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## Africa, land Of Hope

NICHOLAS D. KRISTOF

KIGALI, Rwanda –

In the early 1990s, Rwanda reinforced all the worst stereotypes of Africa: wretchedly poor, torn apart by war and seemingly destined to be an international basket case forever.

Yet now it has become the little nation that could. It is clean, safe and enjoying economic growth more than twice as fast as the U.S. or Europe. And Rwanda underscores something that is easy to forget: There are signs of a turnaround in Africa, and plenty of reason for optimism.

This is the last column from my win-a-trip journey in Africa with a student, Leana Wen, and a teacher, Will Okun, and the stories have been long on gloom and suffering. But there is also a cheerier side to Africa, and Rwanda reflects the continent's potential when there is both stability and good governance.

Dr. Paul Farmer, the Harvard public health specialist best known for his work in Haiti, is among a growing number of Americans who have begun working in Rwanda in part because it is so well-managed.

"The first time I got stopped by a policeman here, I thought, 'Oh, no! Am I going to get kidnapped, or worse?' "said Dr. Farmer. "I rolled down the window, and the policeman said, 'Put on your seat belt.' "

In the early 1960s, most of Africa was richer than Asia and many economists expected Africa to zoom far ahead of Asia. Back then, the World Bank named a group of African countries that it projected to grow at 7 percent annually. Instead, Africa drove over a cliff. Of those countries with good data, one-third now have lower per capita incomes than they did at independence (typically about 1960), and the five worst-performing economies in the world from 1960 to 2001 were all in Africa.

What went wrong? The two most important reasons were that Africa was terribly governed and that it was torn apart by wars. The problem of conflict is as bad as ever (Darfur sums it up), but governance is getting far better.

Increasingly there are new leaders like Paul Kagame here in Rwanda who are honest, intelligent and capable. President Kagame reads Harvard Business Review and is an African version of Lee Kuan Yew, the founder of modern Singapore. Both are authoritarian, repressive and quirky (Mr. Kagame banned plastic bags to curb litter). Both did wonders for their countries' living standards. And both are blunt. I asked President Kagame why Asian countries that used to be at the same income

level as Africa are now so much richer. He offered one reason that bowled me over: perhaps Asians are today more ambitious and work harder.

"I'm hesitant to talk about the issue of culture, but I have to -- and we have to work on it -- that culture of hard work, that culture of being ambitious and wanting to achieve," he said, adding: "I believe that those values were in Africans, but I don't know what dampened it -- what killed it." Wow. It's a bullish sign whenever a leader is willing to be self-critical, but in fact lackadaisical work may have more to do with malaria, anemia, worms and misrule than with culture.

And when African countries have enjoyed stability and sound policies, they have often thrived. Indeed, the fastest-growing country in the world from 1960 to 2001 was Botswana (South Korea was second, and Singapore and China tied for third).

More and more African countries are now following the Botswana model of welcoming investors and obeying markets. **Aside from Rwanda, countries like Mozambique, Benin, Tanzania, Liberia and Mauritius are among those trying to build a future on trade more than aid.**

"We're not going to say 'We don't need aid,' " Mr. Kagame said "But there's no question about trade being more important than aid. There's no question about that." Rwanda is trying to develop high-value exports like pomegranate juice that it could air-freight to Western countries. One of the best kinds of aid that the West could provide would be to expand the African Growth and Opportunity Act program, which encourages imports from Africa.

After decades of stagnation, Africa has now been growing solidly for several years, and this year the average economic growth rate is expected to rise again, to about 6 percent. To me, much of Africa feels like India in the early 1990s as it was reforming its economy and setting the stage for today's boom.

So here's an investment tip: Buy real estate in Benin and Rwanda.