



**SUB-SAHARAN  
AFRICA**

# SUB-SAHARAN AFRICA

Sub-Saharan African countries are distributed primarily within the lower ranks of economic freedom. Nonetheless, a number of countries in the region have substantial growth momentum, and the positive economic results achieved through limited advances in economic freedom have created valuable impetus for the additional institutional reforms that are needed to ensure long-term economic development.

However, the region as a whole continues to underperform in following through on policy changes that would encourage the emergence of a more dynamic private sector. Structural transformation and modernization remain patchy in many African countries. Limited diversification has resulted in less broad-based growth, with exports often concentrated in sectors with little scope for sustained increases in productivity.

Regrettably, in some cases, the signs of repeated government failure continue to be overwhelming. The population-weighted average GDP per capita for the region is only \$5,334, the lowest level of any region. Unemployment hovers at 7.7 percent.

Chart 1 shows the distribution of countries in the Sub-Saharan African region among the five categories of economic freedom. Unlike regions that have a diverse range of free-market economies, in sub-Saharan Africa, there are only distinctions among less free economies. There is no “free” economy in the region, and Mauritius and Botswana are the only “moderately free” economies. A majority of the 47 graded nations are ranked either “mostly unfree” or “repressed.” In fact, 11 of the world’s 23 “repressed” economies are in Sub-Saharan Africa.

As shown in Table 1, the single factor for which the region scores higher than the world average is government size. Ironically, however, it is worse than average in terms of taxation, which might indicate that tax revenues are being stolen rather than spent on government services. Labor freedom is restricted, reflecting in part the region’s lack of progress toward a modern and efficient labor market. Despite ongoing reform efforts in many countries, policies related to regulatory efficiency and open markets have not advanced strongly in comparison to other regions of the world.

More critically, uneven economic playing fields, exacerbated by the weak rule of law, continue to leave those who lack political connections with only limited prospects for a brighter future. The region’s scores on property rights, judicial effectiveness, and government integrity are lower than world averages by 10 points or more.

Nevertheless, Chart 2 confirms that even in this region, the strong relationship between high levels of economic freedom and high GDP per capita holds true, although Equatorial Guinea, the oil-rich “repressed” economy, drives up the average GDP per capita for the region’s least economically free countries.

Also noteworthy is the growing attention that has been given in recent years to the

