



Regional Report
Southern and Eastern Africa

One Step Forward, Two Steps Back

by Julia Renner-Mugono and Siegmur Schmidt

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Overview of the transformation processes in Angola, Botswana, Burundi, Djibouti, Eritrea, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Somalia, South Africa, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe



This regional report analyzes the results of the Bertelsmann Stiftung's Transformation Index BTI 2022 in the review period from February 1, 2019, to January 31, 2021. Further information can be found at www.bti-project.org.

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Introduction

During the period under review, the negative trends of past years observed in Southern and Eastern Africa with regard to the BTI's three analytic dimensions (political transformation, economic transformation and governance) have continued. At first glance, it would seem that there is little encouraging news from the region. Increasingly authoritarian rulers are maintaining their grip on power through repressive measures taken against the opposition and civil society. At the same time, these leaders are placing greater limits on the public sphere and opportunities for citizens to take part in the political process. In some of the region's countries, the separation of powers appears to be more cosmetic than functional. The measures taken to curb the COVID-19 pandemic in certain countries have only accelerated the authoritarian course taken by their leaders.

In fact, hopes of a new political beginning in a post-Mugabe Zimbabwe or in Ethiopia under the leadership of Nobel Peace Prize winner Abiy Ahmed have been dashed in the last two years. A January 2019 crackdown by the state security apparatus led by Zimbabwe's Mnangagwa government, which responded with excessive force to protests over poor living conditions, has been followed by two years of intensified acts of repression waged against members of the opposition, activists, journalists and other stakeholders in society. In Ethiopia, Prime Minister Abiy has been waging a civil war in the country's Tigray region since November 2020. His increasing intransigence toward political opponents and the international community has resulted in Ethiopia being classified as a hard-line autocracy in this year's BTI.

No country in the region proved able to improve substantially in the area of political transformation. The slide toward autocracy observed in Madagascar, Tanzania and Zambia underscores these generally dispiriting developments. Over the last two BTI review periods (2020 and 2022), we see a 0.20 decline in the region's average political transformation score. The regional average of 4.79 is well below the global average of 5.39. All of the region's six democracies are now found only in southern Africa. The slow but growing use of authoritarian political tactics has become particularly evident in Burundi, Mozambique, Tanzania and Uganda, where parliamentary and presidential elections in particular were marred by major irregularities and manipulations. The independence of the judiciary is under threat, particularly in Madagascar and Zambia. The presidents of both countries have made it possible for them to rule by decree, and the executive branch in each is able to exert direct influence on the judiciary. Given the situation, it's unclear whether an increasingly courageous civil society will prove able to fight for more political and public space in the coming years and thereby prevent authoritarian structures from further embedding themselves. These negative developments obscure the fact that there are a few positive developments in the region to note. The elections held in South Africa and Namibia, as well as the change of government in Malawi, illustrate that democratic elections in the region do work. Popular approval ratings for democracy have also remained consistently high in Botswana, Mauritius and Namibia.

The current BTI offers little hope of improvement in the area of economic transformation. Compared to the other BTI regions, Southern and Eastern Africa, along with West and Central Africa, has seen the smallest economic contraction, but still finds itself having hit a new low in terms of economic transformation. Throughout the period under review, economic development across eastern Africa has stagnated. The biggest slumps were recorded by the export-dependent states of Botswana and Zambia in southern Africa, due in part to trade disruptions in the wake of global measures to contain the COVID-19 pandemic. The pandemic has laid bare long-standing structural problems in the region. Economic stagnation and the issues associated with it such as poverty, unemployment, a bloated informal sector and weak prospects continue to plague the region. Together with corruption and crime, this ongoing

economic sluggishness is placing increasing pressure on most countries and governance in the region. The COVID-19 pandemic in particular has underscored the fact that social welfare systems are lacking, as the number of people living in abject poverty or having to resort to work in the informal sector has increased substantially. Per capita growth as measured by the region's GDP averaged 1.5% in 2019, which is insufficient to generate the development boost needed to sustain economic growth. The impact of the COVID-19 pandemic has led to an average decline in per capita GDP growth of 3.5% in 2020. The debt burden of some countries in the region has in some cases reached perilous heights as a result of the additional aid provided by the IMF and the World Bank. Another worrisome factor is the rising rate of inflation, which reached a regional average of 14.5% in 2020. The COVID-19 pandemic has accentuated the need for a sustainable revival of broad-based economic growth that is not tied specifically to the short-term prestige projects of some of the region's long-term authoritarian rulers.

