



ENTREPRENEURSHIP IN SUB-SAHARAN AFRICA

A Regional Analysis Based upon the 2011 Legatum Prosperity Index™



December 2011

The 2011 Legatum Prosperity Index™ – Sub-Saharan African Rankings

OVERALL PROSPERITY RANK	COUNTRY	ECONOMY	ENTREPRENEURSHIP & OPPORTUNITY	GOVERNANCE	EDUCATION	HEALTH	SAFETY & SECURITY	PERSONAL FREEDOM	SOCIAL CAPITAL
67	Botswana	92	67	31	83	93	60	29	84
69	South Africa	86	43	43	79	94	77	55	65
78	Ghana	106	85	51	94	87	55	18	71
80	Namibia	94	82	44	87	90	64	37	89
90	Mali	81	107	70	109	102	44	31	55
92	Senegal	103	100	82	102	91	62	26	76
96	Tanzania	101	105	74	95	101	89	62	61
98	Rwanda	97	99	60	96	100	65	84	110
99	Cameroon	82	106	103	92	103	91	61	97
100	Uganda	102	94	83	98	104	104	59	68
101	Zambia	107	102	75	100	108	85	90	63
102	Kenya	109	89	97	97	99	102	82	82
103	Mozambique	77	98	77	104	109	80	86	105
104	Nigeria	99	104	108	106	106	105	89	54
105	Sudan	83	96	109	108	92	110	103	39
108	Ethiopia	104	108	101	107	107	106	110	86
109	Zimbabwe	110	109	110	99	105	107	97	78
110	Central African Republic	108	110	105	110	110	101	79	108

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Introduction

The 2011 Legatum Prosperity Index™ attempts to understand what makes countries prosperous and what factors are involved in national success. The Index is the only global assessment of countries based on both wealth and wellbeing. This report investigates the challenges and opportunities that entrepreneurship faces in improving sub-Saharan Africa's prosperity.

The Prosperity Index contains eight sub-indices, including the Economy, Governance and Social Capital. Notably, the Entrepreneurship & Opportunity sub-index continues to be the most closely correlated with overall performance in the Prosperity Index.

Most countries in sub-Saharan Africa find themselves in the 'bottom 30' of the 110 countries that are included in the Index. Despite this, all but three countries saw improvements in 2011 in the Entrepreneurship & Opportunity sub-index. These improvements have been achieved through factors like lower start-up costs, better information and communication technology, and improving optimism about entrepreneurship.

Sustaining these improvements in the Entrepreneurship & Opportunity sub-index will be important for sub-Saharan African countries to raise their overall level of prosperity. This report offers three insights into the state of entrepreneurship in the region and what challenges and opportunities might lie ahead:

FREEING THE ENTREPRENEURIAL SPIRIT OF AFRICA

Throughout sub-Saharan Africa, citizens hold a strong belief that hard work will get them ahead and that where they live is a good place to start a business. This entrepreneurial optimism should be a resource for entrepreneurs in the region. However, the region still possesses certain barriers that will need to be overcome to allow this optimism to fully flourish, such as relatively poor information and technology infrastructure and high transport costs.

IMPROVING GOVERNANCE CAN HELP ENTREPRENEURS

Innovation is important not only for economic growth, but also to reduce the costs of goods and services and to improve accessibility to markets and information. Entrepreneurs are the driving force behind innovation and often take risks to realise their goals. Good institutions, such as the rule of law, can protect property rights, enforce contracts and patents, reduce potential risks and stimulate innovative activities. Sub-Saharan African countries, although having relatively poor rule of law, are showing positive signs of improvement.

DESPITE IMPROVING HEALTH, AN EDUCATIONAL DEFICIT COULD POSE A CHALLENGE TO ENTREPRENEURS

The entrepreneurs of today and tomorrow will depend on workers who are both healthy and educated. Although the region is seeing improvements in health, performance on education is deteriorating, limiting the availability of skilled labour. Moreover, those who are educated, and most likely to be the entrepreneurs of the future, are emigrating at levels greater than the global average.

The report also includes: a regional analysis on the Economy sub-index; a brief summary of how the 2011 Prosperity Index is constructed; and country profiles of the sub-Saharan Africa countries contained within the Index. We hope that you find this report both useful and informative.

Further information on the Index, including a detailed explanation of the methodology and data sources, comprehensive country profiles, and tools that allow you to explore the data can be found at www.prosperity.com.

Freeing the Entrepreneurial Spirit of Africa

Summary:

African citizens are among the most optimistic in the world about entrepreneurship. Yet, this resource remains underused because of various constraints, most notably poor infrastructure. Foreign investors have been building physical infrastructure in several African countries. But if the goal of this investment is solely to extract resources as efficiently as possible, it does little to nurture local entrepreneurship, meaning Africans are losing the ability to hone and develop their own entrepreneurial skills.

Sub-Saharan Africa is blessed with a vigorous entrepreneurial spirit. Indeed the imminent rise of African economies has been prophesied by academics, investors, and commentators alike. These projections are predominately based upon economic growth forecasts and demographic trends. However, it is the African entrepreneurial spirit that will ultimately be the key to making Africa's future prosperity sustainable. The Prosperity Index finds that most African citizens believe they can get ahead by working hard, and that the area in which they live is good for starting a new business (as shown in the figure below). In the Central African Republic, for example, less than one-quarter of citizens have access to adequate food and shelter. But despite these difficult circumstances, 94% of the citizens still express faith in the rewards of hard work.

Yet something is restricting this entrepreneurial spirit. Despite ranking highly on some subjective variables, the majority of African countries rank at the bottom of the Entrepreneurship & Opportunity sub-index. And while several countries in the region have shown robust per capita growth rates, the full potential of African entrepreneurs has yet to be unleashed. Naturally, the world looks for exceptions to this rule, and in recent years the small country of Botswana has emerged as a possible model of what sustained African prosperity might look like. For example, Botswana has a remarkably high penetration of mobile phones: over 96 per 100 persons, significantly more than the regional average of 41.

The Entrepreneurial Optimism of Sub-Saharan Africa



*Data from the 2011 Legatum Prosperity Index™ (original data source: The Gallup World Poll)

This statistic is striking because 21st-century economic growth is associated with improvements in communications infrastructure. The Prosperity Index also shows that mobile phone ownership is linked to higher levels of entrepreneurship and opportunity. Throughout the sub-Saharan region, cellular telephone subscriptions have sky-rocketed from less than two per 100 people in 2000 to over 40 in 2009. This upsurge has conferred many benefits on African citizens and businesses, from rural farmers being able to find commodity prices in different locations, to remote villagers becoming adept at “mobile banking”.

To Western philanthropists and aid organisations, it makes sense to support micro-technology, such as mobile phones powered by miniaturised solar panels, as part of a new communications infrastructure. This enables African entrepreneurs to reduce their transaction costs, access valuable information, and connect with larger regional and even global markets.

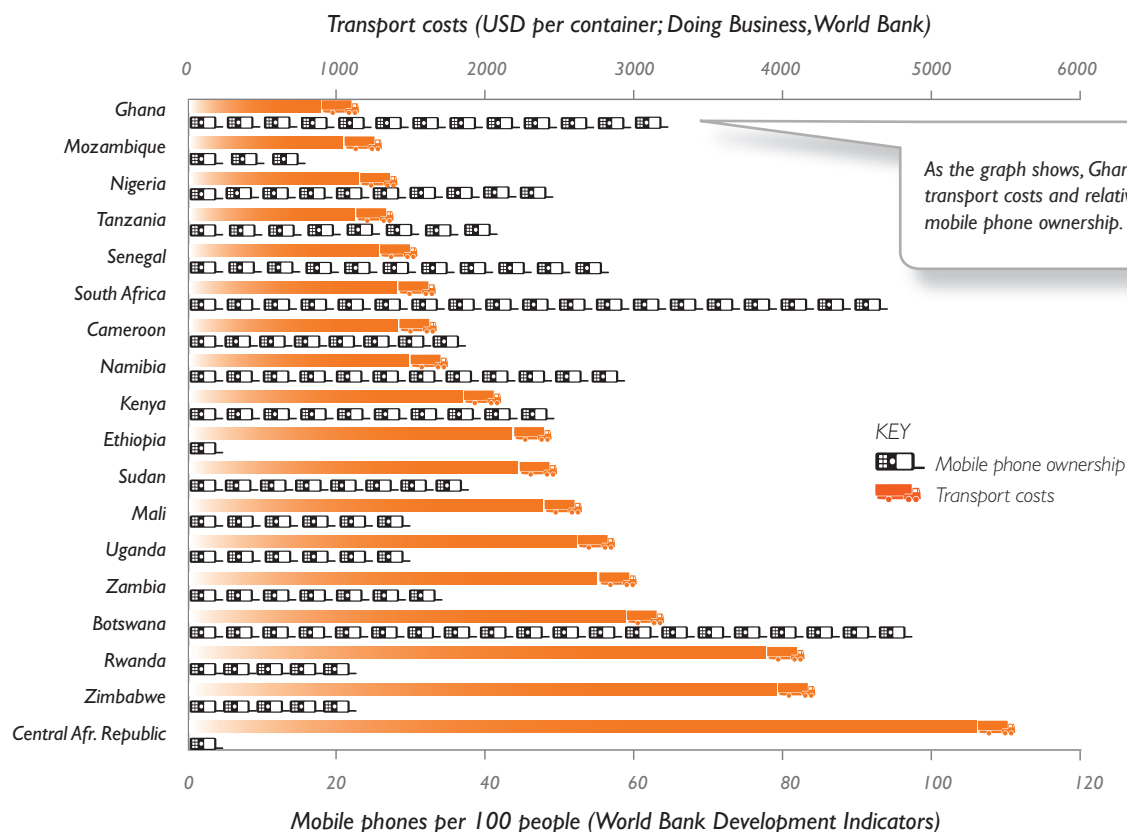
But this is not the whole picture. In the case of Botswana, the advantage conferred by widespread mobile usage is offset by the disadvantage imposed by high transportation costs: 3,200 USD is the average cost per shipping container, more than twice the Index average (1,400 USD). Despite the headline-grabbing growth of Africa’s communications

infrastructure, the less trendy physical infrastructure of roads, railways, airports, and harbours lags far behind. Indeed, in some countries there are fewer paved roads than there were 30 years ago. A World Bank study¹ has also shown that a 10% drop in transport costs could increase trade by 25%.

