

Over the last three decades, recurrent political crises in the CAR have prevented private sector growth and undermined the foundations of industrialisation and development. The environment is so risky that even citizens are not investing. Each crisis that arises in the country brings its share of destruction of property and investment, with sufficient violence to discourage any entrepreneur. This explains the CAR's ranking of 185th out of 190 countries in the World Bank report *Doing Business 2017*. The cost of initial investment is 204 times the country's annual income per capita, 32.7 times that of Cameroon and 13.4 times that of Burundi. In this context, development of entrepreneurship favourable to innovation and economic growth is challenging. As shown by the *Global Entrepreneurship Monitor*, the Central African context tends to encourage the expansion of "destructive" entrepreneurial activities against a backdrop of the development of trafficking and fraud, notably in natural resources sectors like mining and forestry. The industrialisation process is therefore limited because businesses engage mainly in short-term, speculative activities.

Most investment in the CAR is linked to trade and speculative activities, particularly in mining, fuel and trade in livestock, and to participation in public tenders in the construction sector or delivery of supplies and materials. According to the *African Development Report 2011*, these are investments of necessity because other opportunities do not exist. Entrepreneurs have to rely on existing technologies and processes, or older forms, which generate fewer innovations. The high concentration of businesses in Bangui represents another weakness of the industrialisation process. Even large agricultural enterprises remain in the vicinity of the capital and are for the most part increasingly fragile and failing state enterprises.

As mentioned above, the environment is not favourable for industrialisation and private-sector development. Past crises have left a very negative impact that is unattractive to investors, even Central Africans. Existing businesses were weakened by the crisis and poor management. Without restructuring, these businesses cannot create jobs and are forced into bankruptcy. They are emerging particularly in the energy, water, telecommunications sectors, and in agriculture, particularly the palm groves. The CAR missed an opportunity that many other countries seized after declaring independence. At that time, the other states built industries to develop the economy, even if most were privatised in the 1990s through structural adjustment policies supported by the principal donors.

Beyond the prospect of its businesses disappearing, the CAR faces deindustrialisation and the impoverishment of its population. The process can be reversed only through a return to sustainable security and the implementation of appropriate reforms. These reforms require the introduction of opportunities for business creation along the lines of public-private partnerships (PPP), guaranteed when possible by established institutions like the Multilateral Investment Guarantee Agency. Industrial businesses can be established as PPPs in the mining or agriculture sectors. They would have the advantage of creating more sustainable and less precarious jobs than the DDR. They would produce and supply the government with currency, which for the moment is provided by the international community through grants. The DDR's resources could thus be better redistributed through investment in businesses with PPPs, which would distribute earnings that would generate currency for the economy.

