lawsuits. Kasanji was known for his philanthropy, and he became a cause célèbre for human-rights groups. Kasanji was released and the state prosecutor finally ruled that the diamond should be returned to the consortium. The 267-carat diamond was returned to Kasanji at a special ceremony at the central bank. The government had opened an auction for the diamond in late June 2000, but it was never sold. State radio reported that Democratic Republic of Congo President Laurent-Désiré Kabila ordered the return of the diamond to its owner. The story presents a very magnanimous image of Kabila, but one can be forgiven for being cynical enough to ask: Just what was his cut (no pun intended)? Kasanji was quoted as saying he would have to sell the diamond through official government-approved channels and would offer it for sale at US$20 million, the top end of the price bracket suggested by the state valuing center. Today, it is unclear where the diamond is. An offer of $18 million by a German dealer fell through in November 2000, and Kasanji declined to comment on whether the diamond has been sold elsewhere. The future will tell whether diamonds are a dark curse or a shining hope for the Congo.

"Discover the original 4X4." Land Rover has a rich history and is considered to be the first motorized vehicle one-fourth of the world ever saw. Often called "the world's workhorse," the Land Rover is as much an icon of the great African safari as a rhinoceros, only more durable. Introduced in 1948, the Land Rover was designed as a military vehicle. After the war, the Land Rover found an off-road home all over the globe, especially in Africa. Land Rover Congo in Kinshasa is the sole distributor for Land Rover in the Democratic Republic of Congo. They are involved in new vehicle display and sales, after-sale service, and spare parts sales. They have agencies in Kinshasa, Kisangani (Orientale Province), and Lubumbashi (Katanga). Entrepreneur Richard Wynne is the managing director. For more than 50 years Land Rover, incorporating the very latest technology, has set the standard for 4X4s both on and off the road in the Congo, Africa, and the world.

Before the civil conflict in the Congo, TMK Air Commuter was a part of TMK (Transport et Messagerie du Kivu), owned by a Belgian, Hubert Esselen, and his three sons, Jose, Laurent, and Olivier. Esselen is indeed quite a good entrepreneur and knows the eastern Congo very well. They had dozens of trucks driving cargo and fuel from Kenya to Goma, a large market town on the north shore of Lake Kivu and the capital of the Democratic Republic of Congo's Nord-Kivu region. They had five turboprop airplanes as well, carrying people and freight in the eastern parts of the country (Fokker Friendship F-27, Twin Otter DHC-6, Super King-Air B-200, King Air C-90, and Cessna Caravan C-208). From Goma one could travel all over Congo on TMK Air Commuter in conjunction with Congo Airlines (Shabair and Zaire Express). Much internal passenger and freight traffic moves by air despite the high cost of fuel and equipment. Major airports are located at Kinshasa, Lubumbashi, Kisangani, Goma, Mbuji-Mayi, and Gbadolite. Only Kinshasa, Lubumbashi, and Goma are equipped for night landings. Esselen has 60 years entrepreneurial experience spanning the Belgian Congo/Zaire/Democratic Republic of Congo eras. Hopefully, some time in the near future, the Congo will be on a very stable, democratic footing. Then its people will be able to participate fully in all aspects of the economy, the political life and of course the social aspect of things. The Esselens have a vested interest in the future of the Congo and look forward to this time.

An eight-hour ferry ride across Lake Kivu from Goma to Bukavu, the capital of the Democratic Republic of Congo's Sud-Kivu region and the largest city on the lake, offers many stunning views. By the way, the region of Goma and Bukavu presents one of the nicest countrysides in the world and also a very rich soil and excellent climate. Lake Kivu is one of the most beautiful and deepest lakes on earth and, because of the volcanic activities around, it has an incredible amount of methane gas at its bottom. For unknown reason it is stable (unlike the lake in Cameroon, where hundreds of people and animals died from methane gas a few years ago). The rich volcanic soils of the shores are dotted with pine and eucalyptus forests. Around the lake are commercial coffee, tea, chichona, papaya, and pineapple plantations, as well as banana, yam, and cassava patches of subsistence farmers. The friendly Orchids' Safari Club offers the finest gorilla watching in Central Africa from its base on the banks of Lake Kivu near Bukavu. Set above a flamboyant garden, the friendly family-run waterside hotel has the most spectacular views of Lake Kivu—the setting for the famous Bogart-Hepburn film, *The African Queen*. This is the starting point for a wonderful safari: rafting the Luhoho River, visiting a tea plantation or pygmy families, and trekking through the dense rain forest of Kahuzi-Biega in search of lowland gorillas who, despite their formidable strength, are gentle and rare patriarchs. This is an experience of a lifetime! This leading independent hotel run by its owner Marc Moreau offers the distinguished traveler levels of personal service and comfort reminiscent of a bygone age. Marc Moreau's parents arrived in the area of Bukavu in 1921. They developed various plantations (mainly coffee) and later built the Orchids. During the civil conflict in the Congo, the hotel was mainly working with various NGOs, some local businessmen, and military people, and the turnover was quite good for Moreau. He was even using TMK trucks for transporting potatoes, coffee, and other commodities. Like the Essens, Moreau is also looking forward to peace and stability in the Congo.

Paul Collier (2000) of the World Bank challenged popular notions about the origins of civil conflict and has thrown new light on why so many African countries are in turmoil. The World Bank's research suggests that civil wars are more often fueled by rebel groups competing with national governments for control of diamonds, coffee, and other valuable primary commodities, rather than by political, ethnic, or religious differences. Collier's study looked at 47 civil wars from 1960 to 1999. It concluded that countries that earn around a quarter of their yearly GDP from the export of unprocessed commodities face a far higher likelihood of civil war than countries with more diversified economies. Without exports of primary commodities such as gemstones or coffee, "ordinary countries are pretty safe from internal conflict, while when such exports are substantial, the society is highly dangerous," the report argues. "Primary commodities are thus a major part of the conflict story." Since conflict-prevention strategies have so far paid little attention to these causes of conflict, there is considerable scope for both domestic and international policy to prevent civil conflict more effectively.

Preying on economic activities, the report says that rebel groups in vulnerable countries loot primary commodities to stay financially viable. This allows them to pay their large numbers of young, poorly educated soldiers and to keep their rebellion alive domestically as well as internationally. "Rebel groups need to meet a pay-roll without producing anything, so they prey on an economic activity that won't collapse under the weight of their predatory activities," says Collier, the director of research for the World Bank's development economics department. Primary commodities are the most "lootable" of national assets because they're tied to a single spot like a diamond mine or a coffee plantation. Once a mineshaft has been sunk, it's worth exploiting even if much of the anticipated profits are lost to the rebels. Once coffee trees have been planted, it's still worth harvesting their crop even if much of the coffee has to be surrendered. Thus, rebels don't kill off the activity or force it to shift elsewhere as would happen if manufacturing were the target.

Collier says that the "looting of such resources explains many current and former civil conflicts. In Sierra Leone, for example, the capture of rich diamond mines by rebels and the subsequent sale abroad, is one of the main reasons for renewed bloodshed in the war-stricken country." In Colombia, the rebel group FARC runs lucrative drug and kidnapping businesses to finance its war against government forces, prompting Collier's speculation that without such illegal profits, believed to be more than US$700 million a year, the conflict could have been settled some time ago. The Angolan rebel group UNITA is reputed to have accumulated more than US$4 billion during its first war with government forces, some of which was then later used to start a second war. At least half of UNITA's war chest came from diamond mining. The most powerful risk factor for civil war is heavy national reliance on exports of commodities. Other factors, such as history, the size of diasporas, economic decline, and the ethnic and religious composition of a country also play a significant role (Collier 2000; Nevin 2000).

RWANDA

Neighboring Burundi and Rwanda on January 5, 2001, once applied for membership in the East African Community (EAC). It is believed that through the EAC, long-term peace and stability can be ensured in those strife-torn tiny central African nations. Enlargement of the EAC would not only secure stability in Burundi and Rwanda, but it would also restore their historical and cultural belonging to East Africa. Under German colonial rule, both countries and mainland Tanzania (then Tanganyika) formed German East Africa until 1919, when Tanganyika was ceded to Britain as a League of Nations mandate. Rwanda and Burundi became Belgian territory from 1923 until independence in 1962. The three EAC partner states of Kenya, Uganda, and Tanzania together cover an area of 1.8 million square kilometers and have a population of about 85 million people who share a common language (Kiswahili), culture, and infrastructure. These provide them with a unique framework for regional integration. If Burundi and Rwanda are taken on board, the EAC will grow to an economic bloc with a population of nearly a 100 million—but not one adequately equipped to meet the challenges of global competition. In view of the troubled situation in Burundi and, to a certain extent in Rwanda, either the EAC succeeds in delivering stability to these countries first or it will be running the risk of its own destabilization by extending its frontiers farther west. Negotiations on EAC membership for Burundi and Rwanda should be based on a certain criteria, taking into account their observance of human rights and the rule of law and democracy, among other things (Rwegayura 2001).

In Butare, Rwanda, a sales cooperative named Copabu Inganzo Yacu was founded in September 1997 with 47 member artisans working in banana leaves, wood carvings, reed baskets, and other decorative and utility articles. Currently Copabu has 954 member artisans working (99 individual members and 35 associations), of which 66 percent are women. Copabu is currently expanding, with a new sales shop in Kigali, the capital of Rwanda, and has established a trade partnership with Bottega Solidale, a fair-trade organization in Genoa, Italy. Many Copabu artisans have begun producing a new line of wooden toy products as well. Copabu's facilitator, the GTZ PAB Project (Promotion de l'artisanat de Butare) as well as its partner organization, the Fédération des Associations des Artisans de Butare (FAAB), being a sort of regional chamber of artisans, are trying to link Copabu to more clients. They are also trying to set up a decent bookkeeping system, print catalogues of the various products offered, and put in place an internal quality-control system. The Copabu Web page is ready, but the facilitator is still waiting to see whether Copabu will be able to respond to massive demands in a reasonable span of time.

Alfred Kalisa is chairman and CEO of the Banque de Commerce, de Développement et d'Industrie (BCDI), avenue de la Paix, Kigali, Rwanda. Kalisa also serves as executive vice president with the African Business Round Table (ABR), representing the Central and Eastern Africa Chapter. Through information technology (IT), Kalisa's bank was able to carve a market niche. Product leadership and innovation became the bank's trademark. IT has enabled BCDI to ensure the integrity of its operations. The bank successfully introduced a new electronic payment system with automated teller machines (ATMs) and point of sale (POS). They replaced their credit cards with a debit cards—their customers can forget checks. The bank's ATM/POS debit/check card works like two cards in one. It combines the account access of an ATM card with the universal buying power of a check card. It saves time by eliminating the hassle of writing checks and waiting for approval. Customers simply present the ATM/POS check card and pay for the purchase directly from their checking account. The software that links the two new systems with their bank mainframe was tested successfully. They launched this latest technology in Rwanda and the subregion in mid-June 1999. Their remarkable achievements in the last seven years have been realized because of their dedicated and skilled personnel. As technology continues to drive their business, BCDI has committed itself to uplifting the skill levels of their junior staff. Computer literacy is required for all bank-related tasks. For graduates, BCDI provides for overseas seminars with their correspondents and paid tuition for those who wish to complete their university degrees. It is to thousands of BCDI's customers that the bank expresses its appreciation. Customers made BCDI what it is, and BCDI's staff will continue to strive to deliver high-quality services to its customers. BCDI now controls 20 percent of the deposit market, and its ratio of nonperforming loans is the lowest in the Rwandan market, according to a recent report by the World Bank on the Rwandan Banking Industry.

ANGOLA

Russian-turned-Israeli entrepreneur Lev Leviev controls one of the world's largest diamond-processing companies that also chose to go into diamond mining. The immense Catoca kimberlite pipe, located in the Lucapa region near the Chicapa river in the Andrada area, is the fourth-largest kimberlite pipe in the world and the first producing kimberlite pipe in Angola. The mining area covers 62 hectares. The mine itself will go 600 meters deep. Some 1,000 people are employed at the mine. The Leviev Group helped finance the Catoca diamond mine project.

Lev Leviev Diamonds (L.L.D.) is the world's only diamond producer that controls its own diamond mines and is a global leader in the cutting, polishing, and marketing of diamonds for fine jewelry. The company's control of diamond mines means that it is not dependent on outside sources for the supply of rough diamonds. L.L.D. is headquartered in Israel at the Ramat Gan Diamond Exchange, the world's largest center for cut and polished diamonds, where the company is the country's second-largest manufacturer. L.L.D. was founded in 1998 by Lev Leviev (a prominent figure in the diamond industry) and his brother Moshe. The Leviev Group has more than 20 years of know-how and experience in the diamond industry in Israel, and Lev Leviev, who is also chairman and majority shareholder of Africa Israel Investments, Ltd. (one of Israel's largest holding companies), is one of the leading players in the Angola's economy. L.L.D. is a family business that combines traditional values of integrity with the contemporary fiscal needs of a global, dynamic, multimillion-dollar concern. In its brief existence the company has established a worldwide reputation for dependability, innovation, and the finest-quality yet best-value merchandise.