For these reasons, Ghana may be better positioned than Botswana to provide a model of sustained economic growth in Africa. According to the World Bank, Ghana is projected to be the fastest growing economy in sub-Saharan Africa, despite Ghana having only 63 mobile phones per 100 persons. The cost of moving goods from point A to point B, however, is lower in Ghana than any other sub-Saharan African country, at a cost of 1,100 USD per container, which is below the global average. Maybe that’s why Ghana is the most optimistic about entrepreneurship of all 110 countries in the Index!

¹ Nuno Limao and Anthony J. Venables, “Infrastructure, Geographical Disadvantages, Transport Costs, and Trade”, *World Bank Economic Review*, vol. 15, No. 3. (2001)

The Entrepreneurial Infrastructure: Mobile Phones and Transport Costs in Africa



Improving Governance Can Help Entrepreneurs

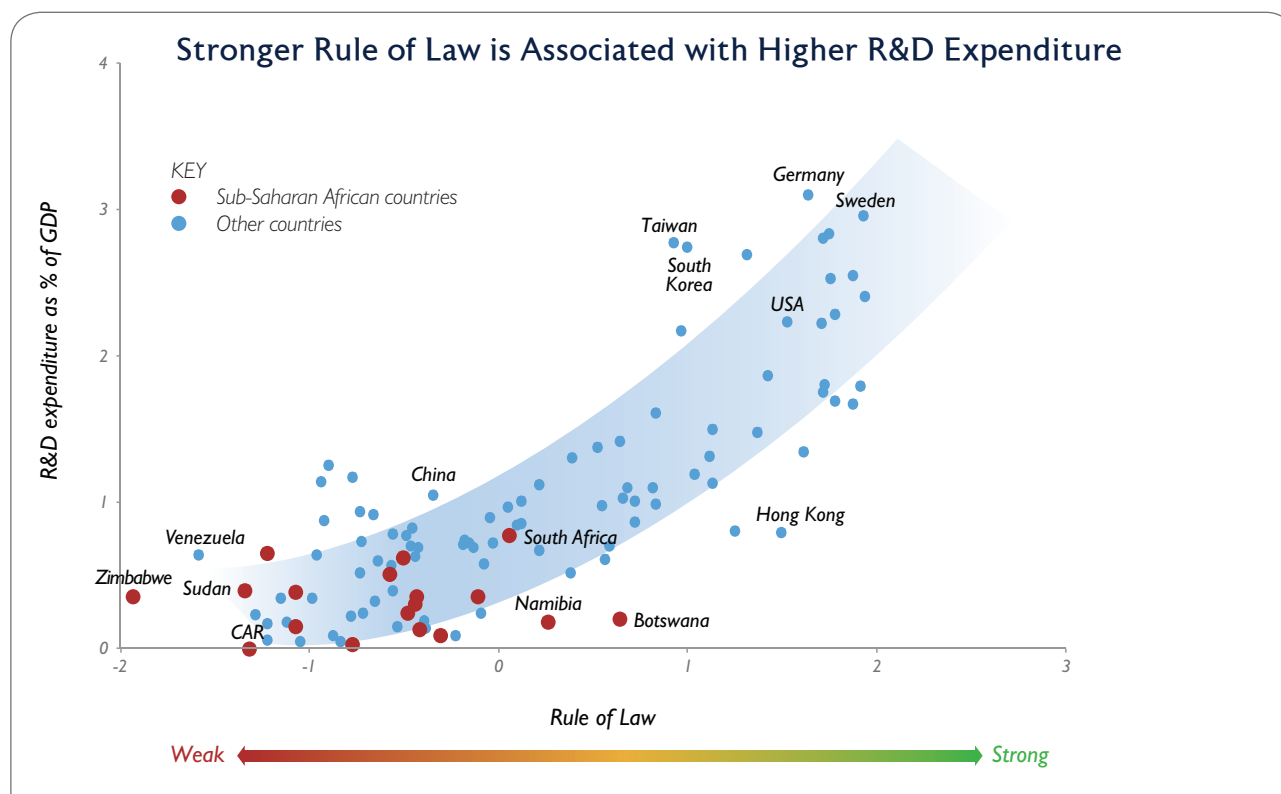
Summary:

Entrepreneurs are the driving force behind innovation and often take risks to realise their goals. Good institutions, such as rule of law, which protects property rights, enforce contracts and patents, reduce these risks and stimulate innovative activities. Sub-Saharan African countries, although having relatively poor established rule of law, show positive signs of improvement.

Entrepreneurs are those who are willing to take risks to develop innovations, create novel products or services, and start new businesses. These activities are important for economic growth and job creation but also to improve the general quality of life. Entrepreneurs often take risks in an environment where people are willing to take advantage of someone else's hard work or creativity, for their own selfish gain.¹ However, government institutions can act to protect entrepreneurs in society by enforcing contracts and patents, and formally punishing those who seek to expropriate rents for others' original work.² Such institutions are an essential part of good governance. The presence of such institutions forms an important foundation for private sector growth.³

An important indicator to understand whether and to what extent these institutions exist and function effectively is provided by the 'rule of law' measurement, from the World Bank Governance Indicators, included in the Governance sub-index. This variable captures the quality of contract enforcement, property rights, the police, and the courts. The 2011 Prosperity Index shows the importance of possessing higher levels of rule of law in fostering entrepreneurship, through the lens of innovation. One indicator used to measure innovation and knowledge, a proxy for the input of entrepreneurial activity, is Research and Development (R&D) expenditures (see figure below). Although this covers both public and private expenditures, the relationship is clear: higher levels of rule of law correspond to higher levels of R&D expenditures.

This is perhaps not surprising given the role played by property rights and patents protection in increasing the private returns to R&D expenditure. Strong rule of law



Data from 2011 Legatum Prosperity Index™ (original source: World Bank Governance Indicators and World Development Indicators)

provides the regulatory underpinning for the confidence and security that allows entrepreneurs to undertake long-term investments, and to take risks to start innovative ventures.

Investment in R&D can also generate other knowledge spill-overs that can be used by other sectors of the economy. Innovation can help reduce the costs of goods and services and improve accessibility to markets and information. For example, innovation in mobile phone technologies enable their use for other purposes such as spreading information about health or education in remote areas.

As the graph illustrates, sub-Saharan African countries perform relatively poorly in terms of both R&D expenditure and rule of law shown by their clustering in the lower left corner (see figure left). Those countries that perform relatively well on these metrics are also the countries that do better in the Prosperity Index overall. Sweden, for example, has high levels of rule of law and R&D expenditures and places fifth overall. In contrast, Zimbabwe, not only regionally but globally, has the lowest rule of law score, and places 109th (of 110 countries) in the overall Index.

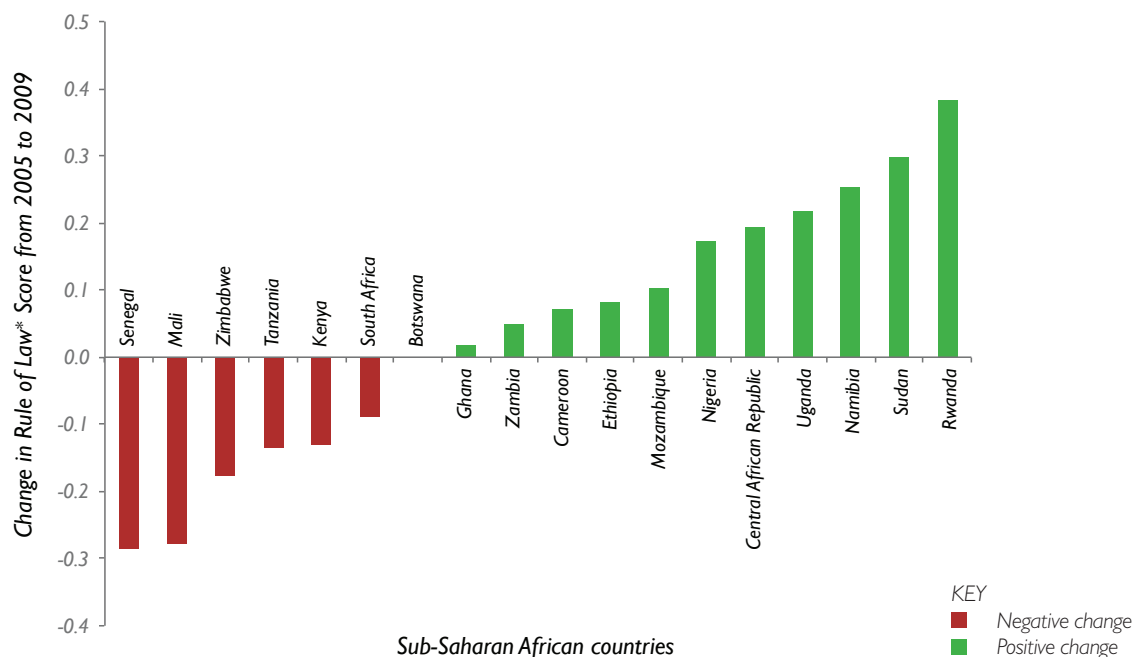
Improving rule of law, therefore, is a vital factor in fostering a strong entrepreneurial climate. Despite rule of law being relatively low in sub-Saharan Africa, there are positive signs of improvement. As the graph below illustrates, improvements in recent years in the rule of law emerge from places such as Rwanda, Namibia, and Uganda. Ensuring good rule of law is not a game that, once won, is over. Making the case for solid institutions to protect entrepreneurs is a continuous process. However, across Africa there are signs of improvement in more and more places.

