

Forecasting Africa:

A Geopolitical Crisis



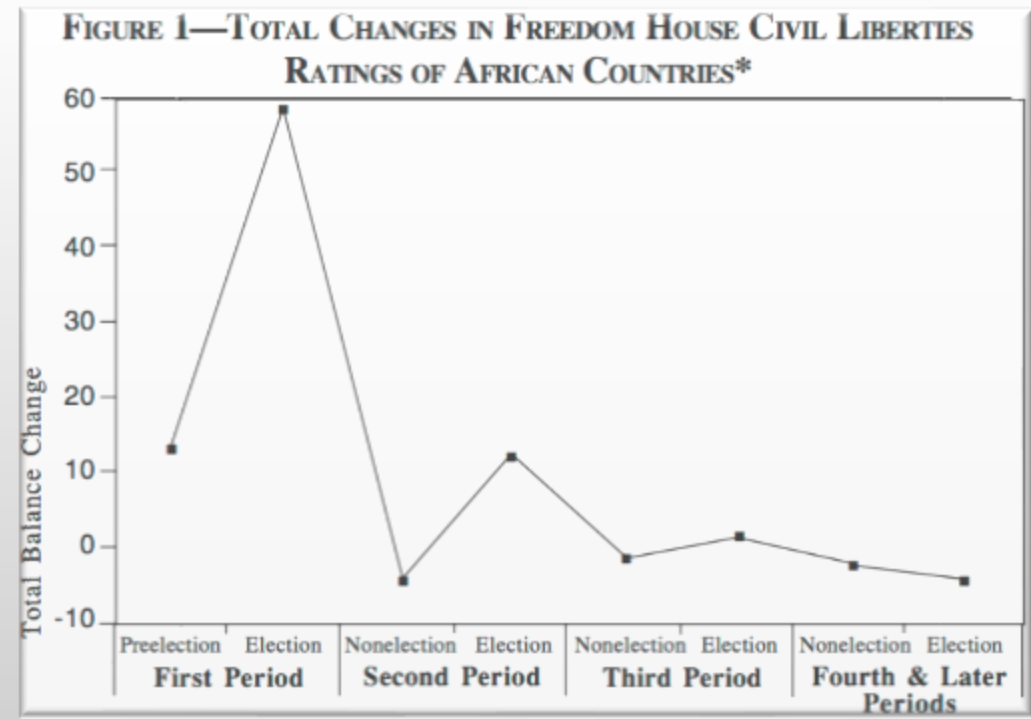
Forecasting Africa: Why do Elections matter?

In the 1960s and 1970s, Africa reportedly averaged only 28 elections for the decade. By the 1990s, this had increased to 65 per decade. Between 2000 and 2005 alone, African countries held 41 elections. It is reported that in 2011, 18 countries in Africa are considered electoral democracies as compared to only four in 1991.

