

# NOTES FROM ACROSS AFRICA

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*Notes from Across Africa is a new column introduced by IFAA with the intention of keeping readers up to date on news from our continent. It will summarise a series of high points and events, most of which do not normally reach the public domain. New Agenda: South African Journal of Social and Economic Policy aims to publish these updates from Africa regularly. Contributions from readers will be considered for inclusion and publication.*

## ECONOMIC REPORT ON AFRICA

The United Nations Commission for Africa (UNECA) reported in its 2017 Economic Report on Africa<sup>1</sup> that the world's emerging markets and developing economies have recorded subdued global trends, broadly owing to diminishing investment, low commodity prices, contracting trade, weak demand and rising inflation. This is framed within the global decrease of economic growth from 2.5 per cent in 2015 to 2.3 per cent in 2016, which reflects the decrease in households' final consumption growth as well as the decline in gross fixed capital formation (investment) growth. Focusing on particular regions, the report shows a precipitous growth slip in China (from 6.9 per cent in 2015 to 6.4 per cent in 2016), the Russian Federation (from 3.7 per cent to 1.9 per cent) and Brazil (3.8 per cent to 3.4 per cent).

The levels of growth decline in Africa, 1.7 per cent in 2016 from 3.7 per cent in 2015, falls below the global rate (2.3 per cent) as well as the rates recorded in other developing regions. This arises from the broad weak global economic conditions, low oil and commodity prices and environmental contingencies such as drought. Ultimately, this follows from the gradual decline in commodity prices since 2014 which has created inflationary pressures. The UNECA report suggests that African countries adopt a counter-cyclical fiscal stance

(which means adopting an opposite approach: reducing spending and raising taxes during a boom period, and increasing spending and cutting taxes during a recession).

As from 2013, East African growth was the fastest on the continent, primarily driven by Ethiopia, Kenya, Rwanda and Tanzania. Public spending on infrastructure was the primary contributor of Ethiopian growth. Similarly in Kenya investment in infrastructure and continued household consumption drove the expansion. Rwanda saw its expansion from agriculture (despite the low commodity prices especially of tea and coffee) and the service industry. In Tanzania domestic demand and its continued growth services and manufacturing sectors were the key growth drivers in 2016.

West Africa recorded a sharp decline from 4.4 per cent in 2015 to 0.1 per cent in 2016, displacing Southern Africa as the slowest growing region. The report shows that this has been a consequence of the economic contraction in Nigeria, owing to depressed oil prices, falling oil production, energy shortages and price hikes, scarcity of foreign exchange and depressed consumer demand. However, Senegal and Ivory Coast performed better in this subregion, respectively registering growth of 6.3 per cent and 8.0 per cent. The UNECA report, in the case of Senegal, lists high private and public investment, specifically in energy, infrastructure, agriculture, fisheries, tourism, textiles, >>

information technology and mining as the catalyst for growth (despite the routine power shortages). As for Ivory Coast, there were increases in investment and infrastructure spending in transport and energy.

Southern Africa saw a drop from 2.5 per cent in 2015 to 1.0 per cent in 2016, of which the decelerating growth came mainly from South Africa and Angola. South Africa, being the region's largest economy, was beleaguered by low commodity prices, drought, load shedding, weak financial conditions and low business and consumer confidence.

Central Africa showed a moderate drop from 3.4 per cent in 2015 to 2.4 per cent in 2016. Cameroon's growth slipped (5.3 per cent) as a result of the fall in oil output and prices. Similarly, Gabon (3.2 per cent) and Guinea were affected by the low oil prices. North Africa registered a decline of 2.6 per cent in 2016 from 3.6 per cent in 2015. Morocco's agriculture sector was affected by drought, and spilt over into reduced private consumption and government spending. Algeria suffered from the low oil prices and Egypt saw a decline in foreign currency earnings due to a weakening tourism industry.

## HUMAN TRAFFICKING AND SMUGGLING IN LIBYA

Hundreds of African immigrants passing through Libya are allegedly being bought and sold in slave markets. These immigrants travel to Libya's coast, aiming to cross the Mediterranean into Europe, a route that has been described as the deadliest on earth. An intervention has ensued as Libya's UN-backed government has opened an investigation into the phenomenon.

Libya has long been used as a gateway by African refugees on their trek to Europe, and through this journey they have been prey to exploitation, abuse and now, trafficking. This gateway is reported

to have had at least 150,000 people attempting to cross it each year in the past three years. These immigrants, having fled war, poverty and economic hardships, travel across the desert under the guidance of smugglers. They arrive in Libya to find no receiving registration processes, and thus are open to exploitation.

Mahmoud Abdelwahed of Aljazeera, reporting from a detention camp in Tripoli, attributes the increasing human trafficking and smuggling to the collapse of the financial sector and the insecurity in Libya. In these desperate situations, that are often unsupervised, many refugees are subject to torture, rape and forced labour.

Leonard Doyle from the International Organisation for Immigration reports that people are being peddled for about \$400 per head. He says upon arriving in Libya the immigrants are robbed of their possessions, tortured and sold in public auctions by the smugglers. Women, who may be put to work in the sex trade, fetch more than the \$400 that a labouring man is valued at.

## MNAGAGWA SWORN IN

Emmerson Mnangagwa, who was sacked as Vice President by Mugabe, was sworn in as the president of Zimbabwe on 24 November and has promised elections this year. Mnangagwa had fled to South Africa after his dismissal on 6 November.

Despite the overwhelming euphoria and celebrations, many Zimbabweans have continued to make their demands for employment, the stabilisation of the economy and the ending of corruption. There is hope that this change will be the catalyst for much-needed reform but many would be justified in asking to what degree this change in Zimbabwe should be considered revolutionary, as Mnangagwa and the army had backed Mugabe and been part and parcel of his tumultuous rule for 37 years.

The 75 year old Mnangagwa's political career shows him to have been mentored by Mugabe, and has occupied a number of roles in the ZANU-PF government, including minister of justice, minister of state security, chief election agent and vice president. Despite the overwhelming optimism, the newly sworn in president's credentials show him to be a part of the old guard.

## DRC

The Independent National Electoral Commission (CENI) in the Democratic Republic of Congo has set a date for the presidential elections. These are due to be held on 23 December 2018, meaning that Joseph Kabila will remain at the helm for another 14 months. This information was released soon after US ambassador to the United Nations, Nikki Haley, visited DRC and made a public statement recommending that elections take place by the end of December 2018.

The original elections had been set to take place in November 2016. CENI stated that the delay is a result of violence as well as logistical setbacks. Kabila has had a 16-year reign, having taken power after his father's assassination in 2001, and was formally elected in 2006 and 2011. The constitution dictates that he cannot run for a third term.

Public sentiment has expressed anger at his apparent reluctance to step down. After CENI's announcement, oppositional leader Felix Tshisekedi and the activist group, Fight for Change (LUCHA), pleaded for peaceful public protests. Previous violence involving the militia has resulted in deaths, especially in the Southern Kasai region..

## REFERENCES

<https://www.uneca.org/publications/economic-report-africa-2017>

## FOOTNOTE

1. UNECA: Economic Report on Africa 2017, <https://www.uneca.org/publications/economic-report-africa-2017> 