In 1956 Israeli entrepreneur and philanthropist Lev Leviev was born in what was then the Soviet city of Tashkent, Uzbekistan. He is the son of Rabbi Avner Leviev, a descendent of one of the Bukharan Jewish communities' most distinguished families. The family immigrated to Israel in 1972 when Lev was 16. Shortly thereafter, Leviev began to work as an apprentice in a diamond polishing plant and, following his military service, he established his own diamond polishing plant. Leviev always wanted his own mines. "I don't want to be dependent on other suppliers," he says. That was why, in February 2000, he formed the Angola Selling Corporation (Ascorp), which exclusively markets Angola's legitimate diamond production, estimated at almost US$1 billion per annum. Ascorp is a joint venture; the Angolan state's diamond company Sodiam holds 51 percent, and the remainder is split evenly between Lev Leviev and Sylvian Goldberg, whose Omega Corporation is one of the largest rough dealers in the world. Under Leviev is the powerful Angolan, Noe Balthazar, as managing director. Leviev says, "At long last, one professional and independent organization is now running the Angolan diamond business." He intends to invest up to US$100 million in the mines.

Part of the incentive behind the creation of Ascorp was to push De Beers out of the Angolan market. The Leviev Group of Tel Aviv now has unchallenged control of Angolan-government-approved diamond production, entrenching its position as top rival to De Beer's dominance of the diamond trade. With diamond-polishing plants, marketing agencies, and other diamond activities around the world, Leviev is now one of the world's leading diamond players. The Leviev Group now reports annual turnover in excess of US$1.5 billion, and claims to be the largest source of diamonds outside of De Beers. The Leviev Group of companies has also diversified in such a way that its worldwide diamond operations represent merely a small part of its worldwide turnover and probably is about 15 percent of its worldwide investment group of global companies that encompasses the fields of international trade, diamonds, real estate, infrastructure development, metals, chemicals, high-tech development, and hotels.

It has the facilities to support the diamond operation whenever needed. Africa Israel Investment, which belongs to Lev Leviev, is also getting ready to invest in African telecoms.

In 2001 Nasdaq-listed Namibian Minerals Corp (Namco) found a savior in the form of Israeli diamond magnate Lev Leviev. Leviev agreed to invest US$15 million in Namco, becoming effectively its controlling shareholder. An initial 39 percent stake will rise to more than 50 percent after the conversion of the half-warrants attached to the shares. His entry into the Namibian diamond industry will be watched closely by market leader De Beers. Diamond industry sources say Leviev has large diamond-cutting operations in Russia and Israel and that his company is the biggest exporter of polished diamonds from Israel. "He's treated like royalty in Israel," says a diamond analyst. "Speculation is that, should De Beers not be able to renew its marketing contract with Russia at the end of 2001, then a large portion of Russia's diamond production could be sold through him[Leviev]" (Ryan 2001).

The Leviev Group also has large international investments, mainly in Russia and the Former Soviet Union countries, in the fields of metallurgy, chemicals, infrastructure, power stations and transportation. Leviev serves as Chairman of the Israel-Russia and CIS Chamber of Commerce and Industry. It is the leading facilitator for Israeli and Russian business expansion and development through partnerships in Israel and the Former Soviet Union countries. In addition to a well-established reputation for his business accomplishments, Leviev serves as Honorary Consul for the Republic of Kazakhstan in Israel as well as being recognized worldwide for his philanthropic efforts and undertakings. With the fall of Communism, in the early 1990s, Leviev established the Ohr Avner Foundation in his father's memory. It has inaugurated fifty educational establishments in the Former Soviet Union including Jewish day schools, universities, kindergartens and camps. This Foundation is among the most significant benefactors of Jewish life in the Former Soviet Union while also supporting numerous schools for Russian immigrants in Israel, the United States and Europe. Leviev serves as the president of the Federation of Jewish Communities of the CIS (FJC), the central organization that represents the 15 organized Jewish communities of the 15 independent republics that once made up the Soviet Union. These organizations encompass more than 300 Jewish communities, all of whom are helped by the FJC. Under the leadership of Leviev, the FJC is the premier organization in the Former Soviet Union for the restoration of Jewish life, culture, and Jewish education. Leviev additionally serves as the president of the Bukharan Jewish Congress, which unites close to 250,000 members worldwide and helps to address the religious and cultural needs of the Bukharan communities around the world (http://www.fjc.ru, 2001).

Angola's Credit CRP Project is aimed at providing vocational training and entrepreneurial development for rural and urban women. After an intensive period of training, the women receive a line of credit enabling them to pursue income-generating activities or the establishment of micro and small-scale enterprises. Sixteen micro enterprises have been established, 12 rural villages in the Province of Malange and four in the capital city of Malange. The women are organized in groups of 27 to 40. They are baking bread, making clothing, purchasing and selling goods to other communities, raising small animals, and selling eggs. The project provided a coordinator who visits the micro enterprises weekly to review their progress and motivation. The micro project leaders are starting to repay their loans with the same enthusiasm with which they received them. More assistance for new entrepreneurial projects is being promised to them upon complete repayment of the initial loans. Angola has 18 provinces and there is a need to implement the project in all the provinces and expand it.

An example of the cooperation needed between international corporations and Angola to improve the economic environment for entrepreneurs in Angola is the Samsung Corporation of South Korea's announcement in early August 2000 that they had signed two major construction contracts with Angola. The first project, to build an offshore oil and gas production platform and storage facilities in Cabinda, is worth US$1.7 billion. Samsung will partner with Stolt Offshore of France and Samsung Heavy Industries to construct offshore facilities. In a second project worth US$2.7 billion, Samsung will build a 200,000-barrel-per-day oil refinery in the port city of Lobito. Construction will begin in 2001 and the facilities will be completed in 2004. For the refinery project, Samsung will team up with SK Construction. Samsung is promoting other projects in Angola as well. In June 2000 it concluded an agreement to help Angola pursue industrial development. According to a Samsung official, the company plans to "promote a textile plant, shipyard, development of diamond mines and road construction."

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V

North Africa

North of the Sahara lie five predominantly Muslim countries, all bordering the southern shores of the Mediterranean Sea and all members of the Maghreb Union. The five, from west to east, are Mauritania, at the southwestern stretch of the Sahara, the kingdom of Morocco, which has laid claim to the state of Western Sahara (Sahrawi Republic), a former Spanish colony on its southern border; the republics of Algeria and Tunisia; and finally Libya. The two other countries of North Africa are Egypt and the Sudan, occupying the northeast corner of Africa and extending into the Sinai Peninsula across the Gulf of Suez, through which runs the Suez Canal, physically cutting Africa off from the Middle East. Both Algeria and Libya have vast oil- and gas-producing fields and are active members of the Organization of Petroleum-Exporting Countries (OPEC).

The North Africa region has a population estimated for the year 2000 at 175.9 million. The major countries in the region are Algeria (31.5M, capital Algiers 3.8M), Egypt (68.5M, capital Cairo 14.4M, Alexandria 4.8M), Libya (5.6M), Mauritania (2.7M), Morocco (28.4M, Casablanca 3.4M), Sudan (29.5M, capital Khartoum 4.1M), and Tunisia (9.6M).

15

Egypt

Under the innovative leadership of entrepreneur Ahmed Ezz (b. 1961), one of Egypt's top businessmen, the Ezz Group has grown from a steel importer in the 1950s to one of the largest producers of steel and ceramics in the Middle East. Its commitment to growth has been critical to its industrial leadership in Egypt. In 1988 the Ezz Ceramics company was founded to produce tiles under the brand name Gemma. It now supplies customers more than 12 million square meters of ceramics and is still growing. Gemma is the ceramic and porcelain of choice in Egypt and is a growing name in more than 50 countries around the world. Ezz Steel, for its part, has emerged in just a few short years as one of Egypt's leading steel producers, with a production capacity of over 3 million tons of steel per year. On land fringing the Gulf of Suez in East Cairo, the Ezz Group is taking part in one of Egypt's most ambitious development projects, the Gulf of Suez Development Project. The purpose is to develop the infrastructure and the facilities and services in this area, with the hope of promoting direct investment in manufacturing by multinational companies in this area. This is just one of Egypt's five multibillion-dollar megaprojects that are planned or underway to transform agriculture, industry, and trade in Egypt. The Ezz Group will continue to be one of the key industrial leaders in Egypt in the twenty first century (WINNE 1999).

The Ezz Group is known for putting a strong emphasis on the education and training of its employees. Approximately 2 percent of the group's annual turnover is spent on training. In the year 2000, eight of the company's employees were on MBA sabbaticals in various parts of the world, and every technician that joins the group spends two years in its training institute in Amiriya. The company believes in lifelong employment. Lifelong employment ensures loyal, productive laborers who recognize the company's goal as their own. It has also allowed Ezz Industries to prepare itself for the challenges that Ezz anticipates will arrive in the coming years. The Egyptian economy is opening up to the world, and things are totally changing for Egyptian industries. It is a big challenge. All of a sudden, Egyptian industries have to understand the new globalization issues. Since the Ezz Group is already operating on global standards, the company does not worry about the upcoming challenges. This confidence is based on the knowledge that the company is outstanding in its field. The company invests with the aim of being an ultra-low-cost, high-quality producer that is competitive on a global scale. This requires the use of modern technology, along with the highest levels of automation. The company does not invest in plants that will not be competitive when exposed to the world. On that account, the company has already protected itself against the challenges of the twenty first century, which will obligate it to compete internationally (Osman 2000).

Cairo-based Orascom is one of the largest and most successful conglomerates in Egypt with more than 20,000 employees. Orascom was founded in 1950 by Onsi Sawiris (b. 1930) with the mission to build the infrastructure and improve the quality of life for the people of Egypt. Now largely run by his three sons, the Sawiris brothers, Naguib, Nassef, and Samih, the Orascom Group carries on its mission through five core operating companies: Orascom Construction Industries (OCI), Orascom Projects & Touristic Development (OPTD), Orascom Hotel Holding (OHH), Orascom Technology Systems (OTS), and Orascom Telecom (OT).

OCI run by CEO Nassef Sawiris (b. 1961) is a market leader in Egypt and the Middle East for construction, building materials manufacturing and infrastructure development. The construction group provides engineering, procurement and construction services on industrial, commercial, power, water/sewage, transportation, telecommunications, tourism and railway projects for public and private customers. As a contractor, OCI has undertaken numerous landmark infrastructure, industrial, and tourism projects including the world's largest swing bridge over the Suez Canal and the Conrad International and Le Meridien hotels along the Nile. Probably no company in the Middle East can match OCI in its ability to attract blue chip partners for major building projects in the region and Africa. OCI prides itself on being the partner of choice for most international construction companies operating in Egypt and has formed alliances with Bechtel, Consolidated Contractors, Besix, Morrison-Knudsen, and Krupp, to pursue specific projects. The building materials group invests in manufacturers of basic and specialized products of contractors and industrial users, such as cement, paint, ready-mix concrete, paper bags, and fabricated steel. The infrastructure group participates as an equity investor in long-term development projects, such as natural gas distribution, industrial parks, and port operations. Nassef says that OCI continues to believe that their strong management team, their commitment to quality, and their ability to react quickly to new opportunities will ensure a significant level of growth and profitability into the twenty first century.

Orascom Projects & Touristic Development (OPTD) headed by Samih Sawiris (b. 1957) was established in order to develop and construct world class destination resorts and hotels in Egypt. OPTD has been the primary designer, developer, conductor and marketing force behind El Gouna and Taba Heights projects. Their first venture, El Gouna has grown to become one of Egypt's premier tourist resorts located along the Red Sea. By 2001, El Gouna was spread over 9.5 million square meters 21 km north of Hurghada, and consisted of eight hotels, 315 villas and apartments, a Nubian style village, a golf course, a local airport, a shopping arcade, many unique restaurants, a school, and a hospital. Three additional hotels and a marina were under construction. OPTD has also developed several businesses to sustain the El Gouna resort, including a private utilities company, a bottled water company, and a brewery. OPTD's second venture, located in the Sinai Peninsula near the Red Sea resort of Taba Heights, seems destined to have the same success as El Gouna. In 2001, Taba Heights was situated on 8 million square meters south of Taba near the Israeli boarder and consisted of six hotels, 200 villas and apartments, numerous restaurants, a marina, and a golf course under construction. OPTD also has several strategic investments in other tourism developments including the Sahl Hashish resort project and in planned resort communities such as Al Roboue in Fayoum.

In December of 1997, OPTD grouped all its hotel investments under the umbrella of a joint stock company, Orascom Hotel Holding (OHH) also headed by Samih Sawiris. This step was taken to allow OPTD more specialization and speed in construction and development, while OHH works on developing its expertise in hotel ownership and financing. OHH is structured as a holding company, owning all of its hotel assets in El Gouna and Taba Beach resort through 16 subsidiaries. OHH is one of the key private players in the tourism sector. OHH ranks by far as the largest hotel owner in Egypt. OHH has an ambitious expansion plan aiming at developing new hotels. OHH plans to own a diversified portfolio of high quality hotels in major tourist destinations in Egypt to cater for the growing demand for quality lodging facilities around the country. Management intends to channel its investments towards owing resort hotels only in well-designed and self-contained communities. As part of its long-term growth strategy, the company has developed a target list for acquiring state owned hotels that are to be privatized. These hotels enjoy prime locations and huge growth opportunities.