¹ Michael Troilo, "Legal Institutions And High-Growth Aspiration Entrepreneurship," *Economic System* 35 (2011): 158-175; John McMillan and Christopher Woodruff, "The Central Role of Entrepreneurs in Transition Economies," *Journal of Economic Perspectives* 16, no. 3 (2002): 153-170.

² Douglas C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge: Harvard University Press, 1990).

³ United Nations Developing Programme, "Constraints on the Private Sector in Developing Countries" Chp 2 in *Unleashing Entrepreneurship, Making Business Work for the Poor*, New York March 1, 2004.

Rule of Law: Differing Trends Across Africa



* Rule of law captures the quality of contract enforcement, property rights, the police, and the judiciary. The country with maximum score in the 2011 Index for rule of law is Singapore at 1.84, the minimum score is Zimbabwe at -2.29, demonstrating that for example a 0.10 increase in a country score is substantial change for the rule of law measure.

Despite Improving Health, an Educational Deficit Could Pose a Challenge to Entrepreneurs

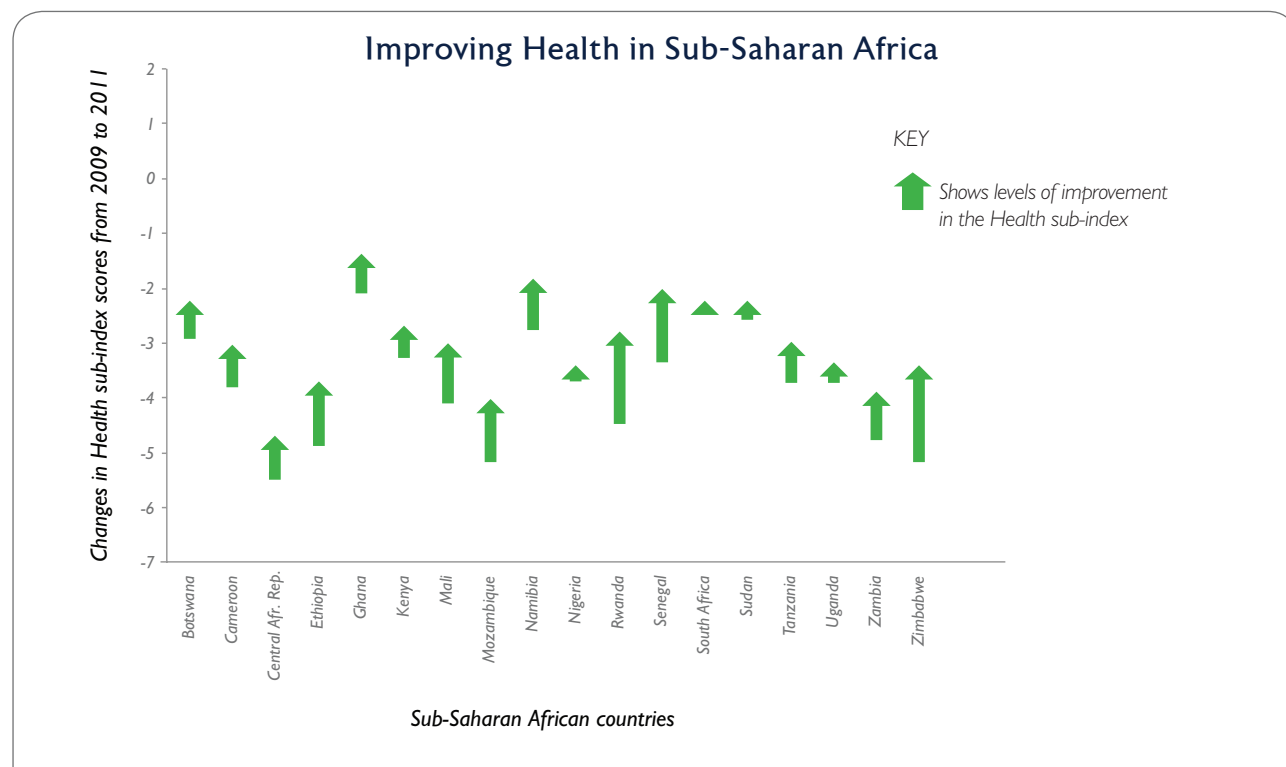
Summary:

African entrepreneurs need skilled, productive workers who are healthy and educated. Although health is improving in the region, poorly performing educational systems are resulting in a scarcity of skilled workers. To exacerbate the situation, many of those who are educated, and the most likely to be the entrepreneurs of the future, are leaving the region.

A firm's growth is intrinsically connected with the workers that support it. Entrepreneurs wanting to achieve growth and productivity will need to draw upon a labour force that is both healthy and educated. Part of a company's comparative advantage is found in the workers who can contribute towards new innovations and possess the skills that increase productivity. Having workers who are free from chronic illnesses and diseases increases a firm's economic productivity and personal wellbeing. Furthermore, education has an important role in fostering entrepreneurship initiatives by stimulating the creation of new business ideas, facilitating the absorption of existing technologies and practices and aiding the formation of social and business networks.

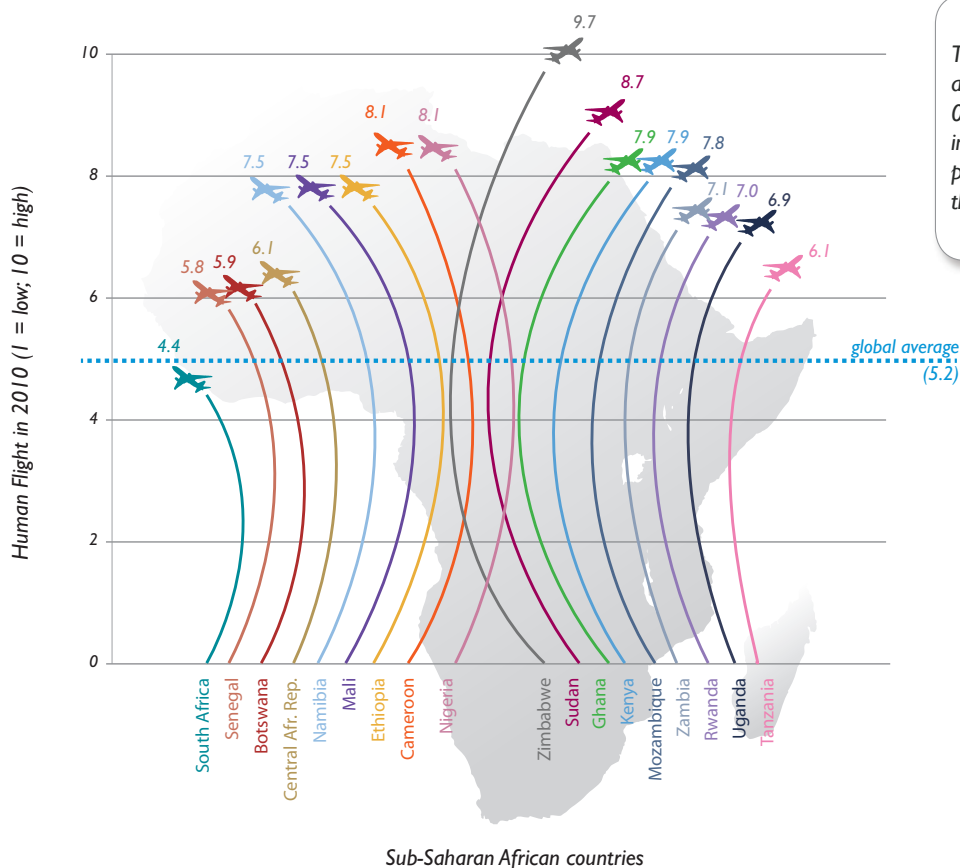
One of the biggest success stories to emerge from sub-Saharan Africa over the past three years is the improving performance on health measurements (see figure below). The region, along with the rest of the world, has seen continual increases in life expectancy partnered with decreases in levels of infant mortality. Although the region still suffers from health problems, such as having the world's largest number of cases of tuberculosis (the regional average is 401 cases per 100,000 people, the global average is only 115), these areas are also showing improvements. The number of tuberculosis infections, for example, has been falling in almost all sub-Saharan Africa countries.