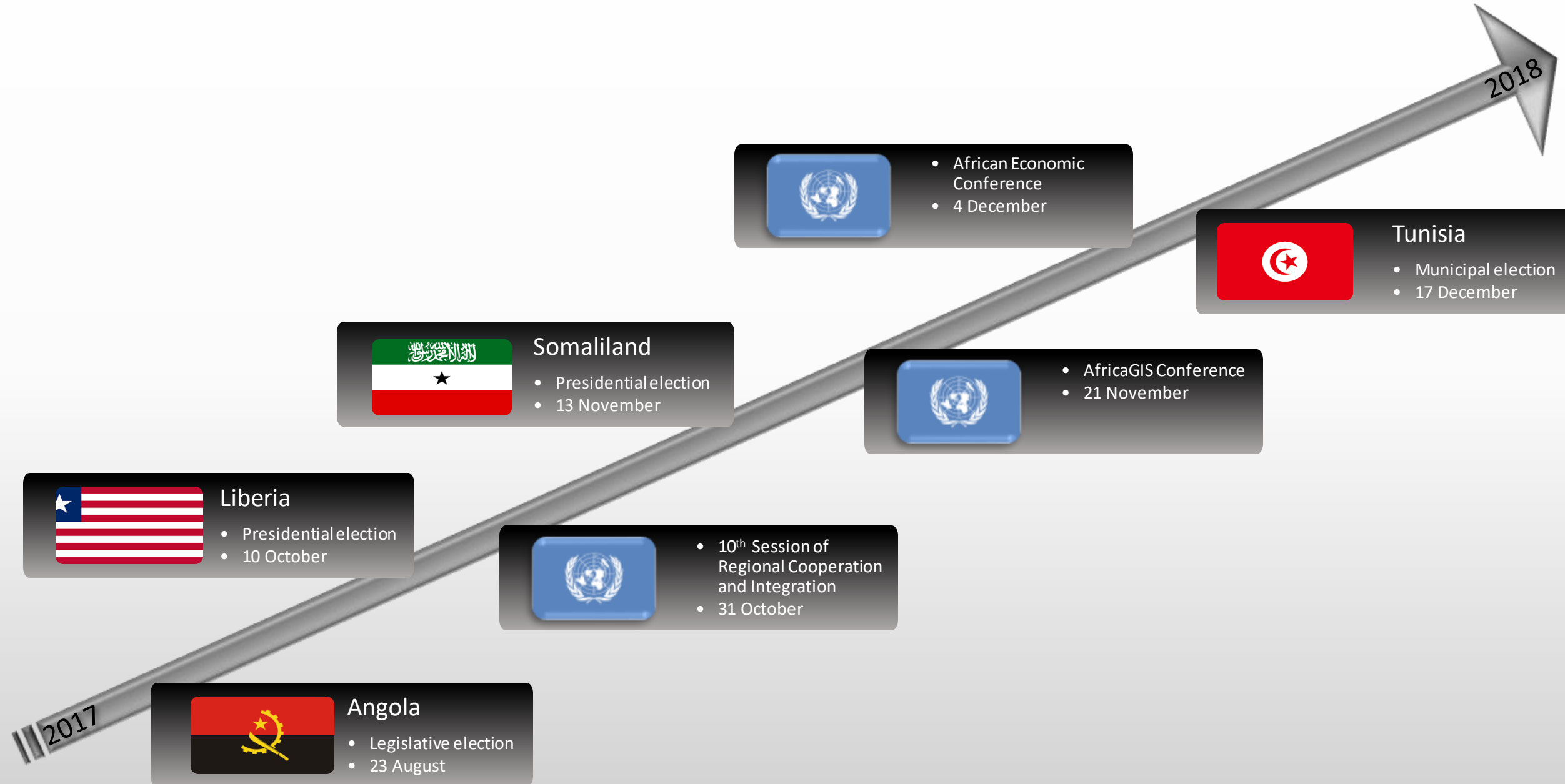
However, elections in Africa are a complex process, they ought to be viewed as transformations, not transitions. The process of elections in Africa historically has been responsible for sparking large-scale violence and corruption. The question that persists within the international community is, 'can African elections produce good governance, rule of law, and equality?'

Staffan Lindberg conducted a study from 1989 to 2003 on all contested elections in Africa, covering 232 elections in 44 countries. He argues that democratizing nations learn to become democratic through repeated democratic behavior, even if their elections are often flawed.

The line represents the total sum of positive changes minus the total sum of negative changes in Freedom House Civil Liberties scores in all African countries in each period.



Forecasting Africa: Key Events – 2017 (MACRO)





Angola

- Election: Legislative
- Date: 23 August 2017

Summary

- President Dos Santos will step down following the legislative elections. Per the Angolan constitution, the top candidate of the winning party automatically becomes the President.
- The government has taken steps to mitigate the impact of the oil price shock on the economy. However, additional policy actions are needed to stabilize macroeconomic conditions and enhance equitable distribution of wealth.
- Angola's economy grew by 1.1% in 2016 but is expected to pick up to 2.3% in 2017, and further to 3.2% in 2018, owing to planned increase in public spending and improved terms-of-trade as oil price recovers.

Key Issues

- 55% of population lives below the poverty line.
- Life expectancy is 45.8 years (second worst in world).
- Overdependence on oil reserves, prevents macroeconomic stabilization and economic diversification.
- Limited governmental transparency has resulted in state financial corruptions, weakening democratic institutions.



Liberia

- Election: Presidential
- Date: 10 October 2017

Summary

- Prior to the last Presidential election in 2011, Liberia endured significant violence during protests of opposing political parties. Concerns of potential political rival violence to re-emerge closer to elections have already been expressed.
- Due to Liberia's historical issue of election corruption a five-month pilot project aimed at contributing towards strengthening transparency, accountability, oversight and participation in Liberia has been officially launched in Monrovia, Liberia.
- Liberia continues to struggle with lower commodity prices, which have led to a third straight year of near-zero growth. Economic growth is expected to strengthen by the end of 2017.
- Significant investments have been made in power generation and electricity access. This ought to alleviate constraints on the business environment.

Key Issues

- 54% of population lives below the poverty line.
- Reforming Liberia's rubber, forestry, and diamond industry.
- Reforming Liberia's defense sectors.
- Creating systems to remove corruption from state systems.