## SUB-SAHARAN AFRICA: QUICK FACTS

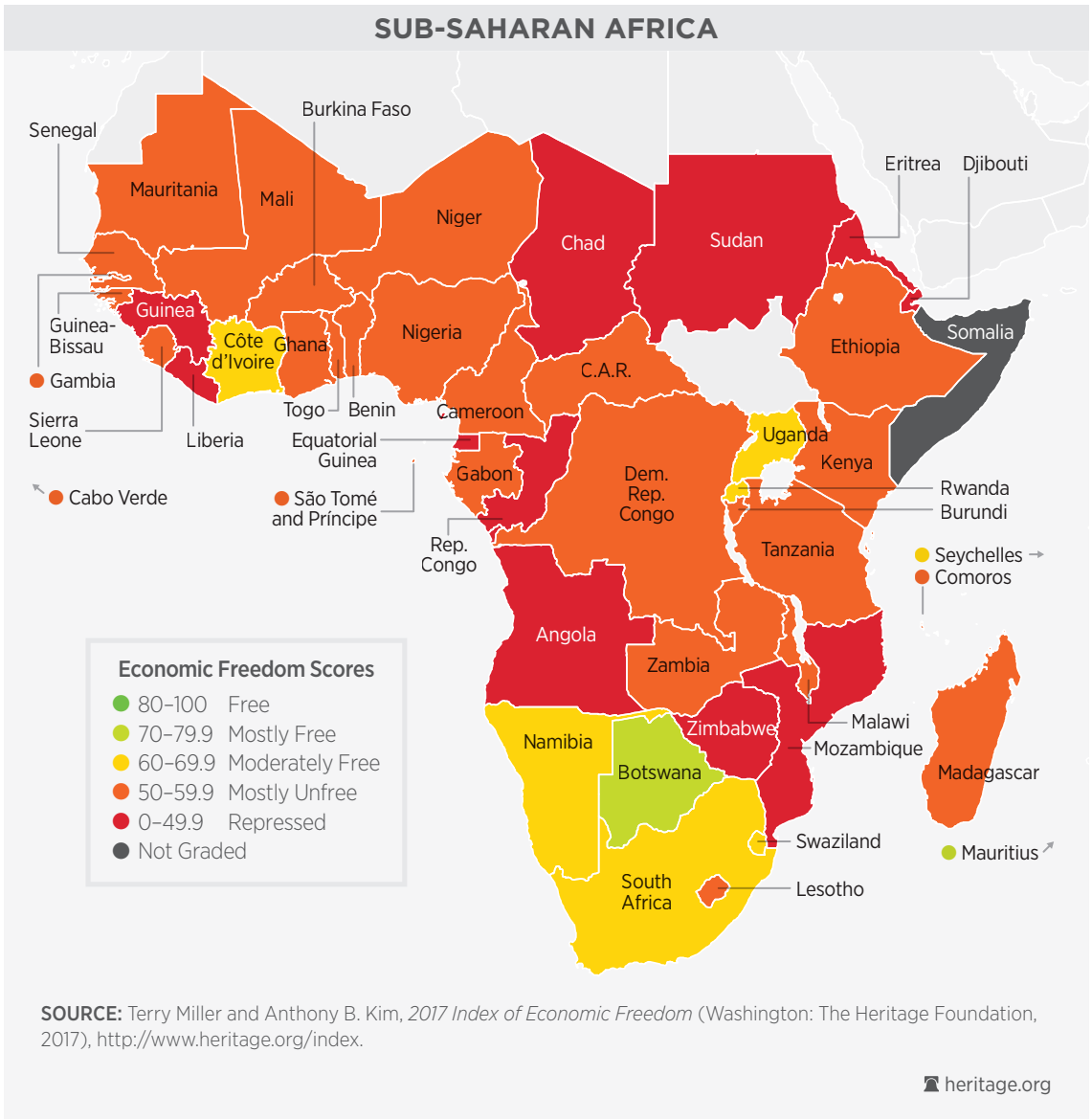
**TOTAL POPULATION:** 990.8 million

### POPULATION WEIGHTED AVERAGES

<b>GDP PER CAPITA (PPP):</b>	\$5,334
<b>GROWTH:</b>	4.5%
<b>5 YEAR GROWTH:</b>	5.3%
<b>INFLATION:</b>	6.5%
<b>UNEMPLOYMENT:</b>	7.7%
<b>PUBLIC DEBT:</b>	42.1%

**SOURCE:** Terry Miller and Anthony B. Kim, *2017 Index of Economic Freedom* (Washington: The Heritage Foundation, 2017), <http://www.heritage.org/index>.

 heritage.org

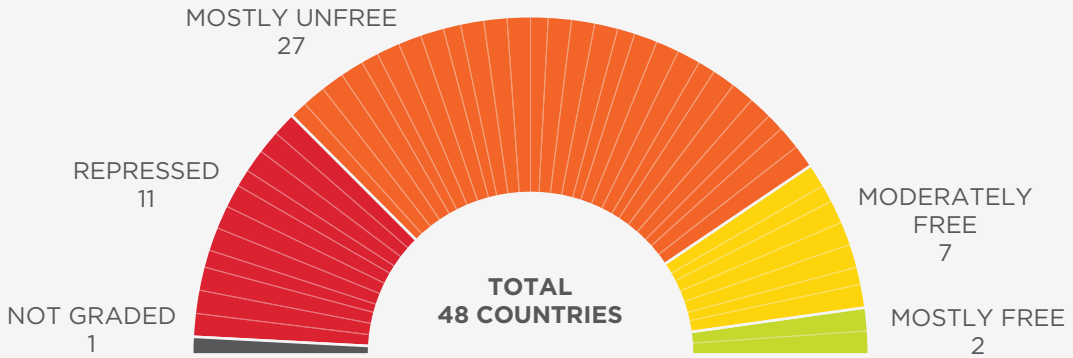


importance of ensuring food security, a critical dimension of fighting poverty, particularly in sub-Saharan Africa. More aid money cannot and will not safeguard food security. The task is multidimensional and closely linked to achieving agricultural development, economic growth, institutional stability, openness to trade, and overall social progress. It is ultimately about advancing and sustaining economic freedom so that a virtuous cycle of growth and development can occur

meaningfully for a greater number of ordinary people. As shown in Chart 3, economic freedom is an indispensable ingredient in enhancing food security in the region.

