Slight deteriorations in the state of democracy and transformation management, tenuous gains in economic development: a focus on the minimal changes in the overall average regional scores offers little insight into what are in fact real changes in the BTI’s 19 countries of South and East Africa. The region is characterized by sharp contrasts. In terms of political transformation, for example, the nearly consolidated democracies of Mauritius and Botswana, which in this dimension are ranked among the BTI’s 19 countries of South and East Africa. Ongoing transformation successes share the stage with record-setting setbacks in development. Only one thing is clear: The West’s influence over the region’s fate is shrinking.

Considerable shifts, but only at second glance

A virtually unchanged average score masks what are in fact widely varied developments in the 19 countries of South and East Africa. Ongoing transformation successes share the stage with record-setting setbacks in development. Only one thing is clear: The West’s influence over the region’s fate is shrinking.

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Finally, a medium-term comparison with developments in the neighboring region is instructive. Between 2006 and 2012, West and Central Africa took small steps forward in terms of economic development, while gaining substantial ground in terms of democratization – and for the first time has finished just a hairbreadth ahead of South and East Africa in the Management Index.

It is worth noting that the region’s average transformation management score has fallen by 0.16 points due mainly to Madagascar’s decline of 2.13 points in the Management Index as compared to the BTI 2010. No other country, in any of the indices, suffered such an extreme setback. Similarly, the comparatively adequate regional average of 4.71 comes primarily thanks to the above-average performances of Botswana, Mauritius, Namibia and South Africa. This quartet of countries all achieved scores between 6.00 and 7.02 points, thus raising the region’s average considerably.

The crisis did have at least temporary negative effects in countries heavily dependent on commodity exports and in those with relatively close ties to international capital markets. Oil exporter Angola and copper exporter Zambia showed declines in revenues, while the problems of the globally well-connected South African economy were also felt in neighbors such as Lesotho and Namibia. However, the IMF was unable to detect a decline in remittance volumes from migrant workers. Or, rather, no such decline has yet been noted: Regional crises such as that in the Côte d’Ivoire may still have an effect larger than has been recorded to date, and the uncertain economic outlook for North Africa, parts of Europe and the United States could ultimately have a severe impact on the migrant workers’ countries of origin.

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Political transformation

Where “big men” rule

Thirteen of the 19 states in the region are classified as democracies. By contrast, the consolidated autocracies show little hope of political transformation. The reduction of politics to a power struggle between a small number of “big men” remains a fundamental problem.

Mauritius and Botswana are among the BTI’s eight smallest states on the basis of population size. However, evaluated on the basis of democratic quality, they number among the most successful states. Democracy status scores, respectively of 8.53 and 8.35 points, express the fact that their 1.3 million and 2 million residents can lead politically free lives. South Africa (7.75 points) and Namibia (7.70 points) are both on the threshold of the democracies in consolidation category. Mauritius and Botswana are among the BTI’s most successful states. Democracy status scores, respectively of 8.53 and 8.35 points, express the fact that their 1.3 million and 2 million residents can lead politically free lives. 

Kenya, which had been classified in 2008 as a ‘defective democracy,’ was upgraded to ‘moderate autocracy’ following a period of political uncertainty. The relatively minor deterioration in the latter. 

Kenya (+0.50 points), which at the beginning of 2008 was facing severe and violent political turmoil, has returned to the ranks of the defective democracies. Following an episode of clumsy electoral falsification, riots instigated by high-ranking politicians and marked with an ethnic character broke out. More than a thousand people were killed, and hundreds of thousands were displaced. However, steps toward a new beginning have been taken in the form of a functioning grand coalition between the Raila Odinga-led Orange Democratic Movement and the Party of National Unity, newly formed by Mwai Kibaki. Most promisingly, there are growing signs that Kenya’s culture of impunity is drawing to a close. The International Criminal Court has issued arrest warrants for six politicians (drawing from both parties), the government has established a Truth and Reconciliation Commission, and the work of the anti-corruption authority — established largely as a result of massive pressure from donor states — has already led to the resignation of several ministers. The most important step toward reform to date remains the August 2008 adoption of a new constitution that provides for the strengthening of an independent judiciary, decentralization, a new land law, stronger legislative oversight of the executive and the establishment of a Supreme Court. This document was approved in a referendum by 67 percent of Kenyans. To be sure, the region is also the scene of the BTI’s 2012’s greatest assessed setback in the area of political transformation. This was associated with the coup in Madagascar, which led to a decline of 1.55 points in the country’s democracy status score. In March 2009, the military forced President Marc Ravalomanana to resign. He was replaced by Andry Rajoelina, the 34-year-old mayor of the country’s capital.