In terms of governance, the region saw only a slight but nevertheless significant decline in scores. While in most of the region's countries the consensus among elites with regard to the goals of a market economy and democracy remains in the middling range, growing intrastate conflict intensity as well as the lack of effectiveness in steering reform processes and implementing political priorities are the primary issues having a negative impact on governance across the region. The rise in domestic conflict intensity is perhaps most palpable in Ethiopia and Zimbabwe, while Angola, Djibouti and Lesotho have registered positive developments in terms of prioritizing reform processes with impact. Whereas the will for regional cooperation has solidified in southern Africa, regional cooperation in eastern Africa is increasingly fraught with tensions. Although South Sudan has made progress in terms of political transformation and governance, this should not obscure the fact that the country is still a failing state hanging in the balance between war and peace.

Political transformation

The number of autocracies in the region is increasing. Whereas the BTI 2020 registered nine democracies in Southern and Eastern Africa, this number has fallen to six during the current period under review. The classification of Tanzania as a moderate autocracy marks a turning point, as there is now no longer a single democracy in eastern Africa. The scores recorded for political transformation are also steadily declining in southern Africa. The measures taken to contain the COVID-19 pandemic have strengthened executive powers at the expense of parliamentary, judicial and civil society oversight. It is proving increasingly difficult to find glimmers of hope in the region.

Tab. 1: State of political transformation

consolidating democracies Score 10 to 8	defective democracies Score < 8 to 6	highly defective democracies Score < 6	moderate autocracies Score ≥ 4	hard-line autocracies Score < 4
Mauritius	South Africa	Lesotho	Kenya	Rwanda
Botswana	Namibia		Uganda	Ethiopia ▼
	Malawi		Tanzania ▼▼	Djibouti
			Angola	Burundi
			Zambia ▼	Eswatini
			Madagascar ▼	South Sudan ●
			Mozambique	Eritrea
			Zimbabwe	Somalia ●

The table follows the BTI 2022 index scores. Countries are ranked according to their system categorization and respective score in political transformation status assessment. Arrows mark a change of category compared with the BTI 2020, dots mark failing states.

For more than a decade, the average scores for political transformation in Southern and Eastern Africa have steadily declined. This downward trend is consistent with the generally dispiriting state of affairs across the region that has resulted in the region's new low in its transformation status score of 4.79. In eastern Africa, Tanzania no longer numbers among the democracies and has been downgraded to the group of moderate autocracies. The decline (-0.17 points since the BTI 2020) in the level of democracy in eastern Africa is not the only problem; the downgrading of Madagascar and Zambia to the group of moderate autocracies points to the rise of authoritarian and repressive systems of government in southern Africa (-0.19 points). In fact, the eroding quality of democracy has been evident in both parts of the region since 2008. Only the region's six remaining democracies seem to be sufficiently resilient when it comes to warding off democratic backsliding.

We can identify similar indicators of these developments in both eastern and southern Africa. The rise of authoritarian patterns of governance is most visible in a gradual erosion of democratic institutions and in gross electoral fraud. Elections in Burundi, Mozambique, Tanzania and Uganda in particular were marred by major irregularities and electoral manipulation. In Burundi, the National Council for the Defense of Democracy – Forces for the Defense of Democracy (CNDD-FDD) under President Évariste Ndayishimiye, who succeeded the suddenly deceased President Pierre Nkurunziza, won the 2020 elections with a clear majority. In Tanzania and Uganda, elections once again saw the police engaged in violent attacks on opposition candidates, bans being placed on assembling in public and the falsification of voter registration applications and ballots. Uganda's President Yoweri Museveni secured his sixth term in office in a January 2021 election that was accompanied by a blackout of the internet and social media. Citing efforts to prevent the coronavirus from being spread, the government denied the opposition access to radio and television stations and election rallies were banned. The opposition, led by presidential candidate Robert Kyagulanyi, complained that the government's COVID-19 measures were simply a tool used by authorities to contain the opposition's influence as election rallies held by the ruling National Resistance Movement (NRM) were allowed to take place despite the coronavirus restrictions. According to electoral observers, Mozambique's 2019 parliamentary and presidential elections were the most rigged in the country's history. Securing an absolute majority for Filipe Nyusi by the first round of presidential elections appears to have involved electoral fraud, and not only on election day. Serious irregularities were noted already during the registration process. In the opposition stronghold of Sofala, for example, limitations were placed on voter registration. However, in the government stronghold of Gaza, the number of eligible voters grew by 300,000 – suggesting a voting population that is not commensurate with the figures for the region from the latest 2017 census. Entire portions of the population in three districts of the Cabo Delgado province weren't even allowed to cast their votes – officially due to security concerns. In Tanzania, President John Magufuli banned all political gatherings as early as 2016 and lasting until the next presidential election, arguing that it was time for society to focus less on politics and more on developing the country. The fall 2020 elections, which were held despite the COVID-19 pandemic, gave overwhelming victories to the Party of the Revolution (CCM) and President Magufuli (84% of the vote). The opposition managed to win eight constituencies while the remaining 256 seats fell to the CCM. The November 2019 elections were boycotted by the opposition because 90% of its candidates were barred from contesting in the runup to the elections.