It remains to be seen whether the region's leaders have the political will to undertake the fundamental economic reforms that are needed to translate narratives of "Africa Rising" into reality. There are some success stories, and they usually involve countries with greater freedom.

## SUB-SAHARAN AFRICA: ECONOMIC FREEDOM SUMMARY



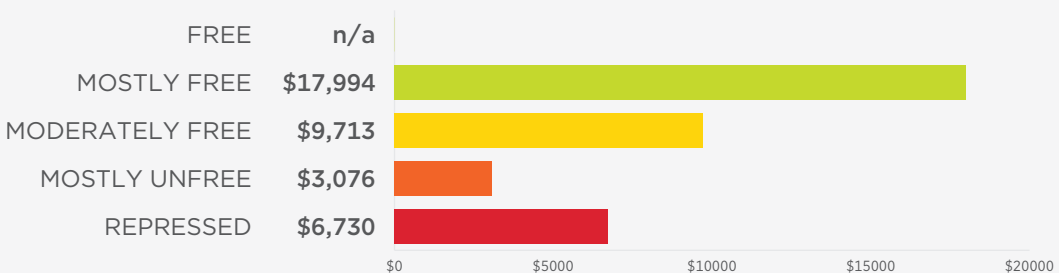
**SOURCE:** Terry Miller and Anthony B. Kim, *2017 Index of Economic Freedom* (Washington: The Heritage Foundation, 2017), <http://www.heritage.org/index>.

Chart 1 heritage.org

### NOTABLE COUNTRIES

- Côte d’Ivoire’s economic expansion has been notable with a robust GDP growth rate averaging around 6 percent over the past five years. The government has undertaken much-needed reforms to maintain and further enhance the potential for growth. These measures include strengthening management of public finances and regulatory reforms to foster the emergence of a more dynamic private sector. Fiscal policy has focused on promoting investment as well as on funding other development needs.
- Nigeria, Africa’s most populous nation, has sought to improve macroeconomic stability and develop its poor infrastructure, but severe economic policy distortions and