However, despite improvements in health, sub-Saharan African countries show a declining performance in the Education sub-index. Since 2009, the Education sub-index scores for all the countries in the region (except Zimbabwe and Cameroon) have declined. There is no unique explanation for the generalised decline in this sub-index. Some countries have experienced a drop in primary



Data from 2009 and 2011 Legatum Prosperity Index™

Out of Africa: High Levels of Human Flight*



*Data from 2011 Legatum Prosperity Index™ (original source: Failed States Index)

school enrolment rates (such as Uganda and Nigeria), others have experienced a decline in the number of years of secondary education per worker (for example, Ethiopia and Zimbabwe), and some others have shown a drop in the percentage of the population that is satisfied with the education system (for example, Tanzania and Kenya).

In the 2011 Index what is striking is the poor performance of sub-Saharan African countries in the Education sub-index, all of which appear among the bottom 30 countries, except for South Africa. Regionally, the average enrolment rates in primary, secondary, and tertiary education (at 81%, 43%, and 6%, respectively) are well below their respective global averages (91%, 81%, and 40%). This means that the region's workforce remains at a disadvantage when competing globally.

Furthermore, the current labour force, on average, only has 1.1 years of secondary education (the global average is 2.1) and only 0.2 years of tertiary education (the global average is 0.9 years). A possible explanation for the relatively low levels of secondary and tertiary education per worker in the region can be found in the emigration of professionals, intellectuals, and the middle class. The

emigration levels in sub-Saharan Africa are some of the highest in the world (see figure above). Such a "brain drain" reduces the number of individuals who might be able to aid the generation of innovative ideas, be a pool of talent for entrepreneurs or indeed be those individuals who start their own businesses. Of course, it is possible for such emigration to confer positive benefits to sub-Saharan African entrepreneurs through knowledge transfer and financial support. However, these networks will only be successful if sub-Saharan Africa is seen as a land of potential opportunity. Improving levels of health and education will enable Africa to be seen in such a light allowing entrepreneurs domestically and abroad to utilise such improvements.

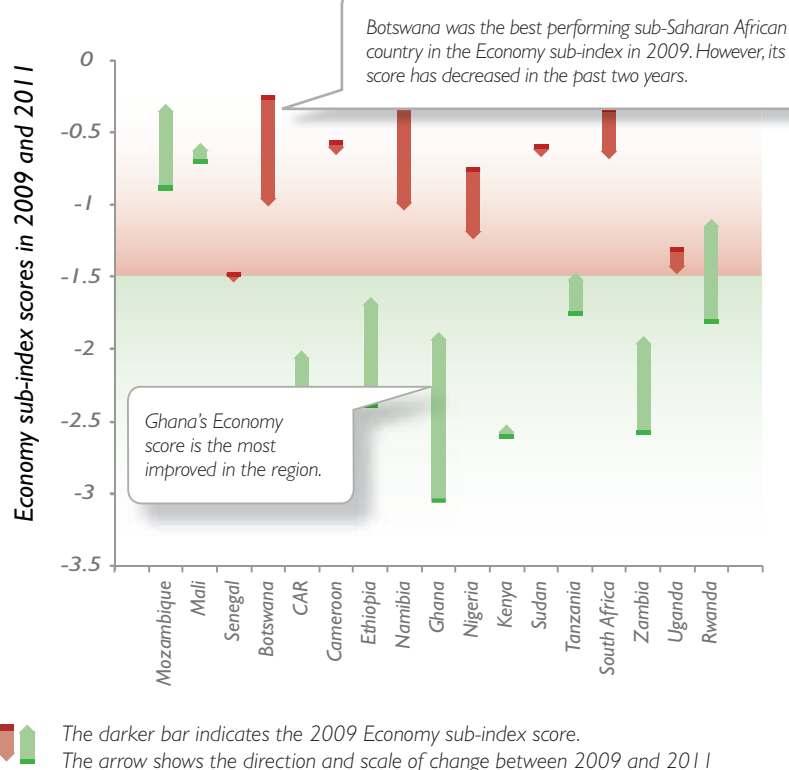
Two components, which can contribute towards a society in which entrepreneurs can flourish, are the levels of education and health. These are two key ingredients in the formation of human capital, which benefits the national economy as well as personal wellbeing. If the entrepreneurial potential of the region is to be unlocked, continuing to improve health and reversing current education and human emigration trends will be key.

Contrasting Sub-Saharan African Economies

REGIONAL RANKING

RANK	COUNTRY
67	Botswana
69	South Africa
78	Ghana
80	Namibia
90	Mali
92	Senegal
96	Tanzania
98	Rwanda
99	Cameroon
100	Uganda
101	Zambia
102	Kenya
103	Mozambique
104	Nigeria
105	Sudan
108	Ethiopia
109	Zimbabwe
110	Central African Republic

Stumbling Economies and Convergence in Sub-Saharan Africa¹



Most sub-Saharan African countries rank among the lowest 30 of the Index. Indeed, eight of the bottom 10 countries are from this region. The best performing sub-Saharan African countries – Botswana, South Africa, Ghana, and Namibia – place higher, but still remain in the bottom half of the Index.

While the majority of countries in the region saw little change in their ranking between 2009 and 2011, Ghana and Rwanda improved by 11 and seven positions, respectively. This improvement occurred in almost all sub-indices, with the exception of Education, where both experienced a decline. Moving in the other direction were Botswana and Namibia, whose overall rankings dropped by eight and six positions, respectively.

All sub-Saharan African countries near the bottom of the Economy sub-index have improved their position, due to improvements in capital per worker and market size. Those that placed higher in 2009 have, instead, seen their position decline, owing to a worsening of both income and wellbeing indicators. These declining countries include the three biggest economies in sub-Saharan Africa – South Africa, Nigeria and Sudan – and the region's oft cited success story, Botswana. The worrying news is that the score the countries appear to be coalescing towards, approximately -1.5, is still among the 10 worst scores in the Economy sub-index. The exception to this seeming convergence are Mozambique and Mali, which moved in a clear upward direction, as shown in the graph.

¹ Zimbabwe's Economy sub-index score is not included in the graph due to its extremity. It went from -9.64 to -6.66 in the period 2009-2011, a significant improvement but still by far-and-away the worst score on the Index.

Construction of the 2011 Prosperity Index

The Legatum Prosperity Index™ provides the world's only global assessment of prosperity based on both income and wellbeing. The Index uses 89 variables that are statistically related to income (GDP per capita (PPP)) and wellbeing (life satisfaction)¹, which are categorised into eight fundamental pillars or sub-indices of prosperity.

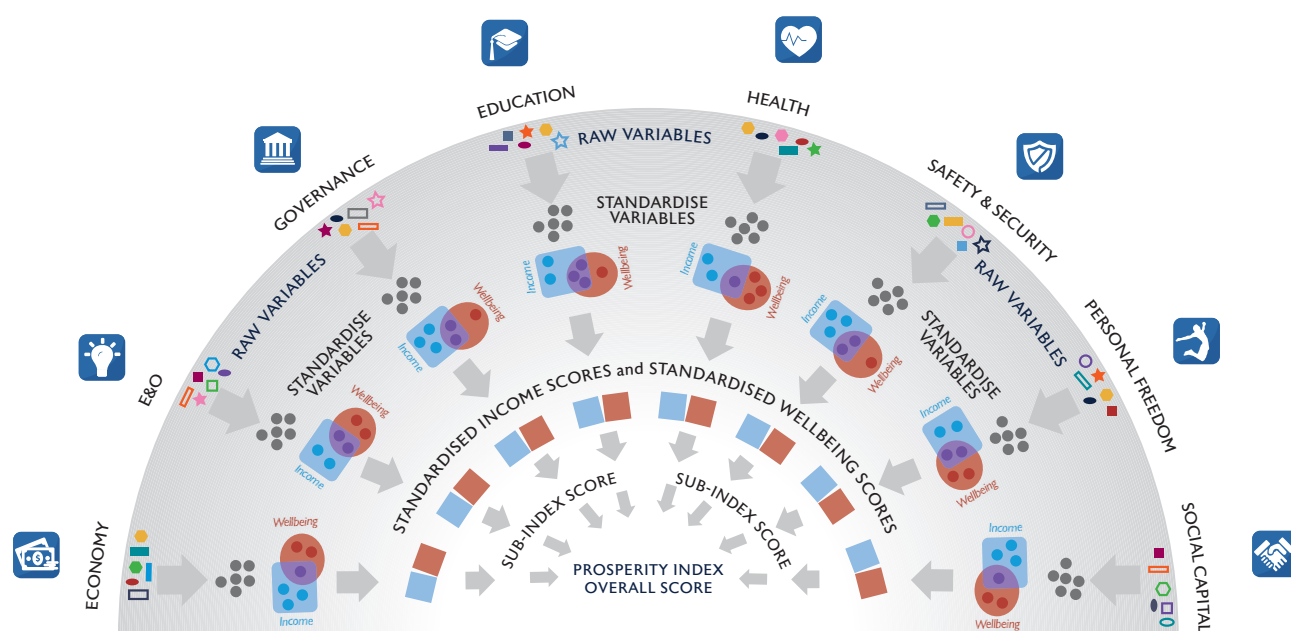
Each sub-index is obtained as the sum of an income and wellbeing score. A country is given one score in each sub-index for wellbeing and another for income, based on how that country performs with regard to each of the variables and on the level of importance assigned to each variable. The level of importance, or 'weight', attributed to a given variable is determined through rigorous regression analyses; it is not, therefore, based on subjective judgements or discretionary choices. Finally, the sub-index scores are averaged to obtain an overall prosperity score, which determines each country's rank.

