

# The COVID-19 Pandemic Underscores the Necessity of a Renewed U.S. Effort to Promote Economic Freedom in Africa

*Anthony B. Kim and Joshua Meservey*

## KEY TAKEAWAYS

The coronavirus pandemic is wounding many African economies. Recovery will require a private sector freed from burdensome regulatory environments.

The U.S. should focus its Africa initiatives on promoting economic freedom, advancing free market policies, and promoting a strong and vibrant private sector.

The U.S. should rapidly implement the Prosper Africa initiative, plan a private sector-focused leaders forum, and prioritize African regulatory reform initiatives.

Although coronavirus cases were relatively slow to appear in Africa, the virus has been spreading across the continent and infecting an increasing number of people, straining already fragile health systems. It is hard to gauge how the pandemic will progress in Africa, but the pandemic should further energize the Trump Administration to promote economic freedom in Africa, whose security, stability, prosperity, and sovereignty are “in the national security interest of the United States.”<sup>1</sup>

## The Status of Africa’s Health Security

Many African countries have weak health care systems that could be easily overwhelmed by the coronavirus pandemic. Thirty-three countries on the continent fall into the “least prepared” category of the Global Health Security Index.<sup>2</sup>

This paper, in its entirety, can be found at <http://report.heritage.org/ib5076>

The Heritage Foundation | 214 Massachusetts Avenue, NE | Washington, DC 20002 | (202) 546-4400 | [heritage.org](http://heritage.org)

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

Social distancing is difficult for large swaths of the population in Africa: Almost half of its urban population live in densely packed slums, and some of the continent's many refugees and internally displaced people are clustered in densely packed camps with limited medical facilities, further complicating social distancing efforts. Frequent hand washing can also be difficult since water and soap can be in short supply.

Not all the news is bad for Africa, however. Its inhabitants on average are the world's youngest—the median age is below 20 in sub-Saharan Africa—and the virus does not readily kill the young. Because COVID-19 was comparatively slow to reach the continent, governments have the advantage of learning from other countries' experiences, and some already have launched aggressive lockdowns.

Equally noteworthy is that although this is a new coronavirus, many African medical professionals have hard-won experience responding to epidemics such as Ebola that can help inform the battle against COVID-19.

## Economic Freedom Matters to Africa

American aid continues to flow to Africa, including tens of millions of dollars for COVID-19 relief.<sup>3</sup> However, a renewed American effort to promote economic freedom in Africa should be a central part of the U.S.'s long-term mission to assist African countries. Economic freedom is the long-term solution to the continent's weak health security capacities and to many of its other challenges. Only nine African countries rank in the top one hundred freest economies in The Heritage Foundation's *2020 Index of Economic Freedom*, while four of the index's ten worst-ranked countries are African. The dearth of economic freedom on the continent correlates with the lack of food security and poor nutrition, which directly relates to the region's political instability, high infant mortality rates, disease outbreaks, childhood learning disabilities, and occasional famines.

During his first trip to Africa as Secretary of State earlier this year, Mike Pompeo highlighted the importance of economic freedom. In his speech entitled "Liberating Africa's Entrepreneurs," Pompeo said:

We want basic security for our families. We want opportunity and reward for the hard work that we invest in. And we want the freedom to do whatever we want to do with our own lives. It's how we get there that matters an awful lot. I'm here today about—to talk to you about a couple of things. Most importantly, I want to talk about the next liberation, economic liberation, a true liberation for Africa's entrepreneurs.<sup>4</sup>

Indeed, as The Heritage Foundation's *Index of Economic Freedom* has reminded us annually since 1995, preserving and advancing economic freedom is about empowering people and ensuring real, lasting progress by unleashing greater opportunities.<sup>5</sup>

Over the past 26 years, the Index has demonstrated the undeniable links between economic freedom, individual liberty, and prosperity in nations around the world. The facts are indisputable: Free markets and free people have worked hand in hand to increase prosperity and quality of life. Freer economies also have led the world in innovation and economic growth, and their governments have been made increasingly accountable to those they govern.

Perhaps not surprisingly, countries with freer markets tend to be more resilient in times of crisis and more capable of handling challenging external shocks. Thanks to free-market incentives and the flexibility to respond to changing conditions that comes with less government central planning, they have the widest availability of food, medicine, and other crucial necessities.