The 2020 elections in Malawi, Mauritius and Namibia were generally described as being free and fair, demonstrating that democratic elections do work in these three countries. Citing gross mismanagement, Malawi's Supreme Court annulled the country's 2019 presidential election, which was then held again in 2020 and delivered opposition candidate Lazarus Chakwera as the country's next president. Namibia's 2019 elections took place without any legal interference. However, it is worth noting that support for the liberation movement South West African People's Organization (SWAPO), which has ruled since independence, has declined sharply.

Elections in Ethiopia and Djibouti, scheduled for 2020, have been postponed to 2021 due to the COVID-19 pandemic. Despite the scheduled postponement, Ethiopia's Tigray region held regional elections in

September 2020. The national government led by Prime Minister Abiy declared these elections illegal and sent in military troops to the region. Since the government in the region was replaced at the end of November 2020 by a transitional government set up by the central government, a bloody civil war has been raging in Tigray. Prime Minister Abiy, a Nobel Peace Prize laureate who has been celebrated for the reforms he introduced in 2018, is now taking a more repressive approach toward opposition members and his announced reform course has run out of steam. The general election, which had been postponed to June 5, 2021, was rescheduled once again and held instead on June 21. Abiy drew additional criticism for this delay and was accused of using the delay as a tactic to keep himself in office. The prime minister won the elections with an overwhelming majority, securing his Welfare Party more than 400 of the 436 available seats. The two main opposition parties boycotted the elections, pointing out that their candidates had been arrested and their offices attacked. Some 20% of the constituencies were excluded from the election, including all of those located in the civil war-torn Tigray region. Whether a by-election will be held in those areas is uncertain.

The erosion of democratic institutions can be observed in successive efforts to erode the separation of powers. Madagascar, Tanzania and Zambia stand out in this regard. Efforts by successive presidents in Madagascar to personalize power have severely compromised the transparency and independence of democratic institutions in the country as well as their capacity to function. A law passed in 2019 temporarily gave the president the right to use executive orders to shape legislation. The Senate also does not have the power to legislate on its own. And although this legislation by decree was declared to have come to an end on July 16, 2019, in effect, President Andry Rajoelina has nonetheless continued to apply this style of governance. In Tanzania, too, President Magufuli has established the legal framework to govern by decree. Through a controversial amendment to the Tanganyika Law Society Act, the government tightened its control over the country's formally autonomous bar association in early 2020. The president's authoritarian style of government, which is driven by his personal directives and disregard for formal procedures, is substantially weakening democratic institutions in Tanzania. In Zambia, the judiciary is increasingly hollowed out, as the executive's efforts to curtail the judiciary have eroded the latter's public image. This includes the executive directly appointing members of the Judicial Service Commission, which is responsible for appointing the country's judges. As a result, there's little room within the existing legal framework to allow for legal action being taken against the executive. Between 2015 and 2019, Zambia's score for judicial independence in the World Economic Forum's Global Competitiveness Report dropped dramatically from 4.0 to 2.7.

The threat to freedom of expression, freedom of the press and the restriction of public space are expressed most clearly in the growing threats and violent attacks waged against journalists and the bans placed on gatherings. Governments also leveraged the curfews introduced, bans placed on public assembly and measures imposed to contain the COVID-19 pandemic in order to weaken the influence of media outlets voicing regime-critical views and to arrest opposition candidates. The crackdown on protests and restrictions on media freedom have been particularly far-reaching in Tanzania. Political parties in Tanzania have been banned from conducting most of their activities and holding demonstrations since 2016. Tanzania has fallen further in Reporters Without Borders' World Press Freedom Index 2020, now ranking 124th out of 180 countries. Since President Magufuli took office, the country has fallen 55 places, more than any other country in the world. Journalists who have reported on COVID-19 in Tanzania have been threatened, harassed, attacked and even murdered. South Sudan shows slight improvement in the area of freedom of the press. Reporters Without Borders reports that no journalist was killed in the country in 2018 and 2019, and since the end of the civil war in February 2020, South Sudan has climbed up one place in the organization's ranking since 2019. However, this improvement cannot obscure the fact that the country is still a failing state in which opposition candidates, human rights activists and journalists are harassed, arrested and thrown into prison.