For each sub-index we provide individual country scores and rankings. While the Index scores provide an overall assessment of a country's prosperity, each sub-index serves as a guide to how that country is faring with regard to one distinct foundation of prosperity.

For each country, we also produce an overall income score, obtained as the average of the eight sub-index income scores, and an overall wellbeing score obtained as the average of the eight wellbeing scores. Therefore, the overall income combines all the quantitative and qualitative variables that are related to higher levels of GDP per capita. The overall wellbeing score combines all the variables that are related to higher levels of life satisfaction. This incorporates aspects such as confidence, trust, expectations, and approval.

¹ Based upon the response to a survey question asked by the Gallup World Poll.

How We Built the Prosperity Index



COUNTRY PROFILES

	BOTSWANA
	CAMEROON
	CENTRAL AFRICAN REPUBLIC
	ETHIOPIA
	GHANA
	KENYA
	MALI
	MOZAMBIQUE
	NAMIBIA
	NIGERIA
	RWANDA
	SENEGAL
	SOUTH AFRICA
	SUDAN
	TANZANIA
	UGANDA
	ZAMBIA
	ZIMBABWE

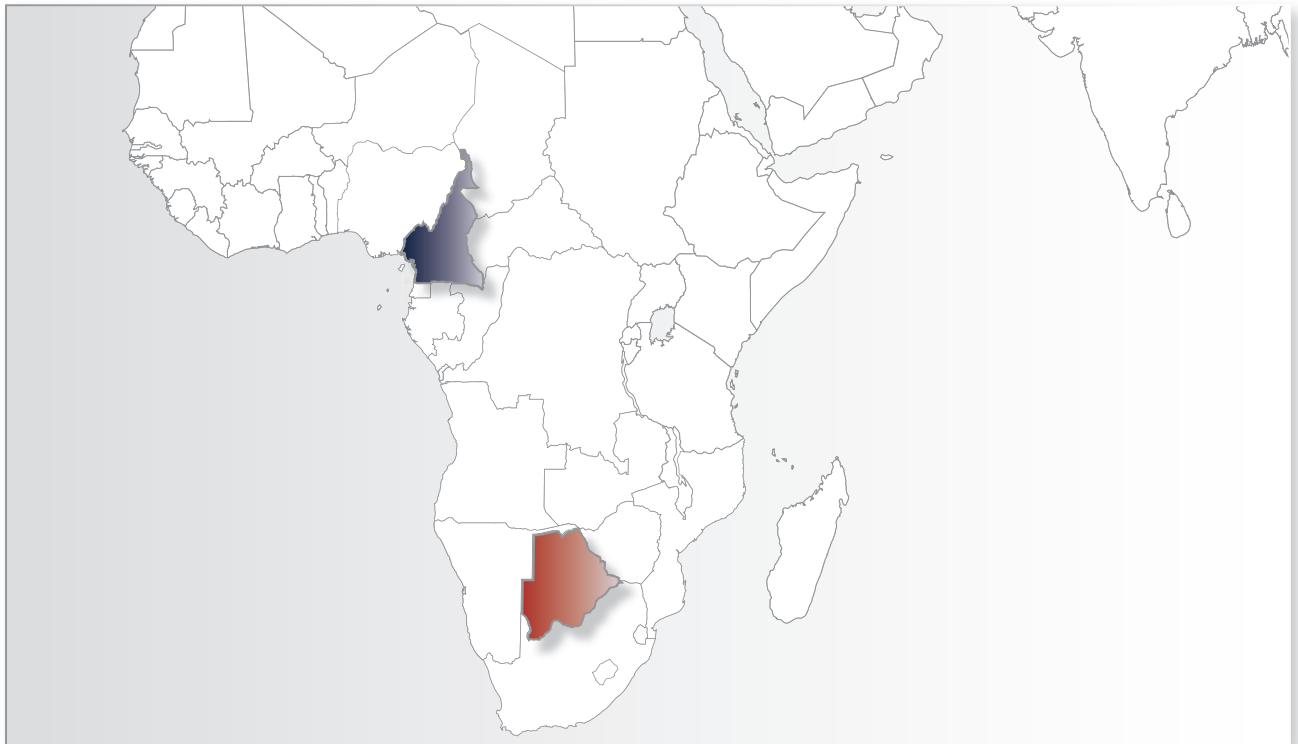




BOTSWANA



CAMEROON



Rank		BOTSWANA		
2010	2011			
57	67	Overall Rank	▼	-10
73	92	Economy	▼	-19
85	83	Education	▲	2
64	67	E & O	▼	-3
25	31	Governance	▼	-6
96	93	Health	▲	3
21	29	Personal Freedom	▼	-8
59	60	Safety & Security	▼	-1
60	84	Social Capital	▼	-24

Notes

Botswana drops ten places to 67th in the overall Index rankings.

Botswana is the regional leader on the overall Index rankings. It only shows improvement in two sub-indices Education (up two places to 83rd) and Health (up three places to 93rd).

Otherwise, Botswana declines in all other sub-index rankings. It drops one place in Safety & Security (at 60th), three places in Entrepreneurship & Opportunity (at 67th), and eight places on Personal Freedom (at 29th). On Governance, Botswana drops six places (to 31st), but still remains the regional leader for that sub-index. It most notably drops in the Economy (down 19 places to 92nd) and falls 24 places on Social Capital (to 84th).

Rank		CAMEROON		
2010	2011			
102	99	Overall Rank	▲	3
87	82	Economy	▲	5
97	92	Education	▲	5
107	106	E & O	▲	1
107	103	Governance	▲	4
100	103	Health	▼	-3
65	61	Personal Freedom	▲	4
100	91	Safety & Security	▲	9
102	97	Social Capital	▲	5

Notes

Cameroon improves three places to 99th in the overall Index rankings.

Cameroon improves on every sub-index other than Health, where it declines three places to 103rd. Cameroon improves five places on the Economy, Education, and Social Capital (to 82nd, 103rd, and 97th, respectively).

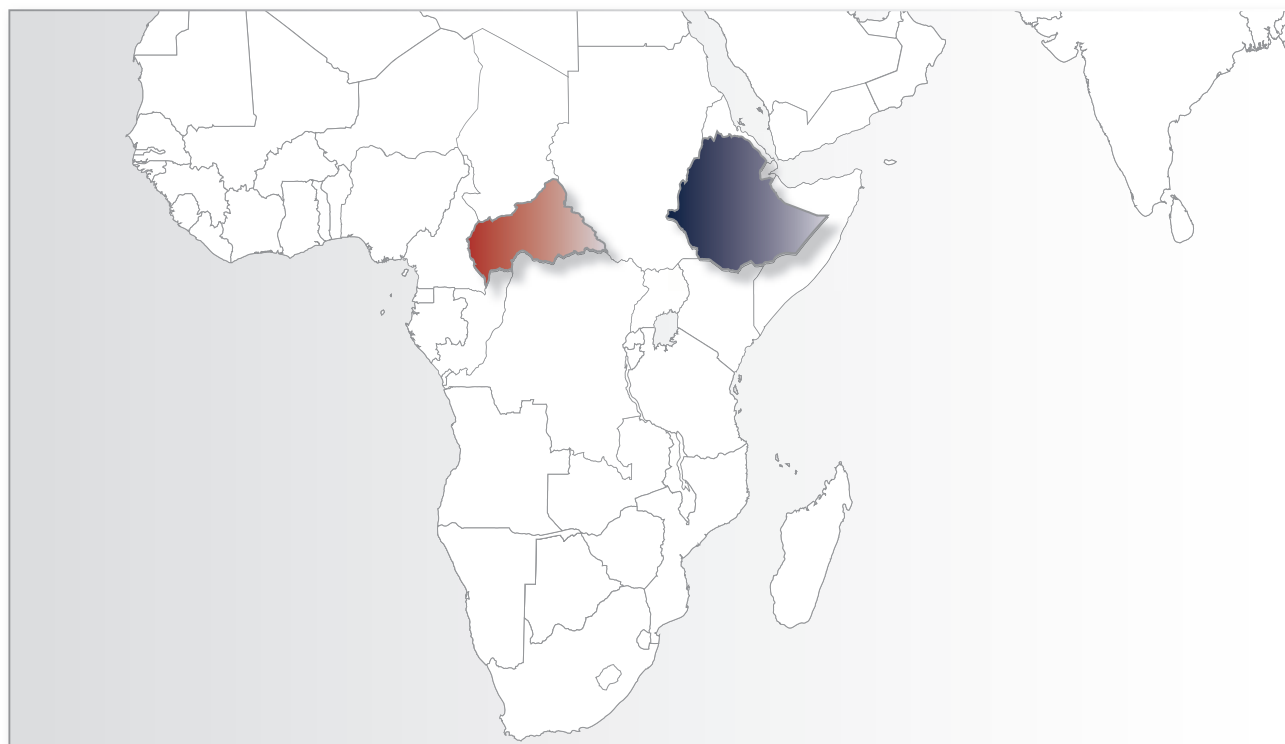
Additionally, Cameroon improves by one place on Entrepreneurship & Opportunity (to 106th). It also sees an improvement in Personal Freedom (up four places to 61st). The largest increase for Cameroon is on the Safety & Security sub-index (up nine places to 91st).