As a candidate in Madagascar’s 2002 presidential race, Marc Ravalomanana cast himself as a non-ideological, imaginative self-made businessman. He won the elections, and thanks to skillfully stage-managed appearances, he also won the support of donor countries. After his re-election in 2006, however, many supporters saw their hopes dashed. Reform projects such as the Madagascar Action Plan proved oxymoronic; the living conditions of much of the population remained miserable, and the president meanwhile expanded his private business empire. Ravalomanana’s precipitous decline began in 2008, when the government declared its intention to lease a third of the country’s usable land to South Korea’s Daewoo Group. The final break with the elites came in January 2009, after security forces shot and killed about 40 demonstrators. Leading the protest was Andry Rajoelina, who was mayor of the capital city, Antananarivo. He won the support of the military, which in March 2009 forced Ravalomanana to resign and installed Rajoelina as head of government. The coup was condemned by the African Union and the international community, and the majority of the country’s development aid, which had accounted for 40 percent of the national budget, was frozen. Through the end of the BTI 2012 review period, the opposition, the African Union, the United Nations and donors severely demanded a timetable for re-democratization and free elections. Consequently, the BTI drastically reduced Madagascar’s score for free and fair elections by four points. However, in September 2011, following mediation by the Southern African Development Community (SADC), the main political parties did finally agree on a roadmap, under which presidential elections in the spring of 2012 would bring the authoritarian interim to a close.
The market as the plaything of the powerful – this fundamental problem underlies many of the economic systems in South and East Africa. State intervention is commonplace, often favored by the interests of political elites who, in turn, must provide support to their patronage networks. Policies that do successfully result in growth thus do little to benefit the broad mass of the population. Foreign investments are directed primarily toward raw materials that are the subject of strong international demand. As in early reports, the most profound economic distress can be found in Somalia, whose score of 1.18 in the area of economic transformation puts it once again in last place among all 128 states. The socioeconomic situation in Eritrea also borders on the catastrophic, driven in no small part by the intensification of a program of indefinite popular conscription into the army and labor services. In addition, the ruling military exerts a near-total control over the country’s economy. Hundreds of thousands of people, especially the young, see flight as the only feasible option for bettering their lives. As a consequence, Eritrea’s market economy status score fell by 1.18 points, a more significant decline than seen in any of the other 128 BTI-assessed economies in past surveys. Thanks to continuing sanctions against its coup government, Madagascar (–0.29 points) faces an uncertain future, while in Mozambique (+0.43 points), the distribution of wealth remains extremely unequal, even after the bread riots.

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Four success stories offer hope

As in previous BTI surveys, in 2012, Botswana, Mauritius, Namibia and South Africa prove once again to be regional drivers of transformation. Even some autocracies were able to take successful steps toward modernization. However, their goal is limited solely to economic liberalization.