Orascom Technologies is one of Egypt's leading information technology companies. It's chairman, Naguib Sawiris (b. 1955), earned a Diploma in Mechanical Engineering and a Masters in Technical Business Administration Management from the Swiss Institute of Technology, ETH Zurich-Switzerland. He then started his professional career as the Vice President of Orascom Construction Industries (OCI). In 1976, he founded an Industrial Construction Division, along with a number of other divisions, which later became Orascom Trading and Industry, a company that specializes in construction, industrial and power generating equipment. The company also specializes in distribution for worldwide manufacturers as Volvo Penta, Sweden, and Krupp Germany. Orascom Technology Systems (OTS) is an information Technology Company in the business of sales, support and services for computer hardware, software, and network equipment. Orascom technology subsidiaries are Telecom sales group: Lucent Technologies and Nokia fiber optic telecom cables, Multimedia Mega stores, International Integrated Systems, Oratec, Open Soft Solution Plus and others. Naguib is the Chairman of the Egyptian Company for Mobile Services—commonly known as MobiNiL.

Naguib is also the Chairman of the latest offspring of the Orascom Group of companies, Orascom Telecom (OT), which has emerged as the largest telecommunications player in the Middle East and Africa, potentially serving a total population of some 300 million. OT's regional GSM presence plus its activities in Internet and satellite services, public payphones, technical management and telecom support services position it as an integrated communications conglomerate. Since its inception, Naguib has been responsible for driving OT's vision to create a global telecommunications player in the Middle East and Africa that can bring international experience and regional synergy to its local investments. He has managed the company's aggressive and visionary development strategy in twenty different countries. In 2001, with 18 subsidiary and twenty licenses to operate GSM networks, OT had secured the widest coverage of telecommunications services in the region of the Middle East and Africa in less than two years. In addition to wireless communication services, OT is developing a third world Internet strategy to interface with its GSM operations. OT's scope of services also covers technical management, VSAT satellite technology, fixed line payphones, and telecom support services. Naguib says that Orascom Telecom's mission is to be the premier regional telecom operator of the Middle East and Africa, providing the best quality services to their customers, value to their shareholders and a dynamic and solid working environment for their employees.

While completing his doctoral studies in the United States during the early 1980s, Ahmed Bahgat invented and manufactured an electronic device that told Muslims anywhere in the world when and in which direction to pray. The success of this device, together with his vision, led to his return from the United States in 1985 and to the establishment of an electronics and television factory. Bahgat dropped academic physics and proceeded to make his fortune from household appliances, telecommunications, and Dreamland, a special Bahgat project described in more detail below. His deep awareness of emerging market trends, his ongoing commitment to research and development, and a continuing quest for quality all contributed to the inevitable success of his ventures and are the principles that continue to guide him as chairman of the Bahgat Group. He established the group in order to achieve his vision of creating electronic products meeting international quality standards and reachable for all levels of the Egyptian society, thereby raising Egyptians' quality of life.

The Bahgat Group encompasses major companies in all fields of the electronics industry, marketing and sales services, entertainment, and urban development. With a staff exceeding 10,000 employees, the companies manufacture and market home appliances that are world-class in quality, cost, and customer satisfaction. This is achieved through the integration of people, technology, and business systems. Dreamland is a shopping/entertainment/resort complex in the Sahara desert less than two miles from the Great Pyramids of Giza. It is the centerpiece of a 5,000-acre residential and retail project called 6th of October City, named in honor of Egyptian president Anwar Sadat, who was assassinated on that day in 1991. High-rise condominiums, townhouses, an equestrian center, hotels, and a conference center will be included with the theme park, shopping center, and power center.

Internet Egypt is the largest private-sector Internet service provider in Egypt, providing a complete range of networking solutions and Internet services to businesses and individuals. A major shareholder in Internet Egypt is Ahmed Bahgat. Over its years of successful operation since being founded in February 1996, the company has formed a varied and rich customer base that cuts across many sectors and disciplines. The company's network integrates clients from various industrial sectors, research and academic institutions, and the banking and tourism industries, as well as several embassies and consulates in Cairo. Internet Egypt has pursued an aggressive growth and expansion policy, building up a powerful base of infrastructure, assets, expertise, and manpower. It placed great importance upon establishing a wide geographic distribution within Cairo and in major cities in Egypt such as Hurghada, 6th of October, Ismailia, Port Said, and soon Alexandria. As a result, today Internet Egypt's network is the most robust and powerful in the country, with the ability to provide connectivity very cost-effectively and efficiently.

Established over thirty years ago by entrepreneur Talaat Mostafa, the Talaat Mostafa Group has grown to be one of the premier developers in Egypt, consisting of twenty companies across its various core activities of contracting and construction, real-estate investment, tourism development, manufacturing, land reclamation, and agricultural industries. The

Talaat Mostafa Group has more than 10,000 employees spread throughout the Middle East. One of the group's largest and most prominent projects is Al-Rehab City, situated in the New Cairo district. Al Rehab is being developed as an integrated city with a total land area of 6 million square meters (1,500 acres). The project consists of 40,000 housing units and is intended to be the home of more than 150,000 residents. As the group continues to grow and strengthen its industrial leadership, it is aligning with the best international and national suppliers in order to contract business all over the world. Its alliance with strong groups and partners (like Bechtel) is instrumental in its development from a local company to a global group poised for the future (WINNE 2000).

Four Seasons Hotel Alexandria, Egypt, is located within a multicomponent project on the site of the former San Stefano Hotel on Shari El Corniche, overlooking the Mediterranean. Talaat Mostafa is the developer and is also responsible for two other Four Seasons properties in Egypt (Four Seasons Resort Sharm al-Sheikh and Four Seasons Hotel, Cairo, at Nile Plaza). The 120-room Hotel Alexandria will offer spectacular views of the Mediterranean Sea, three restaurants, a tea lounge, a library bar, and a café/bistro. A sophisticated business center is planned, plus meeting space and an independent ballroom facility. Recreational facilities will include a health club and outdoor pool.

In 1950 the late Ghabbour Brothers—Kamal and Sadek Ghabbour—had the foresight to envision the Egypt of today, a modern country with booming industry, increasingly modern infrastructure, and a growing consumer base. Their desire to see their vision come true led them to establish one of the very few truly private companies at the time, Ghabbour Brothers. This establishment has earned invaluable goodwill over the years in the automotive industry, thus preparing the ground for today's direction. Established over 50 years, the Ghabbour Group currently occupies the leading position in the Egyptian automotive market. It now consists of twelve trading and manufacturing companies. The group is an active leader in all segments of the Egyptian automotive market: from small passenger cars, light commercial vehicles, heavy trucks, buses, construction equipment, trailers, spare parts, luxury coaches, scooters, and motorcycles—all sold through countrywide sales networks that are second to none. It is active also in offering complementary products and services including consumer credit and finance, assembly, distribution, retailing, and aftersale service through a network covering the whole of Egypt. It is also an important regional player in the Middle East bus market, and its current aim is to expand its export operations to the international markets like Europe, Africa and the Near East. Group chairman and CEO Raouf Ghabbour's motto is the "highest quality at the most attractive prices while remaining as close as possible to our customers." He strives to maintain the group's heritage and to exceed expectations (WINNE 1999).

A new financial district in Cairo is the brainchild of Raouf Ghabbour of the Ghabbour Group and Mohamed Nosseir of the Alkan Group. The Alkan Group has diverse interests, including computers, textiles, and pharmaceuticals. The designs created by architect Rafael Vinoly for the Cairo Financial Center were influenced by aspects of the New York and London financial districts. The complex will be built in a former quarry in the shadow of Saladin's twelfth-century El Gabal Citadel, approximately five kilometers from the center of the city and adjacent to the King Khaled Motorway. Total construction area exceeds 500,000 square meters. It will include a new Cairo Stock Exchange, a hotel, conference facilities, entertainment center, retail space and offices, parking areas, and utilities. All these will include a dome structure, 24 floors high, intended to create resonance with the domes of the Old Cairo mosques. A five-star hotel run by Kampinski, which already operates luxury hotels in Central and Eastern Europe, will serve business visitors. But the jewel in the financial center's crown will be a new trading floor for the Cairo and Alexandria Stock Exchanges (CASE), set under a futuristic-looking glass dome, to be donated by the Cairo Financial Center developer. CASE has already agreed to move its main trading floor and headquarters to the site. Nosseir says that the project offers opportunities for "business, retail, and leisure in one place." His company is also trying to attract foreigners to Egypt. "Coming here will give them a decent, clean and safe, safe life," he says, adding that the center "will offer the latest technology in a city environment." Technology is an important element of the project. Few offices in Cairo are able to offer world-class IT infrastructure, including ISDN and fiber-optic cables, and Cairo businesses often suffer because of the uncertainty created by power cuts. The Cairo Financial Center's hotel and eight office buildings would be fully equipped for business use, replete with the best and latest computer connections and facilities (Kitchen 2000).

Entrepreneurs face risk in their striving for success. The Lakah family's involvement in businesses in Egypt dates back to the 1890s, when it had interests in commodity trading, real estate, agriculture, and various industrial operations. In the 1960s the Lakah family began to represent a number of suppliers of medical equipment throughout Egypt and had also acquired interests in the steel industry. During the late 1980s and 1990s, the family expanded its interests to include healthcare management and construction activities and other industrial investments. The Lakah family's interests were subsequently transferred into Lakah Holdings, which was incorporated as a joint stock company in November 1998 and listed on the Cairo Stock Exchange. More recently, a further restructuring has been carried out with the creation of the Lakah Group, comprising two distinct business groupings—healthcare and industrial. The group owns ten companies, six of which are in the health services and equipment sector, with other interests in industry and construction.

In November 2000, for the first time in fifty years, a Christian, Rami Lakah, successful manager, active in politics, and a committed witness to Christ, was elected directly by the people to represent them in parliament. What is more, Lakah, a major industrialist, is not a member of a party; he ran as an independent. Rami Lakah (b. 1974) is a Melkite Catholic and he directs the Lakah Group. At the age of 20 he inherited the family's medical products import-export company, and during his career he has succeeded in bringing into Egypt and other countries of the Near East modern computerized medical equipment, and has given his country 20 new hospitals. He is president of a variety of businesses with factories producing various items from lamps to detergents and an airline company with an annual turnover of more than a million Egyptian pounds. Married and the father of two children, the new member of Parliament has supported numerous development projects in his country. He was the major financier for Pope John Paul II's visit to Egypt in February 2000 (when John Paul made his Jubilee Pilgrimage in the footsteps of Moses to Mount Sinai on February 24 and 25). The pope made Lakah a Commander of the Order of St. Gregory for services rendered to the Catholic Church and his activity in favor of society, and he has also been awarded the Jerusalem Cross. Christians in Egypt are about 12 million out of a population of 70 million, mainly Sunni Muslims. Most of the Christians are Coptic Orthodox (Copt in ancient Greek means "Egyptian"). Coptic Catholics form a small minority of about a quarter of a million, and Protestants have an equivalent number. The day after his election, Lakah had a meeting with the Coptic Catholic Patriarch, Stephanos II Ghattas, president of the Assembly of Catholic Hierarchy of Egypt, and thanked the patriarch for his support (www.fides.org, 2000).

When Tarek Nour started the first private Egyptian advertising agency in 1979, he realized that, in order to achieve results for his clients, whether international or local Egyptian, he had to communicate a message that was culturally significant, that would be understood by the local population. Communication has always been the theme and the driving force behind what Tarek Nour Communications (TNC) Group aspires to achieve. It is based on an understanding of the culture, the tastes, and the psyche of the Egyptian people. Art and science are merely the tools with which the message is delivered. Unless one is speaking the people's language, no amount of scientific or artistic excellence will communicate a real message to the real people, or, ultimately, achieve real results. The TNC Group includes the following:

- Tarek Nour Advertising has been a pioneer in Egyptian advertising since its inception and continues to lead.
- DDB Egypt combines international information and resources with local know-how and understanding.

- Direct Advertising is a full service-oriented advertising agency, providing clients with creative and effective solutions beyond the advertising norm.
- The marketing and Communication Research Group (MCR) operates as a standalone advertising agency, as well as providing market research and analysis and marketing campaigns within the group.
- The Arab African Promoters for International Conferences and Exhibitions (AAPIC) promotes and organizes national and international trade fairs, conferences, and exhibitions and launches PR campaigns and special events.
- TNC Production House uses state-of-the-art audio and video production equipment and facilities. Unlike other studios, TN Production House gives a direct benefit to the client by having all its facilities under one roof.
- TNC Outdoors combines the latest production technology to provide clients with unparalleled prime locations all over the country.
- The creative design department is one of the finest in the country and provides fast services for printing and advertising.

TN Media is a leading media house in Egypt with media planning and placement on TV, press and outdoors. TN Media has its own production house and studios to provide TV with drama, comedy, talk shows and game shows.