In the democratically governed countries of the region, popular support for democracy remains quite steady. We see this in particular in Botswana and Mauritius. While basic support for democratic norms

and procedures remains quite high in Mauritius, satisfaction with the current performance of democratic institutions is nonetheless on the decline. In fact, only half of the country's population expresses satisfaction in this regard. The government's handling of the COVID-19 pandemic accounts in part for this decline, though its handling of the July 2020 oil spill plays an even larger role here. This discrepancy between a fundamentally positive attitude toward the norms and procedures of democracy found across large parts of the population on the one hand, and a dissatisfaction with the performance of democratic institutions and elected political decision-makers on the other, is also found in other democracies. For example, while democracy enjoys strong support as a form of government in Malawi, about two-thirds of the population is dissatisfied with the output of political institutions. There is also a perception among the public that political leaders will brazenly undermine democratic norms to advance their personal or political interests. We also observe dissatisfaction with the performance of democracy being accompanied by lower levels of support for democratic values and norms in South Africa. An Afrobarometer survey from the spring of 2021 found that more people in South Africa are dissatisfied than satisfied with the state of their democracy. The frustration of citizens expressed here is associated with rampant levels of corruption, slow economic growth and the lack of progress made in socioeconomic development over the last decade. Most respondents stated that they would be willing to forgo democratic ideals and institutions such as regular elections if an unelected head of government were to guarantee stronger economic growth or less crime. In Lesotho, the only country in the region where the overall support for democracy has fallen slightly, public assessment of how well the government has performed is also a key driver of this development. The Basotho accuse the government of not having found a national strategy to combat the coronavirus pandemic and are also angry at the government's failure to modernize the country.

Although the number of consolidating and defective democracies in southern Africa has remained constant since the BTI 2020, the political culture as a whole is increasingly characterized by polarization and illiberality, both of which are likely to increasingly facilitate authoritarian tendencies. The measures taken to contain the coronavirus, such as the bans placed on public assembly or the expansion of government powers in favor of the executive branch, have only further accelerated the drift toward emergent authoritarianism.

Economic transformation

Economic recovery is still a long way off and economic development in most of the region's countries is stagnating. Border closures, curfews and international trade restrictions introduced as a result of the COVID-19 pandemic have led to a dramatic decline in (market) economic development and an increase in poverty. COVID-19 has highlighted the structural economic deficits that countries in the region must address in order to prevent even more rapid decline.

Socioeconomic development across the region is either stagnating or on the decline. Botswana has suffered the largest losses in the current period under review and is now in the category of those countries featuring a limited state of economic transformation. Over the same period, Tanzania has become a low middle-income country, moving up a category. After having improved somewhat in the BTI 2020, Zimbabwe has slipped back into the group of countries whose economic transformation is classified as rudimentary. As in the BTI 2020, one-third of the countries in Southern and Eastern Africa achieve a limited or advanced state of economic transformation. Most of these countries, however, are classified as those whose economic transformation is limited.

Tab. 2: State of economic transformation

highly advanced	advanced	limited	very limited	rudimentary
Score 10 to 8	Score < 8 to 7	Score < 7 to 5	Score < 5 to 3	Score < 3
	Mauritius	Botswana ▼	Lesotho	Zimbabwe ▼
		South Africa	Djibouti	South Sudan
		Kenya	Madagascar	Somalia
		Rwanda	Malawi	Eritrea
		Namibia	Zambia	
		Uganda	Mozambique	
		Tanzania ▲	Angola	
			Eswatini	
			Ethiopia	
			Burundi	

The table follows the BTI 2022 index scores. Countries are ranked according to their respective score in economic transformation status assessment. Arrows mark a change of category compared with the BTI 2020.