CENTRAL AFRICAN REPUBLIC



ETHIOPIA



Rank		CENTRAL AFR. REP.	
2010	2011		
108	110	Overall Rank	▼ -2
105	108	Economy	▼ -3
110	110	Education	●
105	110	E & O	▼ -5
106	105	Governance	▲ 1
110	110	Health	●
69	79	Personal Freedom	▼ -10
102	101	Safety & Security	▲ 1
103	108	Social Capital	▼ -5

Notes

The Central African Republic drops two places to 110th in the overall Index rankings to become the lowest performing country on the Index.

The Central African Republic improves on the Governance and Safety & Security, both by only one place to 105th and 101st respectively. It is unchanged on Education and Health, remaining 110th, the lowest rank globally on both of these sub-indices.

The country falls by three places on the Economy (to 108th) and notably declines ten places in Personal Freedom (to 79th). It also drops five places on both Social Capital and Entrepreneurship & Opportunity (to 108th and 110th, respectively).

Rank		ETHIOPIA	
2010	2011		
107	108	Overall Rank	▼ -1
106	104	Economy	▲ 2
108	107	Education	▲ 1
109	108	E & O	▲ 1
99	101	Governance	▼ -2
108	107	Health	▲ 1
93	110	Personal Freedom	▼ -17
103	106	Safety & Security	▼ -3
85	86	Social Capital	▼ -1

Notes

Ethiopia falls by one place to 108th in the overall Index rankings.

Ethiopia moves up one position on Education, Entrepreneurship & Opportunity, and Health (to 107th, 108th, and 107th, respectively). It also sees a minor improvement on the Economy (up two places to 104th).

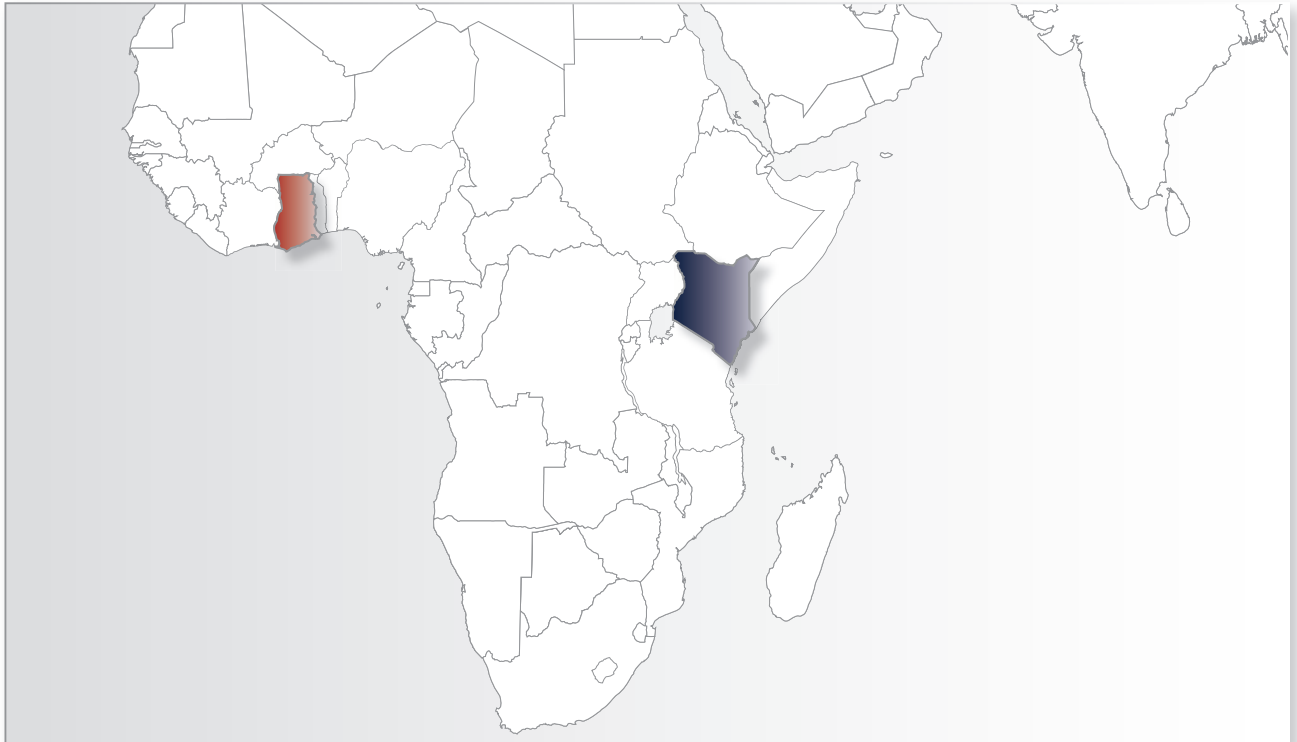
It sees a decline on Social Capital, Governance, and Safety & Security (down one, two, and three places, respectively). Additionally, Ethiopia sees a decline by 17 places on Personal Freedom (to 110th), making it globally the worst performing country on that sub-index.




GHANA



KENYA




Rank		GHANA		
2010	2011			
90	78	Overall Rank	▲	12
109	106	Economy	▲	3
95	94	Education	▲	1
89	85	E & O	▲	4
56	51	Governance	▲	5
89	87	Health	▲	2
31	18	Personal Freedom	▲	13
51	55	Safety & Security	▼	-4
101	71	Social Capital	▲	30

Notes

Ghana improves 12 places to 78th in the overall Index rankings.

Ghana declines in only one sub-index, Safety & Security (down four places to 55th). Otherwise it improves in every other sub-index. On the Education, Health, Economy, Entrepreneurship & Opportunity, and Governance sub-index, Ghana improves by one, two, three, four, and five places, respectively.

The most notable improvements are in Personal Freedom and Social Capital (up 13 and 30 places, respectively). On both Health and Personal Freedom, Ghana is the regional leader.

Rank		KENYA		
2010	2011			
104	102	Overall Rank	▲	2
107	109	Economy	▼	-2
98	97	Education	▲	1
90	89	E & O	▲	1
100	97	Governance	▲	3
99	99	Health	●	
77	82	Personal Freedom	▼	-5
109	102	Safety & Security	▲	7
77	82	Social Capital	▼	-5

Notes

Kenya improves two places to 102nd in the overall Index rankings.

Kenya improves on the Entrepreneurship & Opportunity sub-index (up one place to 89th) and on the Governance sub-index (up three places to 97th). It also sees a marginal improvement in the Education sub-index (up one place to 97th). The most dramatic improvement is on Safety & Security (up seven places to 102nd). Kenya remains at 99th on the Health sub-index.

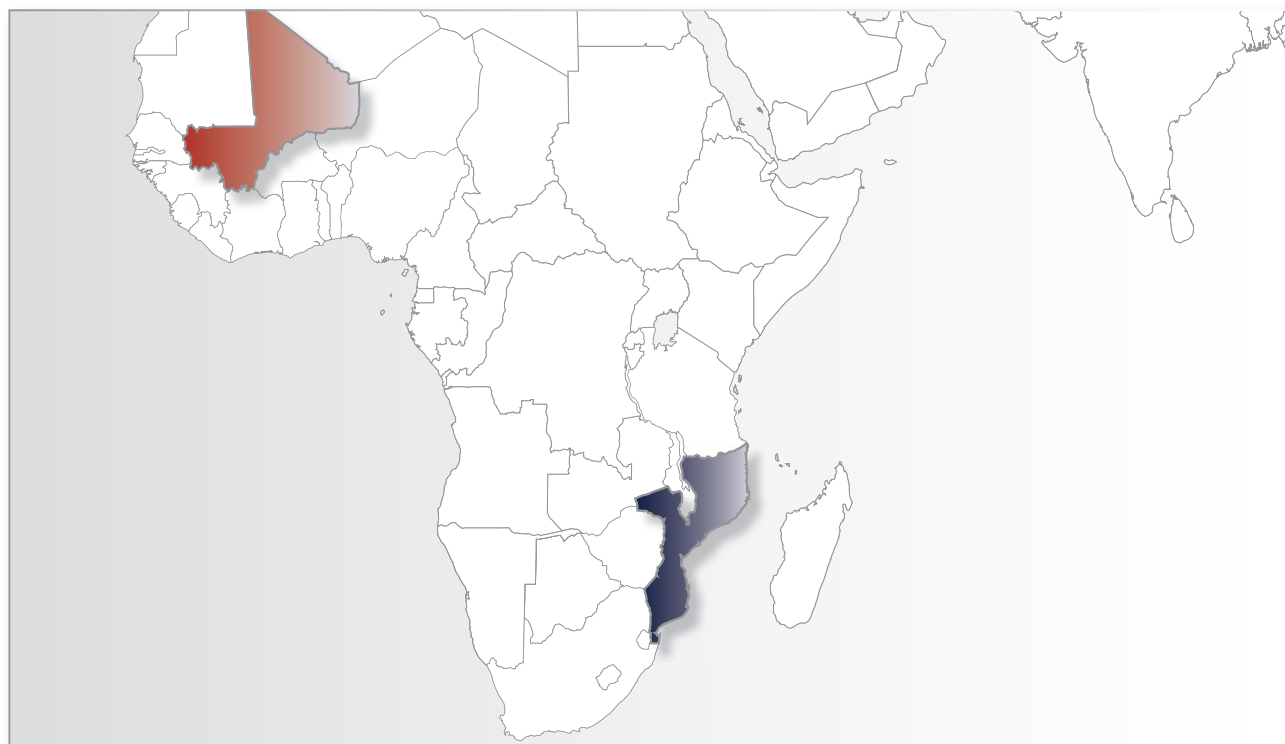
However, Kenya drops on the Economy sub-index (down one place to 109th). Kenya also falls five places on both the Personal Freedom and the Social Capital sub-indices (ranking 82nd on both sub-indices).



