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Clustering the Economies of African Countries

The International Monetary Fund has criteria of categorizing the economies of African countries based on their resources and government systems into strong, moderate and weak. Sequentially, the class of countries with strong economies includes Gabon, Republic of Congo, Cameroon, Equatorial Guinea, Angola, Chad, and Nigeria. On the other hand, countries with moderate economies include Lesotho, South Africa, Namibia, Caper Verde, Seychelles, Swaziland, Mauritius, Ghana, Zambia, Botswana, and Senegal. In addition, the class of weak economy countries, according to the criteria of the International Monetary Fund is such as Mozambique, Gambia, Kenya, Tanzania, Niger, Sierra Leone, Rwanda, Uganda, Mali, Malawi, DRC, Madagascar, Burundi, Liberia, Central Africa Republic, Guinea, Guinea-Bissau, Comoros, Eritrea, Togo, Code D'Ivoire, and Zimbabwe (Adam, 23).

The factors to consider before placing the African countries in any of the three classes are the level of income through export and efficiency and stability of the government systems. First, countries under the class of strong economies collect their revenues through their oil explorations(Baliamoune-Lutz and Boko, 31). In addition, these countries have well developed infrastructures, good and functioning government systems, their judiciary systems are well functioning and well protected property rights in their constitutions (Naude, 17). Secondly, countries in the moderate economy class have reliable and transparent institutions and reasonable and efficient labor markets and goods (Thornton, 32). Lastly, the weak economy class of countries is affected by civil wars, for example Rwanda and Democratic Republic of Congo. Other factors are dysfunctional and undemocratic governments, high cases of corruptions and financial scandals in the government, limited natural resources such as oil, gold among other minerals and tribalism (Adedeji and Thornton, 45).

Business in Africa and the Caribbean

Businesses in Africa and the Caribbean regions have numerous differences and similarities in operations and working conditions or rules and regulations. Firstly, in terms of the similarities both regions have the convention of reforms in the labor market that help in increasing flexibility in all the markets. Also, the reforms have the provisions that allow laborious to negotiate salary increment among other issues of welfare concern. Secondly, the conditions to comply with and the procedures to follow to start any business in Africa and the Caribbean have been consolidated to reduce cases of time wastage for investors and collection of taxes. In this regard, many countries in Africa and the Caribbean regions have introduced the technology of online systems that provide efficient and reliable trade licenses to both local and foreign investors. In addition, both Africa and the Caribbean regions have the set legal procedures to govern any particular form of legal business('Santo Domingo Symposium On The African Presence In The Caribbean Area'). The laws governing the businesses do not encounter constitutional conflicts that can complicate the operations of business in the regions because their conflict resolution mechanisms are clear. Again, it is apparent in both Africa and the Caribbean sea that all companies must have the permission of construction before undertaking any form of construction project. However, there has been rampant reports the that some investors who are corrupt do bribe the stakeholders in the construction department to construct structures against the set rules and regulations of company construction thereby threatening the safety of the public (Cashin, 61).

The major differences in doing business in Africa and the Caribbean regions are that most Caribbean countries such as Jamaica have an advanced business regulatory framework than many African countries. In addition, there are lower property crime rates in Jamaica as compared to most African Countries (Drake, 14). Secondly, Caribbean countries have favorable business environment as compared to most African countries that have endless civil wars. The civil wars disrupt the business operations, making it difficult to succeed in business (Tate, 44). In addition, the Caribbean countries have set and strong regional integration in the entire Caribbean community, unlike in most African countries where the set regional integrations are very weak (Earley, 130).

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