Economic developments in Tanzania began to improve somewhat once the country eased its COVID-19 restrictions in May 2020. However, international travel restrictions imposed as a result of the pandemic ultimately led to a sharp decline in the country's tourism sector. This loss was offset by increased gold export earnings. Tanzania's annual growth rate thus only declined from around 6% in 2019 to 2% in 2020, according to the World Bank. The country reached the rank of a lower middle-income country in July 2020. Most of its population, however, is not benefiting from this growth. While the national poverty rate has declined from 34% in 2007 to 26.4% in 2018, the country's continued high annual population growth rate of 3.1% means that the absolute number of poor people increased from 13 to 14 million over the same period.

The pandemic-related disruption of trade routes has hit export-dependent economies such as Botswana particularly hard. The backbone of Botswana's economy is the diamond sector, which accounts for almost 35% of economic output, according to World Bank data. Border closures and disruptions in trade resulting from efforts to contain the coronavirus explain the slump in Botswana's economic growth, as the market for diamonds in China, the United States and the European Union was crumbling in 2020 and 2021. The COVID-19 pandemic has highlighted the vulnerability of Botswana's business sector, and its heavy dependence on mineral exports in particular. According to ILOSTAT, the country's unemployment rate increased from 17.6% in 2019 to 23.2% in 2020. Angola and Zambia, which are also exporters of raw materials, have also been hard hit by the economic crisis. The decline in commodity prices has had a severe impact on the Angolan economy for several years and accounts for the continued negative growth rates observed in the country since 2015. South Africa's economic downturn has pushed official unemployment figures up to 29.2%, according to the IMF. This is driven not only by the COVID-19 pandemic, but also by a decade of sluggish economic growth, which is due to a combination of financial mismanagement and corruption within the government, particularly under former President Jacob Zuma, as well as high levels of poverty and inequality. The scale of the COVID-19 pandemic has further shaken the country's economic output. Classified by the World Bank as a "middle-income country," South Africa achieves an annual growth rate of only 1.5%, while the average for all countries in this category is 5%.

The region's weak or deteriorating economic performance is also an expression of its large informal sector and growing inequality, both of which were extant problems before the COVID-19 pandemic. In addition, the region must deal with considerable demographic pressure: According to World Bank data from late 2020, the region is now home to over 528 million people – representing a 77% increase in population since 2009. The skewing of social and economic conditions in favor of state investment in prestigious large-scale projects has persisted throughout the region for more than a decade. The

emphasis on growing national economies by focusing on roads and transport, indicating a narrow definition of infrastructure, undermines a more holistic approach to development in southern and eastern Africa. Across the region, younger generations in particular face limited access to the labor market which, in turn, dramatically increases employment in the informal sector.

From a macroeconomic perspective, the informal sector hampers economic growth, makes it difficult to build a market regulated by supply and demand, and increases wage differentials, thus increasing inequality. The BTI 2022 reports make it clear that the size of the informal sector affects several functional aspects of the region's economies and is thus reflected accordingly in several BTI indicators. Only Botswana, Mauritius and South Africa record good scores with regard to the organization of their markets. The remaining 19 countries are found at or below the "moderate" BTI score of 6. Efforts to build systematic social safety nets remain purely cosmetic in most countries of the region. The regional average has been stagnating for years at around 4.10 points. Only Mauritius has a fairly good welfare regime to speak of. In Ethiopia, on the other hand, the government has proven itself incapable of guaranteeing a social safety net. The Tigray region in particular is generally excluded from what little aid the government provides. The civil war that has been raging since the end of 2020 in the country has only exacerbated an already precarious situation. In Kenya, while social welfare schemes are reaching more and more households, the government continues to focus primarily on the urban population working in the formal sector. Most people do not work in the informal economy by choice, but rather as a result of the lack of opportunities in the formal economy and the absence of other livelihoods. The immense informal sector, barely present social safety nets and the impact of the COVID-19 pandemic have increased the number of people living on less than \$3.20 a day. Madagascar and South Sudan have been hit particularly hard by poverty. Data from the World Bank shows that almost 90% of the population in both of these countries live on less than \$3.20 a day. At 80%, rural populations in both are affected by poverty at a rate twice as high as that of urban populations.

Studies by the International Labour Organization (ILO) in 2019 and the World Bank in 2021 conclude that improving educational attainment is essential to overcoming informality. As the level of education rises, the share of people working in the informal economy declines worldwide. People with secondary or tertiary education are less likely to work in the informal sector than those with either no education or only primary level education. Although access to schools in the region is steadily improving, long-term structural problems have yet to be addressed, which means that social inequality will increase in the medium term. Since the mid-1990s, all countries in the region – with the exception of Angola and Somalia – have provided free access to primary education, thereby allowing more students to attend educational institutions. This is also reflected in lower illiteracy rates. Data from UNESCO-STAT show that since 1990, the illiteracy rate has decreased by 10% for men and 13% for women. Kenya is illustrative of the gains made across the region and the problems that remain. For example, nearly 100% of all children of primary-school age in the country attended school during the period under review. And since fees for secondary education were abolished in 2008, the number of young people attending secondary schools in Kenya has increased. However, these encouraging developments are offset by the diminished quality of teaching and a shortage of education materials. Investing in free education comes at the expense of school infrastructures. Since most of the country's education facilities are in poor structural shape, many school buildings are unsuitable for teaching.

