



ROBERT B. ZOELICK

HELPING AFRICA GROW

Since the financial crisis hit, the World Bank has provided a record \$89 billion to support development initiatives around the world. Much of this funding has gone to Africa, a special focus of president Robert B. Zoellick, a U.S. Trade Representative under George W. Bush. Zoellick recently sat down with NEWSWEEK's Jerry Guo in Abidjan, Ivory Coast, to talk about the continent's prospects for growth. Excerpts:

Which model—China's, India's, or its own—is Africa following in terms of development?

I think it is going to follow its own model, but it can learn lessons from others. China has been extremely success-

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ful, first at creating added value through the agriculture sector and then exported growth. In India, you've seen a fantastic development of the service sector. A third [model] is the European Union. One of the challenges for sub-Saharan Africa is that markets are of modest size. This makes regional integration important.

Which African economies would you single out for doing particularly well? At slightly higher income levels, Bot-

swana and Mauritius are good growth stories. A little bit lower are Rwanda, Uganda, Tanzania, Mozambique, Mali, and Burkina Faso.

How quickly will a critical mass of middle-class consumers develop here?

You really have to get to [per capita income levels of] \$10 a day to get to some people's definition of a middle class. What I'd focus on in Africa is getting to \$2 a day. At a slightly higher income level, you start to have local manufacturers who can target the local market. The other interesting possibility coming out of the crisis is that some Chinese operations may move basic manufacturing to Africa. A Chinese provincial party secretary said maybe they should move out of the "shoes and Christmas toy" markets, start moving up the value-added chain, and

move basic manufacturing to sub-Saharan Africa. We're working with the Chinese in Ethiopia on an industrial zone.

But the Chinese are often looked on suspiciously by the West for their commodities push into Africa, particularly for the unfavorable terms they impose.

Europeans and Americans have their own sorry history when it comes to resource development. If China can develop resources in a constructive

way, that can help create jobs. The Chinese are smart and recognize they're going to face backlashes. I'm sure there are Chinese companies that are not following proper safeguards. But when I present these issues to them, they understand the point and are willing to work with us. Now when I meet donors in developing countries, I often try to invite the Chinese ambassador.

Some of Africa's poorest states are landlocked with few natural resources—Malawi and Burundi come to mind. Where's the hope for them?

These are small markets that are going to have to link to larger markets—subregional integration. Rwanda is a landlocked country, but it hasn't stopped developing. They built a high-end tourism industry around the mountain gorillas. A country like Malawi could still increase income considerably with the right agricultural gains.

In the aftermath of the global recession, many are now calling this the age of emerging markets. Which ones do you see as having the greatest potential for growth?

Clearly people are focusing on China and India. I think Africa is a potential pole for growth. To get out of the crisis, it is important to provide financing to these countries to create the basis for demand. But it is also important to invest productively, because this will create additional productivity and growth for the future.