10th Session of Regional Cooperation and Integration

- Date: 31 October – 2 November
- Location: Addis Ababa, Ethiopia

Summary

- The specific objectives of the Conference series are the following:
 - The declining share of agriculture in GDP and employment.
 - Rural-to-urban migration that stimulates the process of urbanization.
 - The rise of a modern industrial and service economy.
 - A demographic transition from high rates of births and deaths (common in undeveloped rural areas) to low rates of births and deaths (associated with improved health standards in urban areas).



Somaliland

- Election: Presidential and House of Representatives
- Date: 13 November 2017

Summary

- Somaliland is a self-proclaimed state, recognized officially by South Africa, Ethiopia, Djibouti, Belgium, United Kingdom, France, South Sudan, and Kenya.
- Al-Shabaab has a strong support in Somaliland, according to captured senior al-Shabaab commander and the government orchestrates, sustains as well as strongly influences the movement operations in Somalia.
- Following the last general elections in 2010, The International Republican Institute asserted that "Somaliland's election was peaceful, without major incident and generally met international standards."
- The two front runners entering the presidential elections are: Musa Behi (Politician – *Chairman of Peace, Unity, and Development Party*), Faisal Warabe (Politician – *Chairman of Justice and Development Party*).

Key Issues

- Further political separation from Somalian's federal government.
- Further economic separation from Somalian federal government, specifically, pursuing private contracts with gas and oil industries.
- Border disputes with Puntland and Somalian federal government.
- Infrastructure development.

Forecasting Africa: Key Events – 2017 (MICRO)



AfricaGIS Conference

- Date: 21– 24 November
- Location: Addis Ababa, Ethiopia

Summary

- This conference will provide a platform for geo-information professionals from Africa to learn about geo-information science and technology and its applications. This unique conference provides a forum for geo-information professionals to meet, interact, and be updated on new developments, products and emerging trends and issues.
- It also provides a unique opportunity for interaction among practitioners to share information and knowledge to advance the development and application of geo-information science and technologies to meet African developmental needs.



African Economic Conference

- Date: 4 December – 6 December
- Location: Addis Ababa, Ethiopia

Summary

- The specific objectives of the Conference series are the following:
 - Promote knowledge management as an important driver of policy dialogue, good policy planning and implementation.
 - Foster dialogue that promotes the exchange of ideas and innovative thinking among researchers, development practitioners and African policymakers.
 - Encourage and enhance research on economic and policy issues relating to the development of African economies.
 - Provide an opportunity for Africans in the diaspora and regional and sub regional organizations to disseminate their research findings and share information with African policymakers on the work that they do in the region.