As in the previous BTI survey, Botswana and Mauritius head the region’s rankings in terms of transformation management. Botswana (7.02) just reached the highest category of very good transformation management, a status that Mauritius (6.90) again narrowly missed. These two countries, along with Namibia and South Africa, have for years exhibited the region’s most capable transformation management. Indeed, Mauritius ranks among the global top performers in terms of steering capability, and political actors in Botswana made particularly good use of the resources at hand. On the heels of a divisive electoral battle in 2009, South African President Jacob Zuma proved considerably more successful than his predecessor, Mbeki, at mediating long-term social conflicts. In addition, the management of the 2010 World Cup, the first on African soil, was outstanding, although potential long-term gains remain a subject of considerable debate among South Africans. In Namibia, it is the high degree of consensus among political actors and society alike that impresses: There is widespread agreement about how best to ensure sound democratic and economic structures. The distance between this quartet of countries and the rest of the region is large. However, even these top four, with the exception of Namibia, have lost transformation momentum between the BTI 2006 and the BTI 2012. This said, the region’s slightly lower overall management performance score in the BTI 2012 must be attributed to other governments. Mozambique, for example, a country that until a few years ago served as a paragon of post-civil-war reconstruction, showing high growth rates, promising efforts at political reconciliation and correspondingly massive levels of support, has increasingly become an example of poor governance. President Armando Emilio Guebuza, re-elected in 2009, has deepened the linkage between political and economic activity, giv- ing his Frelimo party almost unchecked access to the country’s resources. Despite impressive growth rates of 6.4 percent and 7.0 percent during the global crisis years of 2009 and 2010, Mozambique is ranked at 184th place out of 187 in the Human Development Index. Popular discontent broke out into bread riots in September 2010, in the course of which at least a dozen demonstrators were killed. Although the government resided price increases for basic food items and electricity, its international credibility was significantly diminished – a major problem, considering that donor countries provide an estimated 45 percent of the country’s budget.

Zambia’s level of transformation management as assessed by the BTI 2012 has fallen to the category of “moderate.” The vigor of the reforms offered by President Rupiah Banda’s government has waned, and priorities and goals were pursued somewhat halfheartedly. Transformation management in Uganda was rated 0.25 points lower than previously due to strongly increased budget deficits and still-rampant corruption that affects the distribution of donor contributions, among other areas. Indeed, the two problems are linked; budget deficits are in part the result of the misuse of state resources for campaign gifts and for the financing of the expensive electoral campaigns of the governing party and president.

A look at the transformation records of the regimes in Angola, Rwanda and Ethiopia is also revealing. In Ethiopia, repression has intensified, and the political elite’s fear of losing economic control has led to contradictory courses of action; however, Angola and Rwanda have made notable improvements in the area of economic governance. The fact that Rwanda under President Kagame, the officeholder since 1994, has made serious efforts to improve the country’s well-being can be attested to by sources beyond the World Bank alone. For example, child mortality rates have decreased, and the fight against disease has been successfully intensified. To this end, Rwanda has sensibly used support from international public and private donors, which has often reached very substantial levels.

However, though this modernization effort has been at least partly successful, it has taken place under authoritarian auspices, and the BTI’s evaluation is accordingly ambivalent. In the cases of Angola and Rwanda, the BTI 2012 acknowledges that governments have made progress along the path of economic liberalization as well as in the areas of effective prioritization and policy implementation. However, given the simultaneous deterioration in democracy scores, the countries are given overall improvements of “only” 0.17 and 0.16 points, respectively.
Who provides the impetus for reform?

The zeal for reform in South and East Africa has waned. For most of those in power, violations of democratic norms lack consequences for four reasons. First, a certain donor fatigue and a growing disinterest in Africa cannot be denied. This fatigue has been accompanied by a growing and fundamental questioning of development assistance and democracy promotion in general. Second, donor countries often pursue competing goals and priorities; particularly in countries such as Brazil and South Africa, the interest in civil war, the war in the interest in real or putative stability outweighs demands that human rights be respected. Moreover, a country such as Ethiopia is seen – at least by the United States and a handful of other donors – as an anchor of stability in a fragile region and an ally in the fight against terrorism. Criticism of the authoritarian regime is accordingly restrained.

A third factor has come increasingly into play in recent years. Since China, India and even the United States, donors are operating on an equal footing with Western donors. Nor should one underestimate the symbolic significance of the fact that some of these new donors were themselves “victims” of colonialism and, thus, eschew former colonial powers’ tendency to issue both advice and admonishments.

The current economic and debt crisis in Europe and the United States has strengthened Africa’s tendency to reorient itself to new trade and export markets. And, indeed, the zeal for reform in South and East Africa. And, indeed, the zeal for reform in South and East Africa. And, indeed, the zeal for reform in South and East Africa. And, indeed, the zeal for reform in South and East Africa.

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