Al Ahram Beverages Company (ABC) produces alcoholic and nonalcoholic beer, flavored malt beverages, wine, spirits and soft drinks. Originally called the Pyramids Brewery, ABC was founded in 1897 in Cairo by a group of entrepreneurs from Egypt and Belgium under a decree from the princes Hassan and Hussein, sons of the khedive Ismail Pasha. In 1953 the brewery changed its name to Al Ahram (the Pyramids) Beer Company; ten years later it was nationalized and forcibly merged with Crown Brewery of Alexandria. In 1997 Ahmed Zayat led a group of international investors in the privatization and public offering of the state monopoly and has served as ABC's executive chairman since then.

The company quickly became the model of privatization in Egypt by modernizing production (including the construction of a state-of-the-art million-hectoliter greenfield brewery), improving quality and introducing innovative marketing and promotions to build its brands. Since privatization, ABC has grown from 9 to more than 50 stock keeping units (SKUs) by extending its proprietary brands (which include Stella, the beer of Egypt for more than 100 years, and Fayrouz, a popular flavored malt beverage) and through international alliances with Carlsberg, Guinness, RC Cola, and Unilever (Lipton Ice Tea). ABC's wholly owned subsidiary, Reach, coordinates distribution throughout the country.

In 1999 ABC acquired the Nile Brewery Company and bought Gianaclis, Egypt's state-owned monopoly winery. In March 2001 ABC acquired El-Gouna Beverage Company, previously its only local competitor in the production of beer and wine. The LE 255 million deal involved the acquisition of all El-Gouna's assets and gives ABC complete dominance of the Egyptian market for alcoholic beverages. ABC believes that its success can be reproduced in markets outside Egypt. In particular, ABC's nonalcoholic product portfolio can provide uniquely refreshing and culturally acceptable alternatives to soft drinks for the more than 350 million Muslims in the Middle East and North Africa, and more than 1.2 billion in the rest of the world. Its dominance at home provides a strong foundation for regional expansion. ABC trades in shares and Global Depository Receipts (GDRs) on the Cairo and London stock exchanges respectively and is rated BB with a stable outlook by Standard & Poor's. In October 2000 ABC was chosen by *Forbes Global Magazine* as one of twenty outstanding small companies worldwide.

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16

Arab Maghreb Union

The Arab Maghreb Union (UAM) was established between Libya, Tunisia, Algeria, Morocco, and Mauritania in February 1989 to promote regional economic cooperation. These five North African countries have strong historical, cultural, and language affinities. The goals are to introduce gradually free circulation of goods, services, and factors of production among the five countries. The union highlights the broad economic strategy to be followed by namely, the development of agriculture, industry, commerce, and food security and the setting up of joint projects and general economic cooperation programs. Since 1990 the five countries have signed more than 30 multilateral agreements covering diverse economic, social, and cultural areas, but each member country has ratified only some of these agreements, and only five have been ratified by all members of the union. The five are agreements on trade and tariffs (covering all industrial products); trade in agricultural products; investment guarantees; avoidance of double taxation; and phyto-sanitary standards.

Despite the much-celebrated Arab Maghreb Union of 1989, today only 3 percent of the Maghreb's total trade is between Maghreibi states, making it the weakest zonal commerce of any regional community in the world. For example, the Kingdom of Morocco would gain little from aligning with the Middle East and Africa, the two most marginalized regions of the global economy. Its economic destiny lies with Europe. Morocco already conducts 65 percent of its trade with Europe, and the bulk of foreign investment comes from the north. European companies are buying privatized utilities and preparing to build much of the country's new infrastructure. And the number of European tourists (2 million in 1999) flocking south to the Atlas mountains and the beaches of Agadir will rise as new European tourism investments are completed. On the Euro-Med front, there is scope for a special partnership with the Maghreb countries. Meeting in Lisbon on January 26, 2001, foreign ministers of west Mediterranean countries—Portugal, Spain, France, Italy, Malta, Algeria, Tunisia, Morocco, Mauritania, and Libya—agreed to strengthen cooperation and take new initiatives to accelerate regional integration. The ministers agreed to drive new initiatives aimed at accelerating the regional integration dynamics and to make more attractive the Maghreb region, in particular, for foreign investments.

TUNISIA

In 1999, Tunisian retailer Magasin Général raised money on the stock market by selling 170,000 shares. The goal was to also raise more than TD2.1 million through capital increase. Magasin Général was established in 1925 and became autonomous in 1986 when it split from the STIL company. In 1988 the retailer merged with Magasins Modernes, thus becoming Tunisia's largest retailer. Managed by Hamda Grira, Magasin Général owns 43 stores located in 19 provinces. With the funds raised through the sale of its shares, Magasin Général invested in the modernization of its points of sale. The retailer also used the money to increase alcoholic beverage sales. In 1999 it obtained two licenses to sell alcoholic beverages, which, according to the managing director, resulted in a 14 percent sales increase. The retailer saw a 12 percent increase of its furniture sales in 1999 and in fiscal year 2000, with future growth anticipated at 10 percent per year. Growth in other areas such as women's apparel, perfume products, and toys, was limited to 0.5 percent. In 2000 the retailer generated TD94.091 million and predicts TD134.6 million by 2003. In 1999 it made TD86.9 million in revenue, up only by 0.44 percent over the previous fiscal cycle.

ALGERIA

Better placed than many to comment on Algeria's investment environment is Arslan Chikhaoui. He is owner and CEO of Transactions Nord-Sud, an Algerian consultancy that he established in 1993 to provide information and analysis to government bodies and private and public-sector companies on how best to deal with Algeria's difficult transition to a market economy. With a staff of some 200, he has overseen the growth of Transactions Nord-Sud into a leading business, legal, and public-relations consultancy. As one of the World Economic Forum "100 Future Leaders of Tomorrow" in 1999, Chikhaoui has been active internationally in communicating Algeria's multidimensional reform process. He believes that there is huge potential in Algeria. He knows that each businessman or company manager is interested in expanding his market and increasing turnover, and that is what he says one can do in Algeria. He points out that the market is huge and that any investor can find an opportunity that interests him. He argues that Algeria has a well-trained labor force that by international standards is extremely cheap and the comparative advantages offered by Algeria do not exist anywhere else. He believes that the more foreign investors come to Algeria, the better the economic environment will be, because they will bring their know-how, their technology, and of course their capital.

The Khalifa Group, which operates in the medical (KRG Pharma), banking (Khalifa Banks) and transportation (Khalifa Airways and Khalifa Rent a Car) sectors, employs a total of 7,000 workers. Khalifa Airways, the leading privately owned airline in Algeria and a subsidiary of the Khalifa Group, has recently acquired its fourth ATR 72/500. The plane seats 72, 50 of which were set aside for economy class. With this new acquisition, Khalifa's fleet is composed of 5 Airbus A310s, 2 A320s and 2 A300s, 1 Boeing 737, 4 ATR 72s and 4 ATR 42s. The ATRs are used to service 19 routes in the domestic market: Bejaia, El-Oued, Hassi-Messaoud, Ghardaia, Tlemcen, Batna, Tiaret, and 12 smaller airports. The company acquired more aircraft during 2001, which allowed the airline to expand its coverage of the domestic market with cities like Adrar, Bechar, and Timimoun. Khalifa Airways hopes to break the isolations of many Saharan towns and cities through an ambitious expansion program focusing on the Sahara.

The airline has opened new routes to the Spanish cities of Alicante, Palma, and Barcelona. The airline will fly to Barcelona three times a week and will maintain twice-weekly service between Algiers and Alicante via Oran. Khalifa Airways recently bought all outstanding shares of Antinea Airlines. The purchase was the first of its kind in the Algerian air transportation sector, which was first opened to the private sector in 1999. With this acquisition, Khalifa Airways increased its network to destinations that were previously serviced by Antinea Airlines: five airports within Algeria, four in France (Marseilles, Lyon, Toulouse, and Paris), and one in Belgium. President Khelifa Abdelmoumen says that the network will widen on three axes in the near future: Europe (London, Milan, Frankfurt, and Rome), Middle East (Cairo, Dubai, Jeddah, and Istanbul), and North America (New York and Montreal).

Khalifa Airways is investing in marketing to compete for market share in Algeria. The company has launched its first customer retention program. The program consists of a customer card through which users could win free tickets or gain speedy registrations. The program is also a frequent-flyer program allowing passengers to earn miles. The airline has also decided to give discounts to passengers who bank with its parent company, Khalifa Bank. Holders of a Khalifa Bank card can get a 5 percent discount on tickets. For the first time in Algeria, a bank is issuing its own credit card. Khalifa Bank, an active enterprise also involved in an array of industries such as airlines, manufacturing, and services, started issuing a credit card in September 2000. The card enables its holders to make purchases in specific stores and merchants' network. Participating stores were given a credit-card-processing system and mobile phones in an effort to build Khalifa's credit-card-processing network.

MOROCCO

Morocco's leading private conglomerate, the Omnium Nord Africain (ONA) Group, was founded in 1919. This group has interests in food and food processing (Consumar), edible oils and soaps (Lesieur-Cristal), dairy products (Centrale Laitière), and sardine and anchovy fishing. They also have interests in banking and finance (Banque du Maroc), insurance (Compagnie Africaine d'Assurance), and real estate. They have additional interests in retailing (hypermarkets), trading (exporting goods and services to other African countries), automobile assembly and sales, tourism, printing, transport, various holding companies, mining exploitation, and the phosphate company Office Cherifien des Phosphates (OCP), with its wholly owned subsidiary, Maroc Phosphore. ONA bulk distribution subsidiary Cofarma has opened a new Marjane supermarket and shopping center in Rabat's affluent Hay Riad suburb. The 5,500-square-meter, 39-outlet complex cost DH174 million and has created some 800 jobs. It is the sixth in the Marjane chain; the seventh opened in Agadir in March 2001.

Maroc Phosphore invested DH2.5 billion in 1999 and 2000 in order to increase the output of phosphoric acid and fertilizers. A percentage of the investments was dedicated to environmental cleanup and protection projects. Output of phosphoric acid was raised from a level of 2.8 million tons to 3.2 million tons per year, while fertilizer output rose to 2.1 million tons, up from 1.7 million tons. The largest share of the investments (DH1.85 billion) was in Safi, and the remaining was invested in Jofr Lasfar. Through these investments, Maroc Phosphore strengthened its position in the international market.

Managem, a subsidiary established in 1928, is Morocco's largest private mining group. During 2001 Managem hoped to extract three tons of gold from Samira Hill in Niger. This output is expected to rise to ten tons per year within five years. Managem expects to then be the biggest producer of gold in West Africa.

In 1999 Mourad Cherif was appointed chairman of ONA, and he was pleased to introduce himself and ONA in a popular television show broadcast in Morocco. Cherif, who replaced Fourad Filali (who had led the group for thirteen years), emphasizes that ONA is Morocco's largest private enterprise, with 16,000 employees, and as such, ONA's role in the economy is a key one.

In February 1999 Nabil Ayouch, aware of the issues concerning cinema of the future, created Ali N'Productions. He is accompanied by men and women with whom he has collaborated for many years, and who have acquired a great deal of experience on the sets of foreign films. In 1989 Nabil

Ayouch began a career in advertising, first as a production assistant, then as a production manager, before moving on to directing. Since 1989 he has worked on more than 100 productions with both Moroccan and foreign crews. During the same period, he has directed three short films: *The Blue Stones of the Desert*, with Jamel Debhouze (1992), *Hertzian Connection* (1993), and *Silence Seller* (1994), which were broadcast by several Western television stations and won prizes in many festivals throughout the world. In 1997 Nabil Ayouch directed and coproduced with a French company his first feature film, *Mektoub*. In 2000 he finished filming *Ali Zaoua*, his second feature film, a coproduction with Morocco, France, and Belgium featuring Saïd Taghmaoui in one of the leading roles.

Ali N'Productions is a young company and has three main activities:

1. Providing services for foreign films (feature films, commercials, video clips, and documentaries).
2. Producing Moroccan documentaries and feature films.
3. Creating and making television programs (sitcoms, series, etc.).

At the dawn of the third millennium, Ali N'Productions was born of the desire to combine these different, yet complementary, activities on an artistic, technical, and human level. The men and women who work at Ali N'Productions have acquired much experience in all these fields over many years. They have worked on feature films, commercials, and video clips with the biggest European and American companies (Warner, Paramount, Gaumont, for example). Ali N'Productions has professionally produced a sitcom for 2M (one of the two Moroccan channels) called "Lalla Fatéma." Ali N'Productions stands for people, know-how, and experience. But above all, the company is a vision. Their ambition is not merely to carry out tasks on behalf of their foreign clients. While they are aware that they have no influence over the initial development of the project, they hope to provide input based on their local knowledge. This starts with an in-depth examination of the working documents provided (scripts, storyboards, etc.). From there, a detailed analysis allows them to offer creative proposals on logistics, the choice of local actors if necessary, locations, combinations of crews, and so on. Their aim is to become their client's true partner in Morocco. They would like their professional relationship to be of a complementary nature, leading to work that is both efficient and intelligent. This partnership needs to allow them to best serve the interests of their client's project.