Overall, poor access to schools in rural areas is a key weakness in many of the region's countries. This is compounded by a lack of teachers and unequal access to secondary schools and universities. Girls are more likely than boys to drop out of school after completing their primary education, either as a result of a pregnancy or to provide help in the family household. The dropout rate for girls is particularly high in Tanzania, which also features a wide discrepancy in the ratio of boys to girls in secondary schools. This gap is mainly due to the fact that in 2019, girls in the country were banned by law from returning to school should they become pregnant while in school. This only further entrenches Tanzania's low equality of opportunity, which has been a growing problem for several years now. All of the region's countries

fall into one of the Gini coefficient categories ranging from “relatively unequal” (≤ 30) to “very highly unequal” (≤ 43). A total of 12 out of the region’s 22 countries are classified as “very highly unequal,” a total of 5 as “highly unequal” and a total of 4 as “relatively unequal.” With a Gini coefficient of 63, South Africa is the region’s most unequal country. As a region, southern Africa has one the highest levels of inequality of opportunity worldwide, a problem that is further exacerbated by the COVID-19 pandemic. Pandemic-related school closures and the shift to remote learning threaten to undo the sluggish, step-by-step progress made in the education sector. Only children from wealthy families who have the required technology and equipment or the financial means to afford private instruction have been able to benefit from remote learning. Many students have lost not only a year of education but their opportunity to complete an education, as many will not return to school at all, an outcome that will further deepen social inequality. During school closures, girls were once again more likely to be victims of sexual assault, domestic violence and forced marriage. According to the International Red Cross, teenage pregnancies have tripled since 2019, especially in rural areas of eastern Africa. As a result of COVID-19, many parents have lost their jobs, leaving children to seek work in the informal sector to feed and provide financial support for the family.

Both the debt burden and the inflation rate in the region are causes for concern. All countries in the region, with the exception of Tanzania, are categorized by the IMF as countries facing a “debt crisis.” In addition, Mozambique, Somalia and Zimbabwe are categorized as those facing an “acute debt crisis.” Another worrisome factor is the rising inflation rate, which reached a regional average of 14.5% in 2020. The region needs a sustained revival of growth, which would involve carefully rebalancing policy priorities.

Governance

The quality of governance in southern and eastern African countries has deteriorated only minimally. COVID-19 has created tensions in regional cooperation. Average scores for governance in the region have fallen less than the slump in political transformation might suggest. Compared to the BTI 2020, which saw a slight increase in the region’s governance scores, this year’s edition saw the average score fall by 0.13 points. This is aligned with the negative trend that has been underway since 2010. Only Angola and Lesotho were able to improve their governance performance, moving Angola up to number among those countries featuring a moderate quality of governance. Botswana, Ethiopia, Mozambique, Zambia and Zimbabwe have fallen down a category.

Tab. 3: Quality of governance

very good	good	moderate	weak	failed
Score 10 to 7	Score < 7 to 5.6	Score < 5.6 to 4.3	Score < 4.3 to 3	Score < 3
	Botswana ▼	Rwanda	Ethiopia ▼	Zimbabwe ▼
	Mauritius	Djibouti	Mozambique ▼	Somalia
	South Africa	Namibia	Zambia ▼	South Sudan
	Malawi	Madagascar	Lesotho	Eritrea
		Uganda	Burundi	
		Kenya	Eswatini	
		Angola ▲		
		Tanzania		

The table follows the BTI 2022 index scores. Countries are ranked according to their respective score in the Governance Index. Arrows mark a change of category compared with the BTI 2020.