Tunisia

- Election: Municipal and Regional
- Date: December 17 2017

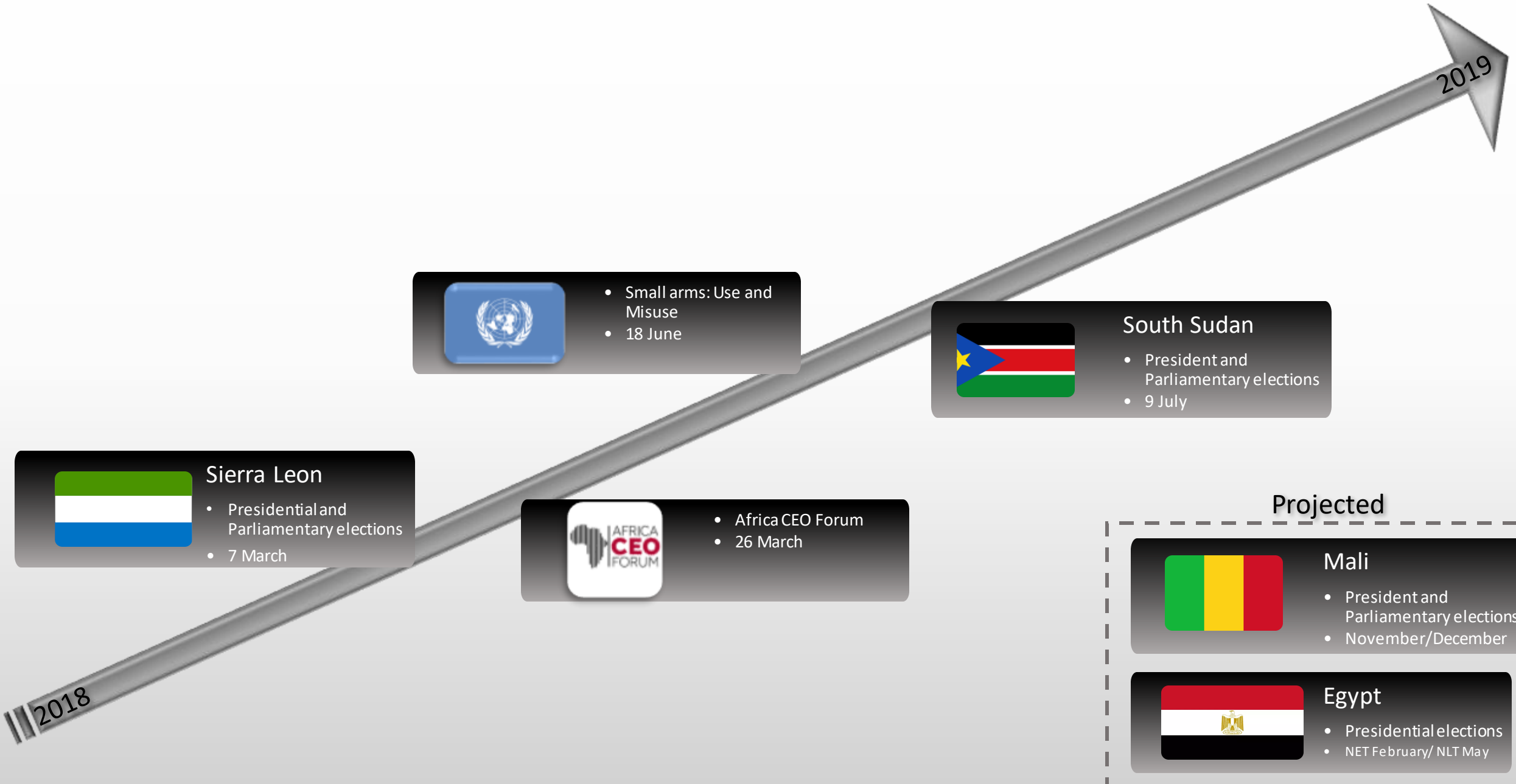
Summary

- Tunisia will hold municipal elections on December 17, the country's first since its 2011 revolution. The polls coincide symbolically with the 7th anniversary of the burning of a street vendor, the starting point of the uprising against the dictatorship of Zine el Abidine Ben Ali.
- After the adoption of a constitution and the success of parliamentary and presidential elections in 2014, the municipal polls are seen as the best avenue to anchor the democratic process at the local level. These municipal elections will concern approximately 350 municipalities.
- The new administration elected on 31 August 2016 called for reforms to be intensified.
- Real GDP growth rate is projected to increase with accelerated implementation of the 2016-20 strategic development (PSD).

Key Issues

- Inadequate infrastructure, problems of garbage collection, etc. (specifically an issue in the Tunisia's interior rural areas)
- Security reform, both military and law enforcement.
- Agriculture reform to increase trade activity with European Union.
- Unemployment, average 50% higher than the national average in the most disadvantaged regions in the state interior.

Forecasting Africa: Key Events – 2018 (MACRO)



2018

2019



- Small arms: Use and Misuse
- 18 June



South Sudan

- President and Parliamentary elections
- 9 July



Sierra Leon

- Presidential and Parliamentary elections
- 7 March



- Africa CEO Forum
- 26 March

Projected



Mali

- President and Parliamentary elections
- November/December



Egypt

- Presidential elections
- NET February/ NLT May

Forecasting Africa: Key Events – 2018 (MICRO)



Africa CEO Forum

- Date: 26 – 27 March
- Location: Abidjan, Ivory Coast

Summary

- The largest annual meeting of the African private sector and brings together over 1,200 business leaders, investors, policy makers and journalists from more than 70 countries.



Egypt

- Election: Presidential
- Date: NET 8 February – NLT 8 May 2018

Summary

- Current President Abdelfattah El Sisi took power following the removal of Mohammed Morsi in a July 2013 coup and rose to the presidency uncontested in May 2014. Critics believe the election was illegitimate.
- Since Morsi's ouster, the state has systematically cracked down on political organizing. The attack on political organizing is meant, in part, to solidify the military's control over the state..
- The Central Bank of Egypt (CBE) liberalized the exchange rate in 2016, the outlook for 2017 ought to be more optimistic if reforms continue to be implemented.
- The economy is relatively well diversified but despite large-scale industrialization, investment has not delivered a vibrant economy with high employment.

Key Issues

- Unemployment is still as low as it was prior to the 2011 revolution.
- Crime has tripled since 2010.
- Infrastructure is unable to support urban populations (i.e., consistent rolling blackouts)
- Armed groups and counterterrorism, specifically ISIS in Sinai Province.