Ali Zaoua is the moving and gut-wrenching tale of survival among a group of grubby, smelly street children in Casablanca, Morocco. They beg, sell cigarettes and homemade shell necklaces, sniff glue, and survive violence and abuse. *Ali Zaoua* carried off the coveted Yennenga Stallion trophy, for best film, at the 17th edition of Fespaco, the pan-African festival of film and television of Ouagadougou on March 3, 2001. *Ali Zaoua* is a beautifully constructed movie starring real-life street kids. The highly gifted child actors are complemented by a professional cast, which included the Maghreb star Said Taghmaoui, who plays Djib, the tyrannical teenage gang leader who abuses the children. Nabil Ayouch did not make it to Ouagadougou to receive the heavy bronze rearing-stallion statuette for his first feature-length film; it was handed to a stand-in by the president of Burkina Faso, Blaise Compaore. Those who viewed *Ali Zaoua* raved about its cinematography, story line, pathos, passion, and power. Clearly film juries have agreed. *Ali Zaoua* has won 25 prizes in various festivals all over the world and is distributed in 22 countries. It has played in theaters in France, Belgium, Spain, Germany, England, and the United States.

Private-sector industries are realizing they can play critical roles in the development of a country, as can be seen in the case of Morocco's Wafabank. Only 48 percent of girls in Morocco are enrolled in primary schools, compared with a 70 percent enrollment rate for boys. It is therefore not surprising that literacy rates for women are little more than half those for men. Inspired by USAID's 1998 international conference on girls' education held in Washington, D.C., leaders of Morocco's banking sector resolved to change the educational imbalance. They developed a pilot program that matches local branches of Wafabank with local schools and encourages the clients of the branches to become members of school support boards. These boards provide managerial, organizational, and financial assistance to schools that need that kind of help. As employees of a successful private-sector enterprise, Wafabank's staff contributes their skills as efficient managers. Their technical guidance, along with their financial assistance, helps ensure that girls get the support they need for their education. Wafabank, 163 Avenue Hassan II, Casablanca, Morocco, provides banking and financial services to private and corporate customers. The bank was the first to introduce credit cards to Morocco. The bank has branches in France, Spain, Belgium, Germany, Holland, and the United Arab Emirates. In 1998 Wafabank had a network of 160 branches in Morocco and 3 branches and 16 representative offices abroad. Its chairman and CEO is Abdelhak Bennani.

Hassan Ait Ali founded Upline Securities in 1993 to provide research for international investors in Morocco's secondary debt market. It is now one of the country's leading investment banking boutiques. Born in 1963, the son of a middle manager in a state-owned fruit exporting company, Hassan studied business administration in Belgium. Upon returning to Morocco, he worked for NCR, a U.S. computer systems company, for two years before founding Upline. Upline's original clients soon began to show an interest in equities, although at that time in Morocco only banks could act as stockbrokers. Hassan and his team nevertheless provided equity research and acted as an agent for fund managers. When the new stock exchange law was passed in September 1993, Upline became a full-fledged broker. It is now the only fully independent brokerage in Morocco, owned 50 percent by Finacor and 50 percent by its founders. In April 1995 Upline was mandated to be global coordinator of the privatization of Crédit Eqdom, Morocco's largest consumer-credit company. Upline is keeping track of possible candidates for private-sector initial public offerings of stock in Morocco. Upline is Morocco's designated data provider for Data Stream and acts as the local correspondent for the International Financial Corporation, helping with its emerging markets index. Today this company boasts 45 employees specialized in stock market brokerage, financial analysis, fund management and financial engineering.

At the small Spanish port of Tarifa, Africa is so close—less than 10 miles away—that it easily can be seen with the naked eye. Spain and North Africa might be close geographically, but they couldn't be further apart economically. Spain's annual per capita income of US$14,500 in the year 2000 dwarfs Morocco's US$1,100. If the jobs are not going to the people then the people will go to the jobs. About 170,000 illegal immigrants arrived in Spain from 1997 through 2000. The Moroccan economy is not growing fast enough for everybody to have a job, and therefore Moroccans and other Africans make the choice to go to Spain to fill jobs few Spaniards will accept. Despite living in squalor and being separated from their families, Spain is the land of promise for Moroccans. A daily wage of US$20 per day is more than four times what Moroccans earn at home. Captured Moroccan illegal immigrants are routinely deported on the passenger ferries that crisscross the Strait of Gibraltar. On the other hand, captured black Africans are simply turned loose to strike out for the rest of Europe, because Spain has no extradition treaties with the subsaharan countries.

More and more Africans see migration to the wealthy zone of Europe as their only salvation. How much more unequal can the African economy become before the resulting political instabilities and flows of migrants reach the point of directly harming the citizens of the richer Europe? Why are the elite of the developing countries of Africa not doing more to integrate their economies into the world economy in a strategic way? Europe faces a choice of dealing with a growing underground population flow or helping to grow higher-income activities in the developing countries of Africa (Wade 2001). Does it not make sense and is it not the time for jobs to go to Africa, where the people are?

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VI

Africa’s Future

Enterprising individuals and organizations have recognized the huge untapped potential of Africa and are actively pursuing business ventures across the continent. Part 6 gives examples, observations, and proposals to improve entrepreneurship in Africa and the successful development of the social, economic, and political environment within which entrepreneurs can succeed.

17

Entrepreneurs, Leaders, Technologies, and Plans

AFRICA'S ENTREPRENEURS

Marsden (1987, 1990) helps us to better understand the characteristics, problems, and needs of modern African entrepreneurs—the true pioneers of development in Africa. Marsden demonstrates that entrepreneurship is alive and well in Africa. Entrepreneurs have flourished most where the policies of supportive regimes have allowed relatively free markets to operate, and yet they have managed to survive even hostile African environments of central planning, public ownership of the means of production, and massive government intervention and controls. Marsden's main recommendation is for more lending to go to entrepreneurs rather than to governments. Many standard sources of finance are denied to African businessmen: stock exchanges are scarce; banks lend doggedly according to a client's assets, rather than judging his business potential. On top of all that, government borrowing often crowds out private requests from institutions, both domestic and foreign. Marsden concludes that African governments could accelerate progress toward their national economic and social goals by doing fewer things better. They could widen the field for private enterprise by removing barriers to and constraints on private initiative. They could foster open, competitive markets.

In October 2000, in Addis Ababa, entrepreneurs from 31 African countries concluded their deliberations with the establishment of the African Enterprise Network (AEN). This is a pan-African association that brings together new-generation African entrepreneurs who manage their own companies. The network seeks to improve the business climate in members' home countries and to foster regional trade and investment in their subregions. Affiliates in the three subregions of the continent are the East African Enterprise Network, the West African Enterprise Network, and the Southern African Enterprise Network. The gathering brought together 300 participants from 31 countries in the three subregions. In a declaration issued at the end of the conference, the participants said that the enterprise network initiative had been successful in the eastern, southern, and western African subregions. The networks will focus on business development, public-sector cooperation, and the collaboration of development partners, said the declaration. It stated that the three networks endorsed their shared vision and the need to develop business relations on a continental basis through greater cooperation between the networks. The founding members say AEN is intended to lead the African private sector into the 21st century and prepare the new generation of African entrepreneurs for the challenges of globalization.

From an interview with Ato Ermyas Amelga, we learn the advantages to be gained by the African private sector speaking with one voice through the African Enterprise Network. The most important advantage is that African entrepreneurs from 31 countries have been introduced to one another. Apart from that, they have all agreed to act together to deal with the problems of the private sector, thereby coming up with solutions and then negotiating with their governments. When business policy is drafted, they would be in a position to clarify the problems of the private sector. The problems all over Africa are similar. However, there has been no organized body to speak on behalf of Africa's private sector. Entrepreneurs have lacked a collective voice both at the African and at the international level. A single government may not be heard by the biggest financial institutions of the world. The possibility of a single entrepreneur being heard is very much less. Hence, the African private sector had to create a collective body so that they can provide their own solutions. Through the continental network of AEN, the African private sector can agree on the problems and then on solutions. By so doing, the negotiating capacity of the private sector can increase at the international level.

There are two categories of Africa's problems, domestic and global. The primary concern is the problems the productive sector faces. To deal with these problems, there must be appropriate business laws and infrastructure, which in turn needs policy on a national level. Africans have to speak with one voice so that there may be certain improvements. The AEN plans to work hand-in-hand with regional organizations to promote the capacity of the private sector and to strengthen regional integration. Africa is fragmented all over into tiny nations that are even more fragmented by various cultures, languages, and economic setups. In every African country, there are different business policies and a different business environment in general. This situation has become an obstacle to foreign investment. To make a reasonable return on investment in Africa, investors have to reach all countries, but that is impossible. This fact leads them to select larger countries such as Egypt, South Africa, and Nigeria. There has been a lack of an organized body that keeps foreign companies well informed about the business situation in Africa. This in turn has created a problem for foreign companies. Now the establishment of the AEN network can help in this regard. The idea of a free market is equally applicable to all nations (Getachew 2000).

AFRICA'S LEADERS

African leaders, in a bid to win international attention and respect, are pushing the idea that the revival of their continent depends on self-reliance and self-sufficiency. At the annual World Economic Forum in February 2001 in Davos, Switzerland, the presidents of Nigeria, South Africa, Tanzania, and Senegal presented African recovery plans that drew on indigenous energies, talents, and resources. In May 2001 African foreign ministers agreed that these plans should be merged into one plan around which the continent of Africa can rally in its quest for development. The basic responsibility for development is Africa's, says Tanzania's president Benjamin Mkapa, while noting that Africans are often portrayed as beggars and that it is up to Africa to correct this perception.

The stress on self-reliance means an emphasis on deepening ties within Africa rather than between Africa and the rest of the world. After twenty years of world-dictated solutions, Africans want their own plan. Jeffrey D. Sachs, a professor of international trade at Harvard University, says that the new African rhetoric doesn't suggest a retreat into economic self-sufficiency, or a closing off from the global economy, but rather a sensible effort to improve infrastructure and share resources across countries on the continent. Sachs believes that many African countries are ready for a decisive breakthrough in their economic and social policies.

Improved road, air, and telecom links within Africa would be a central part of a recovery plan for the region. Olusegun Obasanjo, Nigeria's president, urges that border controls be relaxed throughout West Africa to promote commercial exchanges between neighboring countries. He wants to begin a new era of cooperation among African countries. He calls for African countries to work together by pulling down the artificial boundaries created by colonial masters; to tackle the problems of internal conflicts and create a culture of peace; and to enlarge their markets so that the chances of Africa prospering in the new millennium increase. By the year 2002 he wants to pull down the physical barriers and the customs barriers that now make it difficult for people to be able to get into a car in Lagos, Nigeria, and drive to Dakar, Senegal.

Thabo Mbeki, South Africa's president, calls on rich nations to open their markets to more agricultural and textile products from Africa, saying trade barriers block the realization of African self-reliance. Open trade is not just an economic opportunity, it is a moral imperative, since open markets will provide hope for developing nations in Africa. Where there is investment and trade, there is increased opportunity for employment of Africans in Africa. The element in the fate of the self-reliance approach is the willingness of some of the million educated black African professionals who have left their homelands, and now live in Europe, the United States, and elsewhere, to return or at least invest in the continent (Zachary 2001).

Rich countries of the world should certainly be more generous with aid that is well spent, as some of it is. Indeed, all the evidence suggests that aid can significantly improve Africans' lives if they are lucky enough to live in countries with good leadership, sound economic policies, and a respect for the rule of law. The efforts by the African presidents to lead an African renaissance deserve the support of outsiders. But skeptics are unlikely to change their minds until they see evidence that African leaders no longer regard the state as their private property and are really committed to honest government, free elections, a tolerance of dissent, and the unfettered rule of law. Every African has the right to life, the right to be free from torture, and the right to peacefully express his or her political opinion. Respect for human rights is central to Africa's political, economic, and social development. All those interested in a better future for Africa should speak up for human rights and accountability. There can be no doubt that ordinary Africans hunger after such blessings: from Côte d'Ivoire to Zimbabwe, they take the chance to call for rights and accountability whenever they can. But most ordinary Africans are ill served by their leaders—that is Africa's continuing tragedy (Grimond 2001).

One successful expatriate African entrepreneur believes that most African politicians still think that they can sort out their mess without involving expatriates. African politicians still have an incredible opposition to giving nationality to any expatriate (even if he spent all his life there and created a business and provided employment opportunities). The entrepreneur asks, when will their xenophobia disappear? When will they accept talents immigrating to their countries, applying for citizenship, and helping to develop their economies? He argues that it seems that African politicians are deeply scared that giving nationality to an expatriate is opening the door to internal criticism. They basically tell you: "We are poor. It is the fault of colonialism. We want money and support as long as you don't start to bother us with controls and criticism if we spend our money the way we decide (the way I, the president, decide)." He concludes that the United States became a superpower by importing talents from everywhere. Africa became poor by chasing talent away. It is a well-known fact that the huge potential and resources of Africa are by far more important than the ones in the United States. If even the local African talents have emigrated and, as this book has shown, live and work all around the world, it is mainly because African politicians don't like criticism and want to be left unaccountable.

Another successful entrepreneur in Africa says that, "at the moment we have a massive brain drain, that we consider to be an integral part of the 'infrastructure' that we are losing. Africa has her resources and requires good management (like a good corporation) to develop. In addition to the basic infrastructure, the leaders need to provide an enabling environment that guarantees decent wages and security. As long as the large multinationals want the natural resources from the continent, they will do what is necessary (this includes corruption, instability and a divide and rule policy) to ensure the smooth supply. The leaders, who run this continent, are not committed to their cause (or lose direction). They are from a generation that has not kept up with the rest of the world and their offspring. Their focus is to first develop a stable base for themselves, before they can look further! It is only when our generation and the one after us come through, will the real potential for Africa be realized."