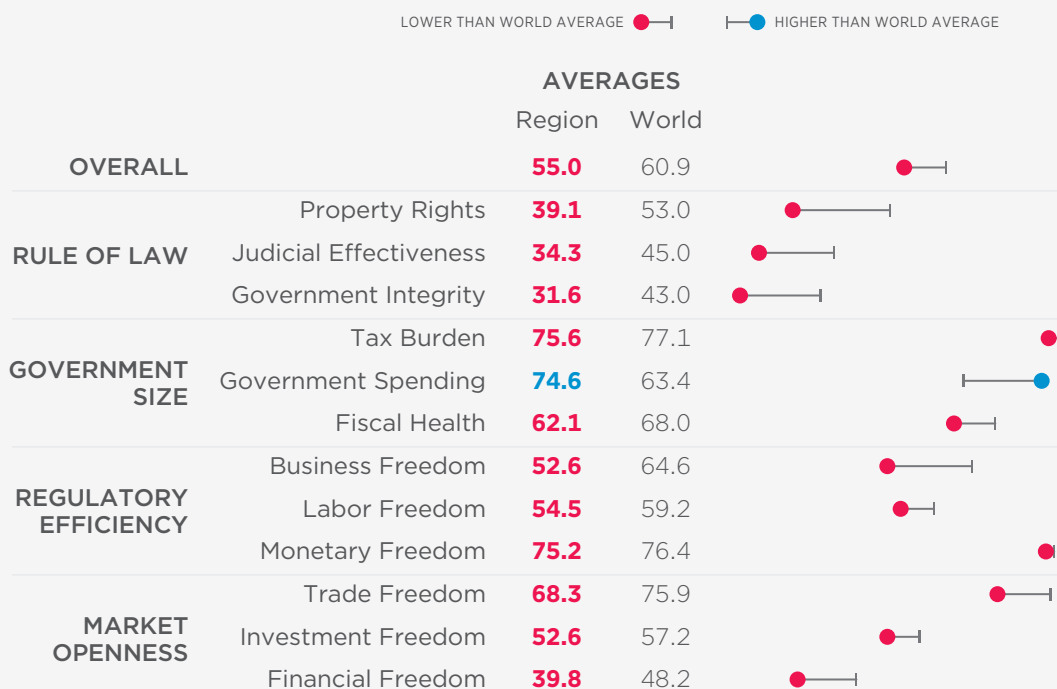
### SUB-SAHARAN AFRICA: GDP PER CAPITA, BY ECONOMIC FREEDOM CATEGORY



**SOURCES:** Terry Miller and Anthony B. Kim, *2017 Index of Economic Freedom* (Washington: The Heritage Foundation, 2017), <http://www.heritage.org/index>, and International Monetary Fund, *World Economic Outlook Database*, April 2016, <https://www.imf.org/external/pubs/ft/weo/2016/01/weodata/index.aspx> (accessed December 13, 2016).

Chart 2 heritage.org

## SUB-SAHARAN AFRICA: COMPONENTS OF ECONOMIC FREEDOM



SOURCE: Terry Miller and Anthony B. Kim, *2017 Index of Economic Freedom* (Washington: The Heritage Foundation, 2017), <http://www.heritage.org/index>.

Table 1  heritage.org

a lack of transparency in the economic system continue to deter progress. The government has also struggled to end ongoing security threats in parts of the country that have exacerbated poverty and unemployment. The government's over-reliance on oil, which accounts for over 90 percent of export earnings, has exposed the economy to major risks amid declining oil prices.

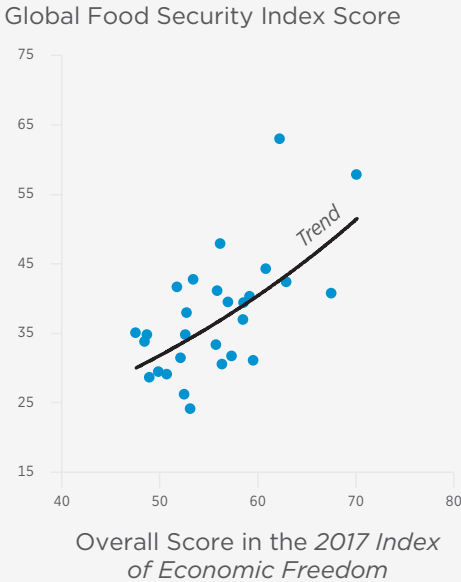
- Performing far below its potential, South Africa's economy has been stifled by political instability and a weakening rule of law. The judicial system has become vulnerable to political interference, and numerous scandals and frequent political infighting have severely undermined

government integrity. Private-sector growth remains constrained by structural and institutional impediments caused by growing government encroachment into the marketplace.

- Grading of Sudan's economic freedom has resumed in the 2017 *Index*, reflecting the improved availability and quality of key economic data. The petroleum sector provides some economic stability and foreign exchange earnings, but other parts of the economy are underdeveloped and face serious structural and institutional headwinds. Continued conflict with rebels and South Sudan promotes uncertainty and undermines investor confidence.

## SUB-SAHARAN AFRICA: ECONOMIC FREEDOM AND FOOD SECURITY

Each circle represents a nation in the  
*Index of Economic Freedom*



**SOURCES:** Terry Miller and Anthony B. Kim, *2017 Index of Economic Freedom* (Washington: The Heritage Foundation, 2017), <http://www.heritage.org/index>, and The Economist Intelligence Unit, *Global Food Security Index*, June 2016, <http://foodsecurityindex.eiu.com/> (accessed December 13, 2016).