Hopes of improved transformation management in a post-Mugabe Zimbabwe were dashed during the current period under review. In fact, the intensity of internal conflict has only increased, primarily due to

the Mnangagwa government's increasingly repressive actions toward the political opposition. Systematic measures aimed at crushing the opposition are on the rise. Throughout 2020, several senior members of the Movement for Democratic Change-Alliance (MDC-A) party, including party spokesperson Fadzayi Mahere, Harare Mayor Jacob Mafume and Vice President and former Finance Minister Tendai Biti, were subjected to arbitrary arrests and held in custody for extended periods. The growing intensity of conflict is also reflected in the impasse observed in the willingness to engage in political dialogue. The current stalemate with regards to setting up a forum for dialogue between the Zimbabwe African National Union – Patriotic Front (ZANU-PF) party and the MDC-A is indicative of the ongoing polarization in Zimbabwe. Other, more inclusive dialogue efforts, such as those driven by the churches, have failed due to the lack of will exercised by the country's most important political actors. Botswana's downgrade from "very good" to "good" governance resulted in part from its diminishing ability to effectively fight corruption. The independence and integrity of the Directorate on Corruption and Economic Crimes (DCEC) has also been impaired by President Mokgweetsi Masisi's repeated interference in its work and by the fact that he has replaced its director general three times since April 2018. The president has also become increasingly ruthless when it comes to his opponents and the private media. He's taken action against potential rivals within his party. For example, when his party colleague Pelonomi Venson-Moitoi declared that she would challenge him for the position of party president at a party congress in April 2019, she was then subjected to vilification by the media, harassed and unable to campaign freely. Venson-Moitoi decided to withdraw her candidacy after unsuccessfully attempting to challenge the party's decision to disenfranchise some of her supporters in early April 2019. The opposition also got a taste of the president's brutishness ahead of the October 2019 elections. Opposition politicians accused Masisi of using state authorities to harass his opponents, especially the leader of the opposition party Umbrella for Democratic Change (UDC) Duma Boko. The UDC accused state authorities of influencing the results of the 2019 general elections in favor of the president's party. Angola and Lesotho are the only countries in the region that has been able to improve its governance. During the survey period, President João Lourenço initiated reform processes to spark renewed interest in the country in the international community and among donors. This has included restructuring the governance of the oil sector and transferring more power to Angola's central bank to regulate the banking sector, a move that has been accompanied by high-profile though selective efforts to curb corruption. Experts see in these reform processes an indication of strategic priorities being tailored to meet IMF requirements.

Whereas the aforementioned countries moved either up or down a category, Ethiopia suffered the largest loss in absolute numbers in terms of governance. During the current period under review, Prime Minister and Nobel laureate Abiy Ahmed, who was celebrated as recently as 2018 for his willingness to reform and efforts to improve bilateral and international relations, has done little to live up to his decorated reputation. The intensity of intrastate conflict in particular has increased since he took office. Conflicts over territory and internal disputes between the country's various ethnic groups over land allocations are on the rise. A civil war has been raging in the northern Tigray region since Ethiopian security forces moved into the area in November 2020. The widely expressed hope – also asserted in the BTI 2020 – that Abiy would address the country's structural problems was quickly dashed. The Abiy government is applying the same methods used by its predecessors to silence Ethiopia's most populous ethnic group, the Oromo. These measures include blocking the internet, the use of lethal force and arresting Oromo leaders. Old and deeply rooted divisions along ethnic lines flared up with renewed intensity in the first half of 2018 as 1.4 million people were forced to flee ethnic conflict in the country's western territory. These tensions continued to escalate in 2019 and 2020, resulting in several deaths and hundreds of thousands being displaced. Abiy is also increasingly resistant to advice from abroad.

Most of the countries in the region fall into the middling range of scores with regard to their ability to build consensus. In five of the region's six democracies, political leaders demonstrate considerable acumen in establishing a broad consensus with other actors in society on reforms that do not undermine existing reform objectives (7 to 10 points). The region's weakest democracy, Lesotho, lands in the middle of the field on this indicator, on par with Rwanda and Eswatini. Key political stakeholders were able

to agree on efforts to reform the country's democratic institutions for long-term development. The recently established National Reforms Authority, which will oversee the implementation of reforms, potentially marks a new beginning in Lesotho. Despite a marginal improvement in the capacity for consensus-building in Angola and Tanzania, the leading parties in both continue to heavily suppress any activity that might threaten their dominance, demonstrating their belief in their undisputed right to rule. The harshly autocratic Eritrea and the failing states of Somalia and South Sudan continue to score poorly in terms of consensus-building. In Somalia, where an increasingly authoritarian style of government is accompanied by the repeated postponement of parliamentary elections, social tensions and divisions persist. Consensus-building in the country is based on lengthy clan negotiations rather than formalized political processes. In South Sudan, there is simply no consensus-building to speak of. The lack of progress made in the country has demonstrated just how deeply divided the leadership is over whether to prioritize peace and democracy or continue the struggle for power.