Nelson Mandela says that "Some Africans [blacks] have made mistakes. They throw their weight around as a majority. There are some Africans who inspire fear in the minorities, because of the way they behave. There have been comments by some leading members of the ANC, which have not helped the situation." Mandela urges tolerance of the views of the one-in-eight white minority. He proclaims that in South Africa there are many whites that are proud South Africans who say, "We have problems, but this is our country. We will never leave."

NEW ERA TECHNOLOGIES

As the world economy takes off into cyberspace, Africa, the perennial laggard, is in danger of missing the launch. Africa is still critically short of the basic infrastructure, technology, systems, and computer skills required to support electronic commerce and "the new economy," analysts and business leaders say. The world's poorest continent has by far the lowest telephone densities in the world, the fewest computers and the highest telecommunication charges. The main impediment is communications infrastructure, which is just not up to speed; without that, e-commerce can't happen.

The first problem is to raise telephone densities, which are currently only five telephone lines for every 1,000 people in subsaharan Africa, and then move on to improving access to computers. Africa, business leaders say, has no acceptable Internet-based payment system, and regulatory regimes remain restrictive, starving the sector of vital investment. The absence of a sophisticated banking system and the lack of credit cards in many African countries, which would allow for secure payment over the Internet, makes e-commerce virtually impossible.

It is often tough for foreign communication firms to find technically competent African partners. Nevertheless, there are opportunities for the bold. There is potential in Africa. Mobile phones will overtake fixed-line communications by 2005, and business leaders say that should help the continent catch up. The ability to deploy new-age networks in Africa will enable the impediments to be overcome. Africa can use wireless—like satellite or radio—rather than fixed lines (Mutizwa 2000).

Former U.S. president Bill Clinton acknowledged one of the great minds of the Information Age to be a Nigerian-born scientist named Philip Emeagwali, who had to leave school because his parents could not pay the fees and who lived in a refugee camp during the Nigerian civil war. Emeagwali won a scholarship to a university and went on to invent a formula that lets computers make 3.1 billion calculations per second. Some people call him "the Bill Gates of Africa." Emeagwali sees technology as a tool for integrating Africa into the 21st century's global economy, a tool that can be used to create wealth and alleviate poverty in Africa. Emeagwali says that today Africa is behind every continent in technology and as a result is the poorest continent, and that the lack of technological knowledge is the reason for the wide disparity between the rich and poor nations. Emeagwali believes that this gap can be closed if African nations focus on developing an economy that is knowledge- and technology-based, instead of one that emphasizes the export of natural resources. Clinton proclaimed that there is another Philip Emeagwali—or hundreds of them, or thousands of them—growing up in Africa today. Clinton declared that Africa must look into the faces of its children and visualize the potential that is in their minds and in their hearts. Clinton and Emeagwali believe that Africa must create the economic and educational environment that will unlock the thoughts, dreams, and imagination of its children.

Urging African governments to encourage the growth of private Internet service, John Sarpong, chairman and CEO of africast.com, warns, "Do not allow Africa to be left behind. Do not permit this golden opportunity for economic growth and prosperity to pass by." Sarpong, the founder of africast.com, a leading Internet-based financial and telecommunications services provider to the businesses and consumers of the global Africa marketplace, predicts that more than 20 million Africans will be online within the next five years. Sarpong says that the Internet will be the tool that pulls Africans closer to each other and to the rest of the world, "It is obvious that the Internet is becoming a significant business and consumer force in Africa and among people of African descent worldwide." He says, "I believe the Internet is a necessity for Africa because it is Africa's best hope for achieving economic integration within the continent as well as with North and South America, Europe and Asia." Sarpong has a vision for a pan-African online network with transaction-based applications that would drive new growth and profit for African consumers and businesses. Africast, founded in August 1999, offers a Web-based e-mail solution in 10 African languages: Swahili, Yoruba, Twi, Ga, Igbo, Hausa, Wolof, Zulu, Xhosa, and Afrikaans—reaching more than 40 percent of the continent's population.

Africast e-mail users can send and receive e-mail in these African languages. "Africast enables Africans to share information, conduct business, and communicate in their native languages," says Sarpong. "In order for many of these languages and cultures to survive, they must become part of the computer and Internet world. With this technology we will help keep alive as many languages as possible for cultural diversity and the educational development of African schoolchildren. The immense value of these online applications cannot be denied, any more than the importance of the Internet itself," Sarpong says.

Sarpong brings keen management, technical, and marketing skills to Africast as well as a strong contact base in Africa to help build the company's business. Before founding Africast, he founded Southline Industries in late 1996 to provide aerospace technical design, certification, and project management services to air transport, corporate, and special mission military aircraft. Southline Industries successfully completed projects for Gulfstream Aerospace, Raytheon Aircraft, and Sikorsky Helicopter. From 1985 to 1995, Sarpong worked for the Boeing Company in Seattle, where he distinguished himself as an enterprising and hardworking member of the Boeing team. He was inducted into Boeing's prestigious EXPO program for executives. A native of Ghana and a U.S. citizen, Sarpong graduated from Yale with a B.S. degree in electrical engineering.

Africast is establishing commercial Internet service centers across Africa in partnership with national post offices. One of the Africast services is a Web-based money-transfer service called Africash, which allows African expatriates living in North America and Europe to use the technology and convenience of the Internet to transfer money to relatives in Africa. The company also offers prepaid debit cards to credit-challenged Africans and African expatriates, telecom access, wireless messaging, and discounted international phone calling. Africast.com online community services and features include free multilingual African language e-mail, immigration information services, exclusive news directly from Africa, entertainment, and other content in streaming audio and video media. In 2002, the company will launch Africast TV, a cable television network targeting African expatriates and African Americans in North America.

Access to markets in the industrialized world is a critical factor in any discussion of development. The use of the Internet in business has made it possible to execute transactions at a fraction of traditional costs. It has also made it possible for producers and manufacturers anywhere to reach everywhere in matter of seconds. The possibilities that such technology presents for business are only just beginning to be manifested. However, to be successful in this environment takes hard work and creativity. Developing an e-commerce strategy is not easy. Therefore, Francis Stevens George, founder and president of Kizuki Group (formerly ETradeAFRica), positioned his company to provide consulting and marketplace services to help

African companies take advantage of the enormous potential of the Internet. George is a native of Sierra Leone. He attended boarding school in the UK and graduated from the London School of Economics, concentrating on economics and international relations. He has an MBA from the Norwegian School of Management, graduating in the top 5 percent of his class. Before founding Kizuki Group, he worked as a manager for Norsk Hydro's African activities for five years. Norsk Hydro is Norway's largest company, and its activities include oil, gas, petrochemicals, and aluminum. His management experience with Norsk Hydro taught him that he should do more to help his continent. With technology, he has found the means.

George has created a network of local associates in several African countries offering various e-commerce services. He is especially concerned with communication costs. It is not hard to see that in many African countries, communications is a major inefficiency. Because communication costs are very high, companies are not able to avail themselves of enough information for optimal decision-making. In a business environment, this can translate into suboptimal allocation of resources. In other words, the cost of the good could have been less, should the buyer have had more information. It is George's belief (from experience) that on many occasions there is a disproportionate allocation of resources between information and the value of that information. His company therefore helps buyers in Africa get as much information as possible on suppliers, products, and alternatives. The company also helps to bring African business people together. They have a number of South African companies that wish to build contacts in other African markets and they put them in contact with reliable partners.

George recently created africaebusinessconsultants.com, Africa eBusiness Consultants, with the aim of offering affordable consulting services to African enterprises in strategy, technology, and development. This business he has created through a consortium of consulting and web design companies both in and outside Africa, and technology partners in India. He believes this is also a benefit of the Internet. "We [Africans and nonAfricans] can all leverage our individual strengths into one collective effort to address our problems through technology." He makes the case that with Africa eBusiness Consultants Africans can also address social issues. For example, his firm is developing projects for education, farmers, and health care. Despite the vocal for food, shelter, medicine, and an end to wars, Africa has made very little progress since independence on these most important fronts. It is time, he argues, for Africa to shift the paradigm. George attributes the lack of progress to the lack of control that people have over their lives. Not enough wealth generation is taking place, which is needed for investment and growth. Prosperous people do not fight, he notes, at least not easily. Further, for too long, Africa has placed too much reliance on outside help. Africa must create wealth by empowering people. The Internet, with its advantage of transferring information at a fraction of the costs of the telephone, can play a vital role in this effort. Wealth creation demands, in the least, that information be available to allocate resources to the most productive factors. In its simplest form, the Internet will allow Africans with resources to realize a market for those resources. The Internet provides a platform for others to have access to those resources.

George says that the new economy—or the next economy—has leveled the playing field. In any debate about development, he believes we cannot ignore the impact that available technologies can have on society. We cannot ignore the impact that technology can have on wealth creation when it allows the individual to access information to make economic choices for their betterment and the betterment of the wider society. We should not let this opportunity pass us by because of focusing on the wrong issues. Create wealth through empowering people and soon you begin to see changes. With incomes, services will be demanded, a democratic society will be fostered, people will demand better from their institutions and governments. Change has to come from within and not from outside.

An increasing number of Africans are making innovative use of new information and communication technologies. Information technologies are improving health care in many countries by linking isolated patients to medical specialists, by helping to train local doctors, and by providing them with access to medical journals and databases. For the past year or so, a team of Brussels-based doctors has been running teaching programs for surgeons in Senegal via video linkups between classrooms and surgical centers. "If I have to go there and teach, it gets expensive," says Dr. Guy-Bernard Cadière, of Brussels's Saint Pierre Hospital. "This way it costs practically nothing—some ISDN lines and a couple of hours' phone time." When doctors at the Albert Schweitzer Hospital in Gabon were facing an Ebola virus outbreak in 1996, they were able to identify the disease. And they were able to receive specialized information and advice on it via an online computer network called HealthNet, which serves some 5,000 healthcare workers in 40 developing countries (Hawthorne and Robinson 2000).

In university campuses across Africa, students are linked to classrooms and libraries world wide via satellite and are able to obtain degrees in computer science, computer engineering, and electrical engineering. The African Virtual University links 24 African campuses to classrooms and libraries worldwide and will soon grant degrees in computer science, computer engineering, and electrical engineering. South Africa's SchoolNet program has linked more than 1,500 schools to the Internet, while the government's distance education program brings multimedia teaching to rural schools. "There is no problem getting students in to use the facilities," says SchoolNet's technical director Stephen Marquard. "Even during their holidays they are lining up for the experience in getting through to the Internet" (Hawthorne and Robinson 2000).

SchoolNet South Africa is an organization established in 1997 to assist all South Africans in preparing for the information society. It seeks to promote and implement information and communication technologies in schools. It coordinates and facilitates the implementation of information and communication technologies, as well as training and human resource development in South African schools on a national scale. SchoolNet seeks to support educators and transform education through providing leadership, expertise, and resources. To realize these aims, it forges partnerships in the areas of Internet connectivity and relevant technology, content and curriculum development, human resource development, and capacity building with various people and organizations that share a common vision.

A new African-led partnership was launched in November 2001 to promote the growth of school networks throughout Africa. The partnership, SchoolNetAfrica represents 10 countries in the five subregions of Africa. It has evolved through school networks in various countries seeking a unified body to look after their interests and is described as the first African-based, African-led, pan-African school networking institution on the continent. In partnership with national school networks, it plans a number of flagship projects. During 2002–2004, under the banner of the "Operation Dot Learns" program, SchoolNetAfrica plans to connect African schools to the Internet and to help national school networks. It plans to pilot the development of online curricula, create a knowledge warehouse, help develop "world class" learners through its ThinkQuest Africa competition, and lobby for cheap Internet access for schools. Craft workers around Africa are selling their handicrafts around the world via the Web through a nonprofit marketplace benefiting grassroots artisans and their communities called PEOPLink. PEOPLink is a growing worldwide network of trading partners. Founder Daniel Salcedo says that the group provides equipment, software, and consulting for Web sales to artisans from 25 countries, enabling the poorest of the poor to do e-commerce. Producers get fair prices, and buyers get access to some desirable merchandise direct from the source. PEOPlink has enabled Moroccan women rug-makers to market their products on-line, eliminating the middlemen and providing local women with direct access to the global market and a fuller slice of hard-earned profit.

Each trading partner is a development organization that is supporting hundreds of producers in their regions. They are usually nonprofit organizations that provide marketing and design services to numerous producer groups. The trading partners often have community development activities such as health or education programs. The people represented are organized into producer groups. They are talented artisans that have developed their skills through generations. The rich traditions of their cultures are expressed in their colorful crafts. The process, inspiration, and legends that inspire the artistic expressions contain valuable human content. The artisans, however, do not have the resources to reach out directly to the market. Traditionally they have to rely on a long, complicated chain of middlemen that pays them rock-bottom prices and then marks up the items many times on the way to the final consumer. The trading partners are trying to improve the terms of trade.