Chart 3  heritage.org

- Togo has undertaken a series of economic reforms in recent years, restructuring its key banking, electricity, and transportation sectors. The corporate tax rate, formerly one of the region's highest, has been lowered. The government has also taken steps to divest public enterprises, and there are plans to privatize inefficient public banks. However, an inefficient business environment and weak public administration continue to undermine overall competitiveness.

## ECONOMIC FREEDOM IN SUB-SAHARAN AFRICA

World Rank	Regional Rank	Country	Overall Score	Change from 2016	Property Rights	Judicial Effectiveness	Government Integrity	Tax Burden	Government Spending	Fiscal Health	Business Freedom	Labor Freedom	Monetary Freedom	Trade Freedom	Investment Freedom	Financial Freedom
21	1	Mauritius	74.7	0.0	64.4	72.6	44.3	92.0	81.5	74.9	78.2	68.8	81.1	88.7	80	70
34	2	Botswana	70.1	-1.0	58.1	54.0	57.6	77.1	61.2	99.4	68.8	68.6	77.9	83.8	65	70
51	3	Rwanda	67.6	4.5	64.4	68.8	45.9	79.8	77.3	83.3	59.0	81.8	80.0	70.3	60	40
75	4	Côte d'Ivoire	63.0	3.0	42.6	45.8	34.3	78.4	84.6	87.0	62.1	50.6	73.2	72.3	75	50
78	5	Namibia	62.5	0.6	53.8	50.6	41.3	65.2	55.6	66.4	67.6	84.4	77.2	83.5	65	40
81	6	South Africa	62.3	0.4	67.6	59.7	47.6	70.2	68.4	70.0	62.0	58.9	75.8	77.3	40	50
85	7	Seychelles	61.8	-0.4	55.2	42.6	44.3	78.8	63.9	90.7	63.4	55.9	78.3	83.4	55	30
88	8	Swaziland	61.1	1.4	53.5	33.3	30.9	74.8	71.6	93.2	57.5	64.4	75.6	88.9	50	40
91	9	Uganda	60.9	1.6	39.3	34.6	28.7	73.7	91.0	78.1	42.4	84.6	80.3	78.3	60	40
93	10	Burkina Faso	59.6	0.5	38.2	28.4	31.7	82.6	82.5	88.4	46.4	53.3	84.6	69.2	70	40
96	11	Benin	59.2	-0.1	36.0	29.4	31.3	68.6	85.9	71.3	51.9	52.4	85.4	68.7	80	50
102	12	Mali	58.6	2.1	36.7	33.8	34.3	69.4	88.0	87.8	44.2	51.1	83.0	70.1	65	40
103	13	Gabon	58.6	-0.4	35.9	26.7	37.6	77.0	81.0	96.1	50.6	58.4	83.0	61.8	55	40
105	14	Tanzania	58.6	0.1	33.8	28.8	29.2	80.3	89.5	76.6	50.1	64.3	69.6	76.0	55	50
113	15	Madagascar	57.4	-3.7	34.8	21.4	25.0	91.0	93.2	79.8	43.3	43.8	73.3	78.0	55	50
115	16	Nigeria	57.1	-0.4	35.3	33.2	12.2	85.2	95.2	87.2	48.9	73.9	71.3	62.3	40	40
116	17	Cabo Verde	56.9	-9.6	42.6	50.2	41.8	78.3	70.7	1.2	65.5	43.2	86.7	68.2	75	60
117	18	Congo, Dem. Rep. of	56.4	10.0	40.6	48.7	28.6	73.4	94.7	99.3	59.9	38.4	78.6	64.6	30	20
118	19	Ghana	56.2	-7.3	51.6	40.9	35.5	84.5	76.3	9.2	59.6	57.4	64.5	65.1	70	60
119	20	Guinea-Bissau	56.1	4.3	33.8	48.7	28.7	89.0	87.5	75.3	46.7	60.9	77.7	65.2	30	30
120	21	Senegal	55.9	-2.2	44.0	39.3	42.1	70.9	74.3	51.8	50.8	38.9	86.0	73.1	60	40
121	22	Comoros	55.8	3.4	37.3	22.6	30.0	64.6	81.2	98.6	58.5	50.6	81.5	70.2	45	30
122	23	Zambia	55.8	-3.0	49.6	39.8	35.0	73.1	81.6	21.6	66.6	48.2	70.7	78.3	55	50
124	24	São Tomé and Príncipe	55.4	-1.3	37.7	15.9	39.7	87.8	67.9	67.1	65.0	47.2	69.6	71.8	65	30
131	25	Mauritania	54.4	-0.4	22.5	13.8	29.2	81.2	73.2	77.1	64.4	57.4	81.9	62.3	50	40
134	26	Lesotho	53.9	3.3	51.6	50.9	39.6	55.7	0.0	92.2	52.2	57.7	76.4	80.2	50	40
135	27	Kenya	53.5	-4.0	45.1	42.7	24.7	78.5	77.9	14.4	50.0	62.4	73.8	67.2	55	50
136	28	Gambia	53.4	-3.7	39.1	38.8	38.2	74.9	74.3	3.2	52.8	65.6	63.8	65.0	75	50
138	29	Togo	53.2	-0.4	33.8	39.9	36.8	68.2	79.8	45.1	50.3	46.2	77.5	71.3	60	30
139	30	Burundi	53.2	-0.7	25.7	19.8	24.6	73.8	69.5	69.6	53.5	67.4	75.2	74.2	55	30
142	31	Ethiopia	52.7	1.2	32.6	29.6	37.6	77.1	90.3	86.5	50.0	57.2	65.7	65.1	20	20
145	32	Sierra Leone	52.6	0.3	37.4	27.0	18.9	81.3	90.2	76.2	49.6	29.7	71.1	69.4	60	20
149	33	Malawi	52.2	0.4	36.0	44.2	31.3	79.1	69.8	33.5	45.3	56.9	54.7	70.5	55	50
150	34	Cameroon	51.8	-2.4	43.5	29.6	17.4	75.4	84.4	60.9	44.3	47.8	80.1	53.4	35	50
151	35	Central African Republic	51.8	6.6	12.6	33.0	28.7	65.8	94.1	84.1	27.2	42.7	68.2	55.2	80	30
154	36	Niger	50.8	-3.5	33.8	22.6	35.0	76.3	73.4	38.5	39.1	46.1	83.3	66.4	55	40
158	37	Mozambique	49.9	-3.3	40.6	32.4	30.9	73.2	58.2	22.7	58.8	41.0	79.9	76.7	35	50