MALI



MOZAMBIQUE



Rank		MALI		
2010	2011			
93	90	Overall Rank	▲	3
85	81	Economy	▲	4
109	109	Education	●	
108	107	E & O	▲	1
76	70	Governance	▲	6
103	102	Health	▲	1
48	31	Personal Freedom	▲	17
54	44	Safety & Security	▲	10
57	55	Social Capital	▲	2

Notes

Mali improves three places to 90th in the overall Index rankings.

Mali improves in all sub-indices except Education, where Mali's ranking has remained stable since last year. Despite this, Mali sees an improvement by one place in both Entrepreneurship & Opportunity and Health (to 107th and 102nd). It also sees an improvement in Social Capital (up two places to 55th) and in the Economy (up four places to 81st).

It improves six places on Governance (to 70th) and up a dramatic 17 places on Personal Freedom (to 31st). Mali improves 10 places on Safety & Security (to 44th), and is the regional leader for the sub-index.

Rank		MOZAMBIQUE		
2010	2011			
103	103	Overall Rank	●	
82	77	Economy	▲	5
105	104	Education	▲	1
101	98	E & O	▲	3
82	77	Governance	▲	5
109	109	Health	●	
85	86	Personal Freedom	▼	-1
73	80	Safety & Security	▼	-7
93	105	Social Capital	▼	-12

Notes

Mozambique is unchanged at 103rd in the overall Index rankings.

Mozambique improves five places on the Economy sub-index (to 77th), becoming the best performer in the region for that sub-index. On Governance, Mozambique increased five places (to 77th). Furthermore, it sees marginal improvement on Education (up one place to 104th) and Entrepreneurship & Opportunity (up three places to 98th).

Mozambique declines on Personal Freedom (down one to 86th) and Safety & Security (down seven places to 80th). The most notable decline is on Social Capital (down 12 places to 105th). Furthermore, Mozambique sees no change on the Health sub-index (at 109th).




NAMIBIA



NIGERIA



Rank		NAMIBIA	
2010	2011		
71	80	Overall Rank	▼ -9
68	94	Economy	▼ -26
87	87	Education	●
78	82	E & O	▼ -4
44	44	Governance	●
93	90	Health	▲ 3
35	37	Personal Freedom	▼ -2
67	64	Safety & Security	▲ 3
70	89	Social Capital	▼ -19

Notes

Namibia drops nine places to 80th in the overall Index rankings.

Namibia only improves in two sub-indices, Health and Safety & Security, both up by three places (to 90th and 64th, respectively). It sees no change in the rankings for the Education and Governance sub-indices.

Namibia drops two places in Personal Freedom (to 37th) and four places in Entrepreneurship & Opportunity (to 82nd). However, the country sees two very distinct and dramatic declines in rankings for Social Capital (down 19 places to 89th) and the Economy (down 26 places to 94th).

Rank		NIGERIA	
2010	2011		
106	104	Overall Rank	▲ 2
90	99	Economy	▼ -9
106	106	Education	●
103	104	E & O	▼ -1
108	108	Governance	●
104	106	Health	▼ -2
94	89	Personal Freedom	▲ 5
104	105	Safety & Security	▼ -1
89	54	Social Capital	▲ 35

Notes

Nigeria improves two places to 104th in the overall Index rankings.

Nigeria improves five places on Personal Freedom (to 89th). It notably and dramatically improves 35 places on Social Capital (to 54th). It sees no change on Governance staying at a very low 108th on the sub-index.

Nigeria sees a decline by one place on both the Entrepreneurship & Opportunity and Safety & Security sub-indices (to 104th and 105th, respectively). It also drops marginally two places on Health (to 106th). However, the most notable decline is on the Economy (down nine places to 99th).



RWANDA



SENEGAL



Rank		RWANDA	
2010	2011		
98	98	Overall Rank	●
94	97	Economy	▼ -3
96	96	Education	●
97	99	E & O	▼ -2
58	60	Governance	▼ -2
105	100	Health	▲ 5
84	84	Personal Freedom	●
64	65	Safety & Security	▼ -1
107	110	Social Capital	▼ -3


Notes

Rwanda remained at 98th in the overall rankings.

Rwanda places in the 'middle 50' for both Safety & Security (at 65th), and Governance (at 60th). For the rest of the sub-indices it is in the 'bottom 30'.

Rwanda has dropped three places in Social Capital to become the worst ranked nation in the world for the sub-index (at 110th). It has also suffered small drops in the Governance, Safety & Security, and Economy sub-indices (at 60th, 65th and 97th, respectively).

Rwanda has improved in the Health sub-index (up five places to 100th). The country remains unchanged in the Education and Personal Freedom sub-indices.

Rank		SENEGAL	
2010	2011		
94	92	Overall Rank	▲ 2
101	103	Economy	▼ -2
104	102	Education	▲ 2
99	100	E & O	▼ -1
73	82	Governance	▼ -9
97	91	Health	▲ 6
43	26	Personal Freedom	▲ 17
63	62	Safety & Security	▲ 1
67	76	Social Capital	▼ -9

Notes

Senegal has moved up two places to 92nd in the overall Index rankings.

Senegal sees improvement in Safety & Security (up one place to 62nd), Education (up two places to 102nd), and Health (up six places to 91st). It most notably improves in the Personal Freedom sub-index (up 17 places to 26th)

However, in both the Social Capital and Governance sub-indices, it fell nine places (to 76th and 82nd, respectively). Senegal sees further declines in the Entrepreneurship & Opportunity and Economy sub-indices (down one and two places, respectively).




SOUTH AFRICA



SUDAN



Rank		SOUTH AFRICA	
2010	2011		
66	69	Overall Rank	▼ -3
77	86	Economy	▼ -9
78	79	Education	▼ -1
43	43	E & O	●
40	43	Governance	▼ -3
88	94	Health	▼ -6
51	55	Personal Freedom	▼ -4
97	77	Safety & Security	▲ 20
71	65	Social Capital	▲ 6


Notes

South Africa falls three places to 69th in the overall Index rankings.

South Africa sees an improvement in Social Capital (up six places to 65th). However, it sees a dramatic improvement up 20 places in Safety & Security (up 20 places to 77th).

However, South Africa sees a decline in Education, Governance, Personal Freedom (down one, three, and four places, respectively). South Africa drops in the Economy sub-index by nine places (to 86th) and in the Health sub-index by six places (to 94th).

South Africa is unchanged on the Entrepreneurship & Opportunity sub-index, but continues to be the overall prosperity leader in the sub-Saharan region.

Rank		SUDAN	
2010	2011		
100	105	Overall Rank	▼ -5
83	83	Economy	●
107	108	Education	▼ -1
91	96	E & O	▼ -5
109	109	Governance	●
92	92	Health	●
92	103	Personal Freedom	▼ -11
108	110	Safety & Security	▼ -2
21	39	Social Capital	▼ -18

Notes

Sudan fell five places to 105th in the overall Index rankings.

Sudan places in the 'bottom 30' for all sub-indices, except for Social Capital (at 39th place).

Sudan sees no improvement in any sub-index, and remains stable in the Economy, Governance, and Health sub-indices.

