

Sub-Saharan Africa – Sustainability Risks Discussion

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Africa is a rising star - one of the most desirable investment destinations in the world. At the same time, while expected to rebound to 5.2 percents in 2011, the economic growth is uneven among the countries in Africa, and many obstacles are to be conquered to unleash the full potential of opportunity. To achieve long-term sustainable investment results, and as an ultimate goal, to reach the state of Sustainable Development, many risks are to be isolated, analyzed, and mitigated. Current research introduces the concept of Sustainability Risk, separates a set of major risk components, and builds an integral measure to quantify the degree of remoteness of the forty six Sub-Saharan Africa countries from the total set of threats considered. Canonical analysis of the time series for seven years (2000-2006) revealed that there was not much change in the data from year to year. Based on 2006 information, the countries are examined and clustered to distinct groups according to their relative position in terms of Sustainability Risk. The visualization in relation to the major threats is performed for each group. The research offers classification of the risks with maximum effects.

¹ The views expressed herein are those of the individual contributor and do not necessarily reflect the views of IFC