Sierra Leon

- Election: Presidential and Parliamentary
- Date: 7 March 2018

Summary

- The last presidential and parliamentary elections was held in 2012. The 2012 elections was just the third to take place since the end of the devastating decade-long war in Sierra Leone.
- The Carter Center took control of monitoring the election, issuing a final report stating, “The Center found the process to be generally orderly and transparent and in general accordance with Sierra Leone’s 2012 electoral legal framework and obligations for democratic elections.”
- The economy recovered from the Ebola epidemic, growing by 4.3% in 2016 from -21.1% the year before.
- To overcome the difficulty of accessing credit for small and medium enterprises, the National Strategy for Financial Inclusion (2017-20) was launched in late 2016.

Key Issues

- Combatting the illicit trade of gems (aka ‘blood diamonds’).
- Government support to families affected by Ebola epidemic.
- GDP per capita of \$1,651, it is ranked number 14 in the top 25 poorest countries.
- Female genital mutilation is approved by 88.3% of the population.



Small Arms: Use and Misuse

- 18 June – 29 June
- New York, New York

Summary

- The specific objectives of the Conference series are the following:
 - Government forces misusing their arms arsenals illicitly, enhancing regional instability.
 - Arms from legal stocks are diverted into illicit use enhancing regional extremist and crime networks.
 - Existing illicit arms arriving in crisis areas further destabilizing them.



South Sudan

- Election: Presidential and Parliamentary
- Date: 9 July 2018

Summary

- The 2010 first South Sudan-wide elections did not wholly meet international standards, international observers believed the elected, Salva Kiir's though did reflect the will of a large majority of Southern Sudanese.
- The second presidential and parliamentary elections were supposed to be held 9 July, 2015. However, due to potential risks of coup d'état and increases in violence following South Sudan's statehood, the parliament voted to extend tenure of elected officials. This allowed officials to maintain order and validate governmental systems.
- Macroeconomic performance has continued to deteriorate because of the country's fragile situation and continuing low worldwide oil prices.
- South Sudan does not have a substantive history of private sector development from which a private business culture can easily develop.

Key Issues

- Overdependence on oil reserves (70% of states export), prevents macroeconomic stabilization due to fluctuating oil prices.
- Weak operating environment for private businesses limits economic growth.
- 80% of population lives in rural areas, limiting infrastructure improvements due to cost to transport services to rural areas.



Mali

- Election: Presidential and Parliamentary
- Date: November – December

Summary

- Despite peace negotiations and agreement in June 2015, the security situation continues to cause issues in 2017 affecting political and institutional stability as well as socio-economic prosperity.
- Two-thirds of Malian exports consist of gold and cotton. These two exports are subject to fluctuations in world prices and to climatic variability, thus resulting in a weak economic foundation.
- Poor management of public finances affects consumer confidence, businesses and international financiers, and thus weakens economic growth.

Key Issues

- Overdependence on fluctuating exports (gold and cotton), preventing macroeconomic stabilization.
- Security concerns decreases socio-economic prosperity.
- Efficiency and transparency in public finance management.

Forecasting Africa: Key Events – 2019 (MACRO)

2019



Nigeria

- Presidential and National Assembly election
- 16 February

2020

Projected



South Africa

- National Assembly election
- TBD



Nigeria

- Election: Presidential and National Assembly
- Date: 16 February

Summary

- Inconsistent economic policies and increased security concerns in the north east and Delta regions has resulted in Nigeria entering into a recession for the first time in more than two decades.
- Nigerian government since entering a recession has diversified its economic environment through supporting entrepreneurship and industrialization in the lead sectors of agriculture, manufacturing, and mining.
- Security remains a challenge despite gains made in the conflict with Boko Haram in the north east and the intensification of dialogue with militants in the Niger Delta.
- State owned oil and gas companies increase governmental extortion and corruption.

Key Issues

- Overcome recession, stabilize macroeconomic environment.
- Security concerns with Boko Haram and state militants.
- Increased governmental transparency.



South Africa

- Election: National Assembly
- Date: TBD

Summary

- Unemployment remains a major social challenge with youth unemployment among the highest on the continent. Resulting in staggering poverty throughout South Africa.
- Macroeconomic growth has been slow due to inadequate technical and business management skills; lack of experienced mentoring of entrepreneurs; barriers to business entry, and lack of access to finance.
- Increased food prices, fluctuating world oil prices, and domestic fuel prices, enhance potential for inflation.
- Key infrastructural issues, specifically power shortages, increasing due to increased urban populations.

Key Issues

- Improved industrialization strategy to generate employment.
- Increase entrepreneurial resources and capabilities.
- Infrastructural reforms due to increased urban populations.
- Stabilizing inflation rates.