Kaya Beach in Senegal, where members of the Grand Coast Fishing Operators' Union salt and smoke the day's catch to prepare it for market, may seem light-years away from cyberspace, but for these women the Internet is a boon. With the help of Environmental Development Action, a Dakar-based NGO, and Acacia, a Canadian government-sponsored initiative, the cooperative has set up a Web site that enables its 7,350 members to promote their produce, monitor export markets and negotiate prices with overseas buyers before they arrive in Senegal (Hawthorne and Robinson 2000). These examples are encouraging. They provide early evidence that Africa is able to take advantage of the information and communication technology revolution.

Africa could become highly competitive in e-commerce, especially services, creating thousands of new enterprises and at least 1 million good jobs within less than five years if the right actions are taken now. This growth will also expand and deepen electronic connectivity across Africa, benefiting human development through support to the delivery of education, training, and health services. To capitalize on e-commerce, Africa needs a three-pronged strategy aimed at creating the right enabling and nurturing environment; identifying international, regional and local market opportunities; and providing African e-ventures with the necessary support to become globally competitive (Asea et al. 2001).

As founder and chief executive officer of Application Technologies, Inc., Rebecca Enonchong remains passionate about her native Africa. She and other African technology entrepreneurs who have gained success in the United States are banding together to bring Internet service and computer savvy to high-tech laggard Africa. In October 2000 Enonchong helped found the non-profit Africa Technology Forum to encourage the growth of high technology in Africa. This is the first global nonprofit organization dedicated to nurturing business relationships within the African high-technology community. The group says that it will promote several initiatives to help grow technology in Africa. These initiatives include a mass information campaign in Africa touting the benefits of technology; a project to define what government and infrastructure environment is needed for technology to thrive in Africa; and a campaign to increase the number of technology professionals through innovative training programs.

Africa's once-proud university system has become decrepit, overcome by poor pay for professors, overcrowded classes, and the violent conflicts that have plagued many countries. Computer science students in the Democratic Republic of the Congo, for example, say they get their university degrees without ever sitting down at a computer. In the 21st century economic paradigm, geographical borders are vanishing, and unique opportunities for economic advancement are presenting themselves as never before. It was with this in mind that the Africa Technology Forum was founded. It is the intention of the founders that the forum act as a magnet for African entrepreneurs and companies with interests in Africa to network, exchange new ideas, and form bonds that will serve as the building blocks for a new generation of thinking and entrepreneurship. This truly will represent a dynamic wind of change that can catapult Africa to the forefront of the economic and technological revolution that is ongoing in many parts of the world. The following points represent the vision of the Africa Technology Forum:

- The forum is a platform for high-tech companies of African origin and companies with interests in Africa to discuss issues of common interest and to network.
- The forum encourages technology entrepreneurship within the African community.
- The forum is a knowledge source for the high-tech industry.
- The forum promotes a tech-friendly environment in African countries.
- The forum assists in the development of technology mentorship programs for the benefit of Africans.
- The forum encourages and assists with the development of technology community outreach programs.

The mission of the Africa Technology Forum is to promote technology in Africa and foster the networking and growth of African technology professionals. Enonchong says, “By bringing together an exclusive group of African entrepreneurs and companies with interests in Africa to exchange ideas and establish bonds, we can help create an entrepreneurial environment that will enable Africa to take her rightful place on the world technology stage.” The other founders are Noah Samara, chief executive officer of WorldSpace Corporation, and Alberto Olympio, the technical director of Galaxie Informatique Internationale. Amadou Mahtar Ba, president of the Internet news portal AllAfrica.com, Samuel Suraphel, CEO and founder of Internet content and service provider i3afri Global, and Leslie Noukelak, COO and cofounder of AfricaToday.com, have joined the growing list of high-tech executive members of the Africa Technology Forum.

DEVELOPMENT PLANS

Felix M. Edoho (2000) and his contributors examine the management challenges facing African governments and businesses at the dawn of a new millennium. This book is an important resource for scholars, students, and policymakers involved with African economic development. As Edoho's contributors make clear, Africa's future is defined by how Africa does in the twenty first century. Edoho identifies the major challenge for Africa as "how to effectively and efficiently manage its vast wealth." Africa is not poor because it is poor—it is poor because it cannot manage its development process. The shortages of managerial knowledge, skills, and talents are pervasive. Consequently, the region lacks the ability to organize production and run operations effectively and efficiently. Edoho argues that the task of developing managerial manpower in Africa is imperative. After outlining theoretical and applied perspectives on management, Edoho's book examines the planning and management of the public and private sectors. It then explores the globalization of management technology, provides case studies of African management dilemmas, looks at management ethics and morality, and concludes with an analysis of the role of management in African national development. As Edoho's contributors make clear, abundant resources will not of themselves usher in an African economic renaissance. Africa needs skills to identify and analyze its resources, to undertake investment, and to establish and run all kinds of organizations. "Until Africa develops its indigenous managerial talents, development will continue to be elusive, and the process traumatizing," concludes Edoho (2001).

Sam Okoroafo is a professor of marketing and international business at the University of Toledo in Ohio and the editor of the *Journal of African Business*. He teaches that many African countries, from Algeria to Zimbabwe, have undertaken significant economic reform programs. These reforms, called structural adjustment programs, are being implemented under the tutelage of the International Monetary Fund (IMF) and the World Bank. The programs call for eliminating foreign exchange, trade, and investment restrictions, encouraging fiscal responsibility, improving agricultural methods, and privatizing state-owned enterprises. Despite the unpopularity of these programs and their subsequent political management problems, the reforms have forged ahead and are transforming these economies into ones driven by market forces. Effective structural adjustment programs ideally should assist regional economic integration, since their main purpose is to rekindle economic growth by increasing the mobility of production factors (including labor and raw materials) and by decreasing economic discrepancies (Okoroafo 1997).

Gerry Muuka (1997) argues that African manufacturing companies face a variety of challenges during structural adjustment programs in entering the global market. Although these problems are more severe in some countries than in others, they include foreign-exchange-related difficulties, the liquidity squeeze, and high interest rates and levels of inflation. In some countries (such as Zambia), there has also been policy instability, stiffer competition due to trade liberalization, lack of knowledge in some sectors about foreign markets, transfer pricing among multinational companies, and the AIDS factor, as well as other problems germane to individual subsectors of each African country's manufacturing sector. Muuka believes that there are benefits of a deeper understanding of the impact of structural adjustment programs in Africa that accrues to studying each country individually instead of treating African countries as if they are homogeneous, a tendency that he argues has plagued both the IMF and the World Bank (Muuka 1997).

Africa needs a new development agenda to consolidate recent gains in economic growth and to accelerate poverty reduction. This is the central message of Asea et al. (2001), the latest report in an annual series published by the Economic Commission for Africa (ECA) on Africa's economic performance and prospects. The ECA is proposing a new pro-poor development agenda, based on the need for a structural transformation of Africa's economies. According to Asea et al. (2001), the agenda entails:

- A renewed emphasis on modern agriculture as a basis for resource-based industrialization
- Improving the quality of human capital through investments in education
- Harnessing the benefits of information and communication technologies
- Narrowing the digital divide in commerce and health
- Tackling diseases that deepen poverty, including HIV/AIDS, tuberculosis, and malaria

Stressing that only high-quality governments can deliver essential social services to those who need it most, the report places good governance at the center of Africa's efforts to reduce poverty. It argues that high-quality governments are better able to design and implement effective policies, are more transparent, manage national finances soundly and provide citizens with peace, security, and the economic freedoms for markets to flourish.

In a recent World Bank report, "Can Africa Claim the 21st Century?" Africa's place in the new millennium was outlined in the following manner: Development in Africa is possible—and the twenty first century offers the region a chance to take its proper place on the world stage. Never before have the momentum and goodwill for change been better. But the consolidation of the momentum requires Africans to take a more active and business-like approach to governance and economic management. Africa has enormous unexploited potential in resource-based sectors, processing, manufacturing, and hidden growth reserves. Its economies can perform far better. It has barely tapped the potential of its people and has much scope for improving delivery of the services needed to upgrade people's capabilities and health.

A new UNIDO (United Nations Industrial Development Organization) study, "African Industry 2000," identifies four independent but interconnected industrial growth paths for subsaharan African countries:

Agriculture-led industrialization: A large number of subsaharan economies would benefit from this path—countries whose existing export base is dependent on agriculture or who have large populations for whom agriculture provides a livelihood and could build a platform for industrialization on that agriculture.

Resource-based industrialization: Economies with a resource-rich base can build on that platform. This path is open to Angola, Nigeria, Republic of Congo, and Gabon (oil and gas) and the Democratic Republic of Congo and Zambia (copper, cobalt, and diamonds).

Cluster economies: Regional customs unions or free trade areas would be most likely to benefit southern Africa, where the proposed free trade protocol of the Southern African Development Community (SADC) could create a platform for export-driven growth.

Export-led growth: The most attractive path, replicating the experience of the East and South Asian Tigers, is also the most difficult for subsaharan economies, which have undeveloped private sectors and face formidable constraints—especially deficits in infrastructure, skills, and technology.

No government in subsaharan Africa can afford to base its industrial policies on any single one of the four paths since investment opportunities exist in different sectors at any stage of development, cautions Torben M. Roepstorff, a UNIDO senior economist. The industrialization strategy adopted must be homegrown and based on a realistic assessment of each country's comparative advantages and competitiveness in selected product areas. For African industry the main challenges of globalization are essentially to improve competitiveness through creating an enabling environment, improving infrastructure, reducing transaction costs, and enhancing governance, skills, and technological upgrading. Subsaharan industry will need to diversify away from traditional trade patterns with greater emphasis on intraregional trade within Africa and trade with other developing regions through upper-end value-added products, more specialization, and greater participation in the global value chain. In the twenty first century industrial policy in Africa will shift from measures designed to protect specific sectors in favor of creating an enabling environment for industry to become competitive and to flourish. In the future, greater attention should be paid not just to poverty reduction and wealth creation but also to environmental and social issues, such as food security, aging populations, and water scarcity, among other priorities.

Charles Gore (2000), a senior economic affairs officer, for the United Nations Conference on Trade and Development, offers the following wise advice:

- Don't expect liberalization on its own to end poverty.
- Emphasis should be put on the development of productive capacities and international competitiveness and on a structural transformation away from a narrowly specialized primary commodity economy. Do not depend heavily on a single export, such as coffee, where there have been precipitous declines in prices.
- Address the fundamental tasks of increasing domestic savings, improving the volume and productivity of investment, and promoting a variety of exports.
- Develop a new generation of entrepreneurs who can identify profitable investment opportunities and, taking risks, capitalize on them, and a new generation of policymakers who can ensure that the energy of this entrepreneurial drive is intensified and channeled to support national interests and social objectives.

Gore's list omits several points that the UNCTAD report makes on aid flows, aid effectiveness, and debt relief. In particular, Gore believes that more thoroughgoing debt relief is important for creating a better investment climate. (One may download the whole report at unctad.org/ldc2000.)

James D. Wolfensohn (2000), president of the World Bank, writes that "access to external capital is fundamental to any country's development, but borrowers and lenders need to be vigilant about the long-term sustainability of the resulting debt. In many instances this will mean shifting to grants and strictly limiting new borrowing to lenders who offer the most generous terms. The World Bank, for instance, which provides resources to the poorest countries interest-free, is now exploring new instruments, including grants, for such pressing needs as HIV/AIDS, the environment, basic education, and health. Next, it is time to get serious on trade. Barriers that impede exports from developing countries to industrialized markets continue to severely disadvantage poor countries. In 1999, for example, industrialized countries spent more than $300 billion on agricultural subsidies. This is roughly equal to the total GNP for all subsaharan Africa. Debt relief without increased market access is futile. Finally, the AIDS epidemic, particularly in Africa, makes action in all these efforts more crucial by the day. In some of the hardest-hit African countries, the epidemic is projected to reduce life expectancy over the coming decade below 30 years—striking most relentlessly at productive workers and parents. Ambitions for health care, education, agriculture, energy, and other development areas are endangered by the simple prospect that there will not be enough teachers, students, farmers, and workers alive to realize them."

To further the case for debt relief, George B.N. Ayittey (2000), the president of the Free Africa Foundation, asks us to consider Zaire, now the Democratic Republic of Congo. Its former dictator, the late Mobutu Sese Seko, plundered Zaire's economy to build mansions overseas and stash billions in Swiss banks. The World Bank and the West knew of the looting and yet continued lending to Zaire. When Mobutu was ousted in 1997, he left a foreign debt of US$14 billion, from which the Congolese people derived no benefit. For the bank to portray itself as generous of heart in forgiving the debt of the Congolese people is an affront to logic. South Africa too is particularly exercised about its foreign debt, which exceeds US$71 billion. Millions of black South Africans—who lack basic services such as housing, decent schools, and hospitals—must toil to pay back the billions of dollars borrowed by former apartheid regimes that oppressed them. In 1898, when the United States captured Cuba from Spain, the Spanish government demanded the repayment of Cuba's debts. But the United States refused, claiming that the debt had been "imposed upon the people of Cuba without their consent and by force of arms." Why shouldn't this doctrine of "odious debts" apply to Africans too? (Ayittey 2000).

