

## **Foreword Volume 9 (2002/2003): African Entrepreneurship and Private Sector Development**

This Volume 9 of the African Development Perspectives Yearbook is considering in great detail the role of African entrepreneurs and the new policy trend in Africa towards private sector development. The emphasis on entrepreneurship and the necessary policy changes is of importance so as to respond successfully to the current globalisation trend. Volume 9 is the first comprehensive account of these new tendencies in Africa, and the contributors are looking in great detail at the determinants for the success of entrepreneurs in Africa, and at the scope of ongoing reforms in Africa to strengthen private sector development. The contributions and units in Volume 9 of the African Development Perspectives Yearbook therefore address firstly, the most important issues of African entrepreneurship, and especially the demand for economic reforms that may strengthen private sector development; secondly, the origins, working modalities and perspectives of African entrepreneurship; and thirdly, the issues of women entrepreneurship and empowerment policies.

The relevance of these issues for African development has increased tremendously in view of the repercussions of the globalisation trend on Africa. This volume is an effort by many contributors and editors who have presented analytical essays on the theme, country case studies, informative reports on policy changes in Africa, and case studies of successful entrepreneurs. The impact of the new private sector development policies on entrepreneurship was carefully considered, by referring to policy and action levels such as national economies, sub-regional entities, local communities, social groups, and especially the women. The implications of the new trend for required policy changes at the level of national economies, regions and subregions were analysed, and reference was also made to the relevant positions of African regional organisations that highlight the perspectives of Africa in the years to come. These most important issues are dealt with in 5 Units.

Unit 1 addresses the basic issues of private sector development and economic reform in Africa so as to strengthen entrepreneurship. The contributions reveal that such policy reforms have to be based on development strategies with clear objectives and coherent framework conditions in mind so as to be successful. The strategies have to be oriented on the developmental role of the productive sectors such as agriculture, manufacturing and services in African countries, and their interdependencies and linkages by markets and entrepreneurial activity. New industrial policies, market development policies, and adapted macro policies matter in this context. Such strategies have to consider the impact of structural reforms on entrepreneurship, the role of government policies towards entrepreneurship development and market development, and the design of macro policies that are more conducive to private sector development. Unit 1 also addresses the institutional framework for private sector development that is essential for entrepreneurial development, and especially for the promotion of micro, small and medium enterprises. Also the role of the New Partnership for Africa's Development (NEPAD) for private sector development and entrepreneurship in Africa is highlighted.

Unit 2 of Volume 9 addresses the success conditions for African entrepreneurship. The unit presents an overview on African entrepreneurship, highlighting the origins, characteristics and perspectives of entrepreneurs in Africa. Various case studies on and empirical evidence from South Africa, Sierra Leone, Tanzania, Nigeria, Burkina Faso, Ghana, Zimbabwe and Kenya present various dimensions and functions of African entrepreneurship with the aim of

analysing the determinants of success of the African entrepreneurs. Most important, the conditions for the emergence of an African class of entrepreneurs in a more dynamic private sector are analysed, and for countries such as South Africa this means the creation and promotion of an entrepreneurial class of the black population. In other countries such as Sierra Leone and Nigeria this means the creation and promotion of an entrepreneurial class of small and medium companies that can develop independently from large and state-owned companies. These cases show that African entrepreneurs can develop and can manage successfully their companies, especially in the context of a pro-active policy on private sector development. New strategies of the governments to support small and medium companies and new partnerships with the large and state-owned companies play a role for the emergence of an indigenous entrepreneurial class. African entrepreneurs emerge from various origins, but whatever their origin they can be successful as the cases show - if governments follow non-discriminatory policies, and if large and state-owned companies engage themselves in fair partnerships and joint ventures. Networks and clusters also play a role in enhancing and developing African entrepreneurship, and the cases presented highlight most of the recent tendencies. African entrepreneurs also respond positively to an "innovative milieu" and to national and local innovation systems that involve the companies in their region, especially also the small and the medium companies. The studies presented show that these enterprises need such a milieu to grow and to become successful ventures. There are various approaches outlined how to strengthen most successfully such an innovative milieu in the private sector, and also adequate macro, meso and micro policies matter in this context. Crucial for the growth of enterprises and for the future of African entrepreneurship is finance, as the financial institutions in most of Africa are not adapted to the micro, small and medium enterprises. New innovative solutions to this problem are analysed, and relevant policy action is proposed in the unit. The Unit 2 highlights the future of African entrepreneurship in the context of new private sector development policies, and under improved conditions for innovation and finance.

Unit 3 discusses the roles and strategies of African women as entrepreneurs, market traders and cross-border traders as well as the challenges these women face. Challenges in African markets and trading systems occur due to market liberalisation policies that are causing an increase in domestic market competition. However, also the implementation of structural adjustment programmes has impacts, as household budgets are too often affected negatively and many women are forced to provide additional income for their families to survive. Unit 3 highlights these issues and problems for African female entrepreneurs and traders, and the contributions reveal that the participation of women in market activity is not only a survival strategy but also an empowerment strategy that increases their economic independence over time. Both, men and women face certain constraints when acting as entrepreneurs, such as access to finance and market information. However, women are affected disproportionately, what concerns their empowerment and profit generation options negatively. So, women often are confronted with a hostile environment as female entrepreneurs, and women traders do not conform to the traditional gender role. Besides this, women face greater constraints in access to education and technology, and serve mainly the low-value market segments. The contributors to Unit 3 address and analyse the African women's constraints to become successful entrepreneurs and to be integrated into formal business sectors respectively.

In Unit 4 most important books, brochures and documents dealing with the theme of African entrepreneurship and private sector development are reviewed and noted. It is interesting to see how many research institutes, international organisations and development policy institutions add to the knowledge in this field by presenting new books, seminar reports and discussion papers on the various issues. More and more editors, authors and publishers send

their publications for review to the Review Editors of the African Development Perspectives Yearbook, and the Yearbook Editors hope that this trend will continue.

In Unit 5 Profiles, News and Information are presented. In this Unit information on new initiatives for Africa, new research projects, and new networks on and for Africa are presented. Referred is also to new documents of importance for the future of Africa, research reports on key issues for Africa, news about African organisations and the work for Africa by development co-operation agencies, and to statements by leading regional organisations about Africa's economic and social prospects. This is part of the global network that was created already in 1988 by the Research Group on African Development Perspectives in Bremen, a network that is enlarging, broadening and deepening. Important documents and reports from African and international organisations on African issues are reprinted in various issues of the African Development Perspectives Yearbook, also in Volume 9. These documents are of great importance because they are proof of the collective will and effort of the Africans to change their situation by determined action. This is also part of the editorial policy of the African Development Perspectives Yearbook to make available to the readers most important documents and reports on researches that give authentic proof of intentions, plans and objectives for African development. This Unit with Profiles, News and Information gives evidence of an increasing interest in Africa's development perspectives.

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