

Africa



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Africa's Capitalist Revolutions Africa has faced a lot of problems since the end of colonialism. Poverty being the greatest problem in Africa it has resulted to the other problems that the continent faces. These problems include, conflict, epidemics, and economic turmoil. However, Africa's economy has been growing steadily over the years, especially after the end of the cold war.

The end of the cold war resulted in a lot of changes in Africa. The reason behind this is because Africa was no longer of interest since fears of whether it would fall into the United States of America's capitalism or the United Social Soviet Union's (USSR) communism. This resulted in the continent losing its strategic significance (Kapstein 385). The economy fell so low that the continent depended on donor aid. Despite this, back home Africans were investing a lot in their economy. This also attracted direct foreign investment, which played part in development of the economy.

There are various reasons that made Africa's economy grow. The fact that people started moving from rural areas to urban areas was a significant factor that led to the economic growth of Africa. This is because, urban centers bring a lot of minds together thus resulting in innovation. Another way that urbanization led to the growth of Africa's economy is the fact that urban centers provide good markets for goods and services. Both local and foreign investment also resulted in the continent's economy growth.

The global crisis affected all economies in the world. Companies went bankrupt, and many people lost their jobs. However, it is said that Africa was one of the less affected continents by the global financial crisis of 2008 (Kapstein 384). It is the effects that the crisis had on Europe and North America that will affect Africa's economy. This is because the financial crisis

made countries in Europe and North America to take up measures and policies that would help their falling economy rise again. These measures included stimulus policies that emphasized on protectionism. This is where countries block the importation of commodities that are also produced within the country. As we know, Europe and North America are the key markets for African products hence this will affect the economy of Africa negatively (Kapstein p387).

Despite all this, Africa's economy is faced with various problems. One serious problem is poor governance. Governments in Africa are filled with corrupt leaders who steal a lot of money from the countries funds. These leaders make poor decisions on investments as a result of favoring their own people or as a result of being bribed. This has seriously affected the continents economy. Another key problem is wars and conflicts. These wars are as a result of dictatorship and poor governance. Wars and conflicts affect the continents economy in that they chase away foreign investors who fear that the wars will result in then losing their investment.

However, Africa is trying to deal with these problems that inhibit the growth of the economy. Countries are setting up commissions to investigate corruption practices of leaders. Leaders are also insisting on peace and understanding to avoid civil wars and conflicts. Africa should rise and prove the notion of Afro-pessimism to be wrong.

Work Cited

Kapstein Ethan. Africa's Capitalist Revolutions: Preserving the Growth in a Time of Crisis:

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