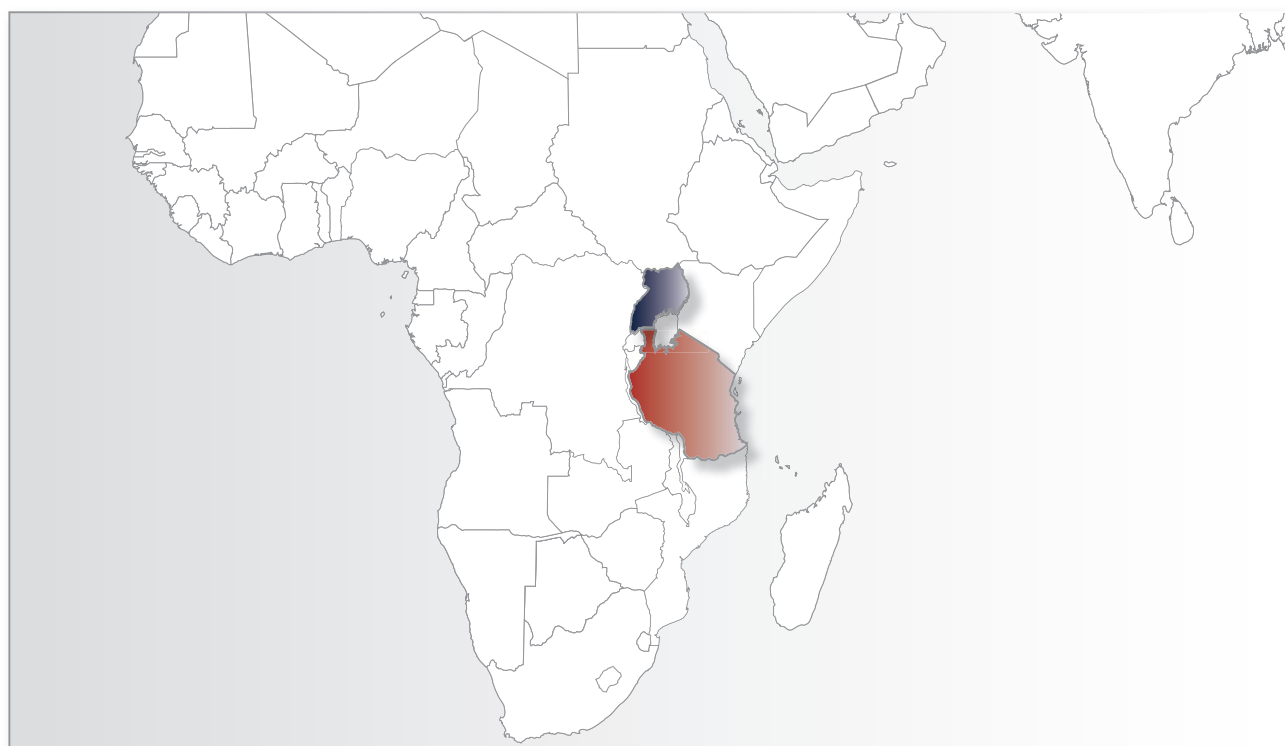
Sudan declines in Education (by one place to 108th) and Entrepreneurship & Opportunity (by five places to 96th). On Safety & Security Sudan drops two places to 110th, becoming the worst performer globally for the sub-index. In Personal Freedom, Sudan goes down 11 places to 103rd. The most dramatic decline is in Social Capital (down 18th places to 39th), moving out of the 'top 30' for that sub-index.



TANZANIA



UGANDA



Rank		TANZANIA		
2010	2011			
97	96	Overall Rank	▲	1
95	101	Economy	▼	-6
99	95	Education	▲	4
104	105	E & O	▼	-1
74	74	Governance	●	
101	101	Health	●	
78	62	Personal Freedom	▲	16
98	89	Safety & Security	▲	9
58	61	Social Capital	▼	-3

Notes

Tanzania improves one place to 96th in the overall Index rankings.

Tanzania improves four places on Education (to 95th) and nine places in Safety & Security (to 89th). Tanzania most notably improves in Personal Freedom (up 16 places to 62nd).

However, Tanzania declines in Entrepreneurship & Opportunity and Economy (down one and six places, respectively).

On Social Capital, Tanzania falls three places to 61st, still placing in 'the middle 50' for this sub-index. On Health and Governance, Tanzania remains stable.

Rank		UGANDA		
2010	2011			
99	100	Overall Rank	▼	-1
91	102	Economy	▼	-11
100	98	Education	▲	2
98	94	E & O	▲	4
80	83	Governance	▼	-3
102	104	Health	▼	-2
75	59	Personal Freedom	▲	16
106	104	Safety & Security	▲	2
65	68	Social Capital	▼	-3

Notes

Uganda falls one place to 100th in the overall Index rankings.

Uganda has a mixed performance on the sub-indices. It improves by two places on both Education and Safety & Security (to 98th and 104th, respectively). Uganda also moves up in Entrepreneurship & Opportunity (by four places to 94th). It most notably and dramatically improves in Personal Freedom (by 16 places to 59th).

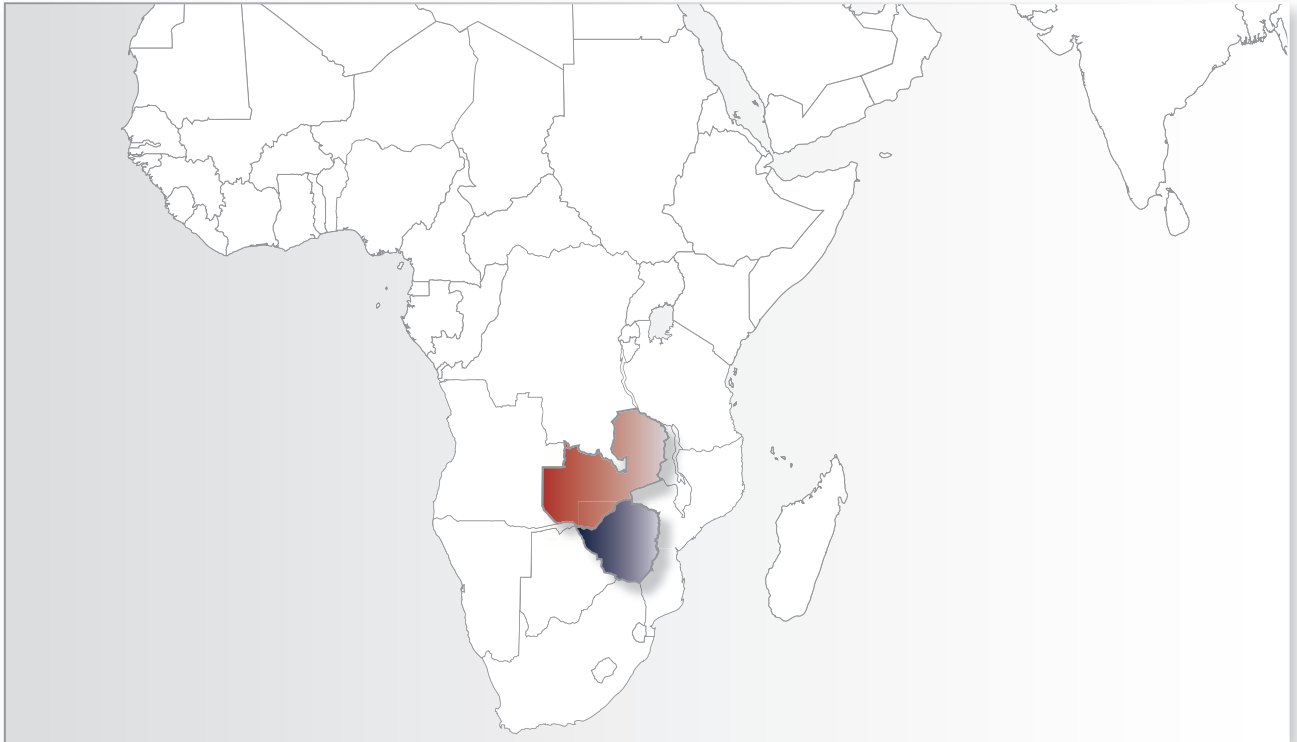
Otherwise, Uganda declines in the other four sub-indices. It declines two places on the Health sub-index (to 104th), and down three places on both Governance and Social Capital (to 83rd and 68th, respectively). Most notably it declines on the Economy sub-index (down 11 places to 102nd).



ZAMBIA



ZIMBABWE



Rank		ZAMBIA		
2010	2011			
101	101	Overall Rank	●	
103	107	Economy	▼	-4
94	100	Education	▼	-6
102	102	E & O	●	
68	75	Governance	▼	-7
106	108	Health	▼	-2
73	90	Personal Freedom	▼	-17
81	85	Safety & Security	▼	-4
91	63	Social Capital	▲	28

Notes

Zambia remained at 101th in the overall Index rankings.

Zambia only improves in Social Capital, but it is a dramatic increase by 28 places (to 63rd). In Entrepreneurship & Opportunity, Zambia sees no change (at 102nd).

Zambia drops in Health (down two places to 108th) and falls four places for both the Economy and Safety & Security (to 107th and 85th). It also sees drops on Education and Governance (down six and seven places, respectively). It most dramatically falls in Personal Freedom (down 17 places to 90th).

Rank		ZIMBABWE		
2010	2011			
110	109	Overall Rank	▲	1
110	110	Economy	●	
101	99	Education	▲	2
110	109	E & O	▲	1
110	110	Governance	●	
107	105	Health	▲	2
104	97	Personal Freedom	▲	7
110	107	Safety & Security	▲	3
88	78	Social Capital	▲	10

Notes

Zimbabwe moves up one place to 109th on the overall Index rankings.

Zimbabwe improves in every sub-index, except the Economy and Governance. Zimbabwe is the worst performer in the Index on both these indices.

Otherwise, Zimbabwe sees a marginal improvement in Entrepreneurship & Opportunity (up one place to 109th), and Education and Health (both up two places to 99th and 105th, respectively). Zimbabwe also improves in Safety & Security by three places (to 107th) and sees dramatic improvements in Personal Freedom (up seven places to 97th) and Social Capital (up 10 places to 78th).



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