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161	38	Liberia	49.1	-3.1	33.6	41.0	31.4	83.6	60.1	36.2	53.1	48.5	71.8	60.1	50	20
162	39	Chad	49.0	2.7	30.6	24.1	24.6	46.0	87.2	74.6	27.5	44.9	74.3	54.7	60	40
164	40	Sudan	48.8	N/A	31.1	19.8	18.9	86.5	95.1	85.5	53.9	49.7	59.3	50.5	15	20
165	41	Angola	48.5	-0.4	36.4	19.8	12.8	87.7	58.6	70.7	58.5	40.4	70.6	56.7	30	40
169	42	Guinea	47.6	-5.7	15.6	13.1	27.5	69.1	78.4	34.2	55.8	54.8	71.1	61.2	50	40
171	43	Djibouti	46.7	-9.3	12.3	10.3	32.6	80.9	39.5	13.8	51.6	59.0	75.3	54.9	80	50
174	44	Equatorial Guinea	45.0	1.3	35.4	13.1	24.6	75.4	53.6	46.4	50.9	38.5	78.3	53.8	40	30
175	45	Zimbabwe	44.0	5.8	27.3	26.1	14.7	61.1	75.2	90.6	36.2	33.1	76.5	52.8	25	10
176	46	Eritrea	42.2	-0.5	36.4	10.3	27.5	81.3	74.7	0.0	56.7	69.7	61.0	69.2	0	20
177	47	Congo, Rep. of	40.0	-2.8	34.8	22.6	30.5	66.8	36.2	11.6	32.1	37.5	76.1	52.2	50	30
N/A	N/A	Somalia	N/A	N/A	6.8	N/A	11.6	100	N/A	0.0	92.3	91.8	N/A	N/A	N/A	N/A