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18

Conclusions

The objective of this book was to impart an awareness of the opportunities for entrepreneurs in Africa and the roadblocks that the cultural, economic, social, political, and physical environments often have presented for entrepreneurs in Africa. Hopefully, the actual or proposed projects and policy changes that are being made or will be made in the future will be of great benefit for the people of Africa and the entrepreneurial environment.

Gordon and Wolpe (1998) write that a quiet renaissance is slowly transforming the African continent. Africa is not, as it is so consistently depicted on our television screens, on the edge of an abyss of futility and despair but is at the beginnings of a renewal that, in many countries, is yielding to a new sense of hope and possibility. While some conflict-ridden countries have deteriorated into "failed states" featuring terrible humanitarian disasters, other African nations are in the midst of a remarkable economic and political renewal. While Africa remains the poorest continent in the world, a number of African countries are already reaping the fruits of new market-oriented institutions and policies, and many are increasingly guided by democratic values and institutions. Sound aid, sound trade policies, and wise diplomacy can help ensure that America is a serious player in Africa's renewal. Supporting the degree of international engagement required to sustain the pace of renewal in Africa will advance America's interests in the emerging markets of a dynamic new Africa.

Paul Collier (1998) is the director of research at the World Bank and is on leave from the Oxford University Centre for the Study of African Economies. He wrote that Western business regards Africa as the world's riskiest region in which to invest. The African continent is thus largely excluded from the present rapid process of economic integration. Moreover, he writes, during the 1980s much of Africa excluded itself from the global marketplace through protectionism and state-centered economic policies. Economic growth has therefore been slow, or negative; this has served to aggravate the risk of civil war that, in turn, has provided a further disincentive to Western investment. Relations between Western governments and those of subsaharan Africa are now set in a pattern that reinforces the negative attitudes of Western companies toward the continent. The West offers aid in return for economic reform, but even when the proposed measures are introduced, they are often abandoned once the aid has been received. Collier argues that the prospects for growth and stability in Africa would be enhanced if the concern about policy reversals were diminished, thus maximizing inward investment flows.

Collier advocates that the European Union (EU) take a wider role and exert more pressure on recalcitrant regimes. For reasons of history and self-interest, he believes that the EU is best placed to act as an "agency of restraint." Otherwise, the problems of illegal immigration and drug trafficking that would arise from an explosion of anarchy from conflict across subsaharan Africa are too serious to ignore. The continent provides a huge potential market. Collier that believes the most effective means of assisting those states seriously bent on reform would be a revision to the Lome agreement enabling economic relations between Europe and Africa to be shifted from unilateral concessions to reciprocity. As a consequence, African states would have a series of options—ranging from Lome in its present form to full reciprocal free trade with EU members. States that chose the more ambitious option could expect to become the African pacesetters. As Botswana—one of the world's fastest-growing economies—has demonstrated, economic freedom and market reforms work in Africa as they do elsewhere. Over recent decades Africa's economic record has not been significantly worse than that of Eastern and Central Europe. What has been lacking has been a way of signaling a decisive break with the past. Europe has a role in enabling Africa to signal the break. It is hypocritical to give debt relief with one hand and then deny poor countries the ability to export their way out of poverty with the other. In 2001 Western governments seem to have finally put Africa's needs on their agenda, but they will have to do much more if they are to make a real difference to the world's poorest continent, experts say. Recent moves to open European markets to goods from Less Developed Countries (LDCs), as well as British plans to support better health and education in the Third World, are steps in the right direction.

Ayittey (1999) believes that a market economy cannot be established without secure property rights, free flow of information, the rule of law, and mechanisms for contract enforcement. Since these processes or foundations are missing in most African countries, the free-market economies the United States hopes to establish in these countries are pies in the sky, regardless of assurances by African leaders. Ayittey wants a new approach that emphasizes institution building or processes. Leaders come and go but institutions endure. Four institutions are critical:

- An independent central bank is vital for monetary and economic stability, as well as to stanch capital flight.
- An independent judiciary is crucial for the enforcement of the rule of law, the protection of property, and the end to rapacious plunder.
- An independent and free media is necessary to facilitate the free flow of information, to expose criminal wrongdoing, and to disseminate ideas.
- Neutral and professional army or security forces are important for protecting life and property and ensuring law and order.

Ayittey concludes that at the minimum, Western aid should be made contingent upon the establishment of these institutions, which are established by civil society, not leaders. An implicit conflict of interest is involved when leaders are asked to set up the very institutions that would limit their power or the arbitrariness by which their power is exercised. Rechanneling existing aid programs to reach the people or civil society would have much greater impact in transforming Africa than placing unwarranted faith in African leaders.

Africa has not been very successful in attracting foreign direct investment over the past few decades. Still, Morisset (2000) demonstrates that a few subsaharan African countries have generated the interest of international investors by improving their business environment, suggesting that they can become competitive internationally and attract foreign direct investment on a sustainable basis. Countries that can offer a large domestic market or natural resources have inevitably attracted foreign investors in Africa. Over the past decade, several African countries have also attempted to improve their business climate in an effort to attract foreign companies. Establishing a competitive business climate is a difficult task because it takes time—not only to implement policies, but also to convince potential investors. In the case of Africa, it is even more difficult, because most countries are not even on the radar screen of most companies. To improve the climate for foreign direct investment, an economic analysis indicates that strong economic growth and aggressive trade liberalization can be used to fuel the interest of foreign investors. The implementation of a few visible actions is essential in the strategy of attracting foreign direct investment. Beyond macroeconomic and political stability, countries should focus on a few strategic actions, such as

- Opening the economy through trade liberalization reform
- Launching an attractive privatization program

- Modernizing mining and investment codes
- Adopting international agreements related to foreign direct investment
- Developing a few priority projects that have multiplier effects on other investment projects
- Mounting an image-building effort with the participation of high political figures, including presidents

In conclusion, Morisset finds it interesting that these actions do not differ significantly from those that have been identified behind the success of other small countries with limited natural resources, such as Ireland and Singapore, about twenty years ago.

Ng and Yeats (1996) believe that subsaharan Africa's declining importance in global trade is primarily due to its inability to remain competitive in international markets. They conclude that Africa's marginalization is primarily due to inappropriate domestic policies that reduce the region's ability to compete internationally. They insist that changes in Africa's own policies are of paramount importance if the adverse trade trends are to be reversed. They show that a major and extensive loss of Africa's international competitiveness played a key role in its decline in world trade. They maintain that Africa's marginalization in world trade is also due to the fact that global demand for the region's major exports grew at a considerably slower pace than that for most other goods. Africa, therefore, suffered from a two-pronged problem. It experienced declining market shares for its major export products, which, in turn, were of declining relative importance in world trade. In addition, an inability to diversify its export base had major adverse consequences. Specifically, Ng and Yeats have determined that Africa is now among the regions that are most highly dependent on a relatively few export products and, unlike that of all other regions, Africa's trade dependence has increased sharply over the last four decades. Sub-Saharan Africa's own trade barriers are considerably higher than those of most other developing countries, particularly those that launched sustained export-oriented industrialization drives. Numerous studies show that countries that pursue liberal trade policies generally achieve superior growth rates, which accents the importance of domestic policy reforms if Africa is to reverse its diminishing role in world trade. Ng and Yeats encourage Africa's adoption of appropriate trade and structural adjustment policies in order to enhance its international competitiveness and urge African countries to permit their exporters to capitalize on opportunities in foreign markets. The future of African economies should be determined by Africans themselves and not by outsiders.

Gordon and Wolpe (1998) propose that the full realization of Africa's economic potential and Africa's integration into the global economy partly depend on progress in achieving regional economic integration. Many African markets are too small to achieve economies of scale. Small indigenous industries are arising as a result of current economic reforms. Expanded regional markets could offer African countries cheaper manufactured goods from neighboring countries. Gordon and Wolpe demonstrate that African leaders are increasingly committed to the ideal of economic integration, and new efforts are being undertaken in all regions of the continent. The tendency toward greater democracy has brought more policy flexibility and greater regional cooperation. They conclude that the United States should continue to work closely with African governments and regional economic organizations, such as the Southern African Development Community (SADC) and the Economic Community of West African States (ECOWAS), to accelerate the process of integration.

C. Payne Lucas is the president of Africare, the oldest and largest African American private organization grappling with health and development issues in Africa. He believes the African continent, with its vast resources and varied cultures, is one of the most exciting places in the world. He sees so much potential: the art, the music, and the capability of nations of people. He maintains that if we can give them a little bit of help, this continent can tap its vast potential. He asks African-Americans to organize themselves to support the culture and people of Africa. Then Africa can realize its full potential, become a major trading partner in the global economic community, and a major player in the political community. Lucas sees that as one of the great challenges of our time. He asks what would happen if Hausas, Yorubas, and Ibos finally learned to live together and if leaders pursued a program of cultural diversity and managing diversity, making everybody feel that they are full partners in civilization? He believes it would be one of the greatest achievements of our time (Cobb 2001).

In Kampala, Uganda, during his four-nation African tour in May 2001, U.S. Secretary of State Colin Powell told Ofeibea Quist-Arcton of allAfrica.com that trade and investment follows democracy. He warns that trade is not going to be going into those nations that do not have the rule of law. He says that where investment is not safe, where people can’t get a return on their investment because there is corruption, and the corruption is tolerated because there aren’t democratic systems to check that corruption and there is not an active judiciary and corporate governance laws, trade will not go. He insists that you are not going to get the right kind of investment in countries that need investment unless there is a safe democratic base to attract those investments. He emphasizes that money is a coward. It is not going to go where it is not going to be safe. People don’t invest money in places where the money is going to be wasted, or there is such a level of corruption or it is such an undemocratic regime that you cannot count on gaining a return on your investment.

Secretary Powell warns that trade isn’t something for which you just snap your fingers and it happens. You have to have an educated population, you have to have factories, and you have to have things that people want to buy. He heard the message all through his travels that Europe and America have got to eliminate and reduce barriers to African goods and products. He answers that the African Growth and Opportunity Act (AGOA) has tried to do that—reduce barriers to trade so that African products have an easier time of getting into the United States and other Western nations. However, he repeats that trade is not going to happen unless people feel safe in investing. If a country is unable to bring violence under control, or corruption under control, or crime under control, it is difficult to encourage investment in that kind of country. If a country has not been able to invest in its infrastructure, with reliable power, with potable water, and with all the things you need for a solid infrastructure, it is difficult to build a functioning factory in that kind of country. And so Powell thinks that there is a strong obligation on African nations to use their resources to improve their infrastructure and to make Africa more attractive for investment.

Secretary Powell concludes that African countries have to invest in the right things, in infrastructure, in educating their people for the twenty first century, so that they can participate in the worldwide trade revolution that is taking place. Money will only go and investment will only go where it is safe and where there is a population ready to work. And the obligation is not just on the United States and other Western countries to invest in the right place. The obligation is also on the African countries to make sure that they have an investment-friendly and a trade-friendly climate within their countries (Quist-Arcton 2001).

George B.N. Ayittey (1998), an associate professor of economics at the American University in Washington, D.C., declares that subsaharan Africa has been plagued by decades of misguided socialist policies, repressive governance, and corruption, all of which stunted the region's political and economic development. Chaos in Africa cannot be ignored. The region's instability and poverty could lead to the formation of more radical regimes with hostile foreign policies. Equally significant, the United States has important economic interests in the region, which remains a source of natural resources vital to the U.S. economy, particularly oil. It also represents a vast pool of consumers for U.S. goods and services if per capita wealth in the subsaharan African countries can be increased. U.S. policy toward Africa should concentrate on reducing trade barriers to trade and investment, increasing access to the region's vital raw materials, promoting democratization and economic liberalization, and combating terrorism, political instability, and corruption. Ultimately, Africans must devise their own homegrown solutions to their problems. African leaders and governments are responsible for creating the conditions and environments that enable their people to solve their own problems. Ayittey concludes that the United States can help, but that Washington cannot supplant the initiative and efforts of Africans themselves. African leaders must be willing to reform their institutions and markets.

In doing my study of successful entrepreneurship in Africa, I found that Africa has many successful entrepreneurs that are Native Africans, many that are second, third, and fourth generation European, MidEastern, and South Asian, many that are recent immigrants, and many that are returning Africans. What Africa needs is investment of capital, educated and skilled immigrants, infrastructure, education, health facilities with trained medical people, liberal and stable economic policies, and educated management.

Africa has economic successes to learn from, the natural resources, the labor force, and the land to be the continent of opportunity. African governments need to reach out to the African Continent's private entrepreneurs and to acknowledge the economic importance of private businesspeople, the self-employed and employees for foreign-funded firms. They are the builders of Africa's future.

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Index

About the Author

DAVID S. FICK is a graduate of the Wharton School, University of Pennsylvania, and has spent his entire business career as an entrepreneur in Kansas. His interest in African entrepreneurs began while on a two-week tour of Kenya, Tanzania, and Ethiopia in 2000. It changed his life. He recognized quickly that these entrepreneurial "engineers of growth" were meeting roadblocks that would stagger even their most talented, dedicated counterparts elsewhere, but were surmounting them with almost unbelievable success. These are their stories.