As the 2020 *Index* emphasizes, Africa can do much more to advance economic freedom and liberate its many entrepreneurs. While the U.S. cannot give countries in Africa the political will needed to transform their economies according to free-market principles, it can, through consistent policy dialogues with its African partners and by providing technical help for reform-minded countries, support the cause of economic freedom in Africa. To that end, the Trump Administration and Congress should:

- **Accelerate implementation of the Prosper Africa initiative that focuses on increasing two-way trade and investment between the U.S. and Africa.** The initiative is the right strategic focus for American engagement with Africa. The U.S.'s unmatched private sector gives the American economy an immense competitive advantage. Facilitating the private sector's deeper involvement in Africa will not only build American economic might, a pillar of overall national power, but also will enhance American standing on the African continent. Although the Prosper Africa initiative was announced nearly a year and a half ago, it has not yet been implemented in a substantive way.
- **Plan another U.S.–Africa leaders forum focused on promoting American and African private sectors' contribution to economic recovery.** The American and African private sectors will be critical to the post-pandemic recovery of their respective regions, and the U.S. can support the process by hosting a high-level summit convening senior government and private-sector representatives from the U.S. and Africa.

In addition to bolstering companies, a summit is a public way for Washington to demonstrate commitment to the U.S.–Africa relationship and remind African governments of the desirability of partnering with the U.S. Many countries, including some U.S. competitors, hold regular summits with African heads of state. The U.S. has held only one, in 2014.

- **Prioritize advocating for and helping with regulatory reform in any American economic recovery initiatives designed for Africa.** Many African economies have already been damaged by the pandemic and cannot afford burdensome regulatory environments, which, without reform, will hamper desperately needed economic recovery.
- **Deepen cooperation with allies whose interests align with those of the United States.** America’s like-minded and willing allies, such as South Korea, Japan, and Taiwan, are increasingly active in Africa and share the U.S.’s long-term strategic interest in helping Africa become democratic and more market-oriented.
- **Mobilize the many U.S. civil society organizations to reinforce ongoing democratic and economic reforms in Africa.** Many of these organizations have deep Africa experience and can help to push forward the reform momentum.

## Time for an Economic Freedom Partnership with Africa

According to the Trump Administration’s Africa strategy, which was unveiled at The Heritage Foundation in 2018, America’s renewed engagement with Africa focuses on “advancing trade and commercial ties” with the region to the benefit of both the United States and Africa so that America’s African partners can “thrive, prosper, and control their own destinies.”<sup>6</sup>

The proven right way forward lies in advancing free-market policies that enhance economic freedom. Indeed, cultivating broad-based and capable private sectors nurtured by the rule of law, market openness, and regulatory efficiency—key ingredients of economic freedom—should be the foundation of America’s lasting strategy for practical engagement with Africa.

**Anthony B. Kim** is Research Manager and Editor of the Index of Economic Freedom in the Center for International Trade and Economics, of the Kathryn and Shelby Cullom Davis Institute for National Security and Foreign Policy, at The Heritage Foundation. **Joshua Meservey** is Senior Policy Analyst for Africa and the Middle East in the Douglas and Sarah Allison Center for Foreign Policy of the Davis Institute.

## Endnotes

1. John R. Bolton, National Security Advisor, “Remarks by National Security Advisor Ambassador John R. Bolton on the The [sic] Trump Administration’s New Africa Strategy,” remarks delivered at The Heritage Foundation, Washington, DC, December 13, 2018, <https://www.whitehouse.gov/briefings-statements/remarks-national-security-advisor-ambassador-john-r-bolton-trump-administrations-new-africa-strategy/> (accessed May 4, 2020).
2. GHS Index, The Global Health Security Index, <https://www.ghsindex.org> (accessed May 4, 2020).
3. News release, “COVID-19 Global Response-Fact Sheet #1 FY20,” U.S. Agency for International Development, April 21, 2020, <https://www.usaid.gov/crisis/coronavirus/fy20/fs1> (accessed May 4, 2020).
4. Michael R. Pompeo, U.S. Secretary of State, “Liberating Africa’s Entrepreneurs,” speech delivered before United Nations Economic Commission for Africa, Addis Ababa, Ethiopia, February 19, 2020, <https://www.state.gov/liberating-africas-entrepreneurs/> (accessed May 4, 2020).
5. Terry Miller, Anthony B. Kim, and James M. Roberts, eds., *2020 Index of Economic Freedom* (Washington: The Heritage Foundation, 2020), <http://www.heritage.org/index>.
6. John R. Bolton, “Remarks by National Security Advisor Ambassador John R. Bolton on the The [sic] Trump Administration’s New Africa Strategy.”