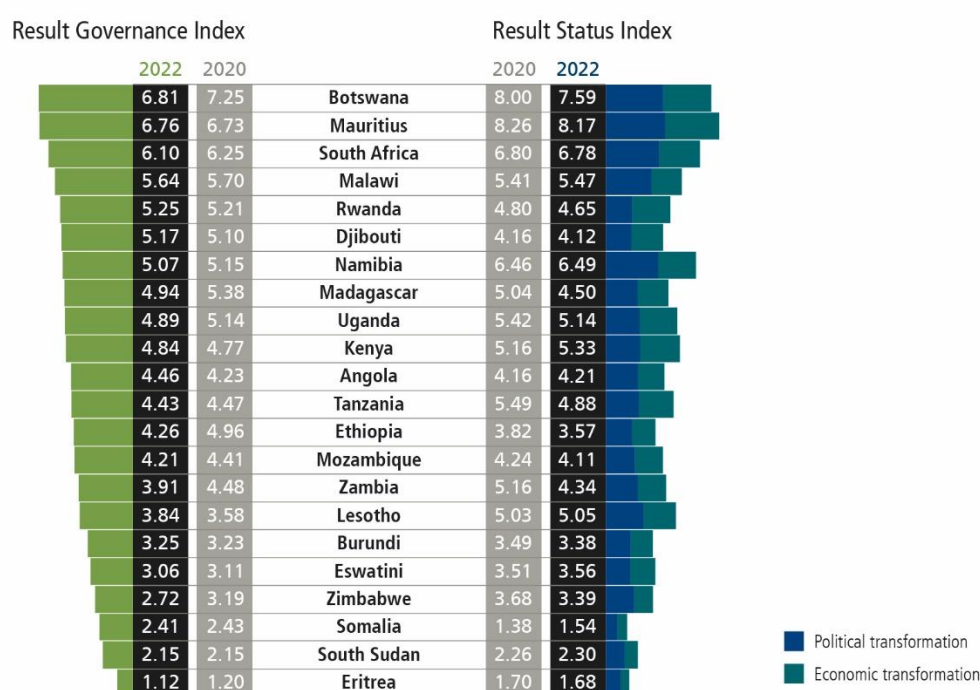
The effectiveness with which leaders manage reform processes and implement policy priorities varies across Southern and Eastern Africa. The region's democracies, along with the authoritarian-led countries of Djibouti, Rwanda and Tanzania, have been quite successful in carrying out their policy priorities. Djibouti has been particularly effective in implementing the policy goals set out in its long-term development strategy, Vision 2035. In fact, key pillars of the strategy have been rapidly implemented. This includes, for example, the construction of the Djibouti-Addis Ababa railway line, the establishment of a free trade zone and major road construction projects. All of this is part of Djibouti's efforts to position itself as the "Singapore of Africa" or the "next Dubai," betting heavily on foreign-backed financing for large-scale development projects. Investments into the Port of Djibouti and the logistical infrastructure associated with such a project have thus been made a priority. Djibouti has also introduced several noteworthy reforms that are designed to improve the investment climate. However, many potential international investors remain deterred as a result of high levels of corruption, President Ismaïl Omar Guelleh's long-term rule, and the uncertainties associated with a peaceful transition of power. The COVID-19 pandemic has had a negative impact on economic growth and curtailed the government's ability to implement its short-term strategic objectives. Nevertheless, the government successfully launched several projects in line with the country's long-term development plan. Tanzania's president, John Magufuli, also proved able to realize most of the macroeconomic goals set by his government. These include upgrading the country's physical infrastructure (especially roads) and school and hospital facilities, enhancing power grid reliability, making better use of public resources, and improving the work discipline within state administrative bodies. However, these advances were associated with a culture of top-down leadership in government agencies and increasingly centralized decision-making processes. Structural problems such as corruption, theft, nepotism, embezzlement, negligence and impunity thus continue. The Rwandan government was also successful in implementing its policies – as long as it took into account the economic and social status concerns of its power base, the elite, high-level officials, military and police officers, party officials and businessmen.

Although most countries in the region demonstrated a consistently strong willingness to engage in regional cooperation throughout the period under review, the ability to engage in international cooperation has deteriorated somewhat. The latter willingness to cooperate can be explained in part but not entirely by these countries' dependence on international development aid. In general terms, regional cooperation in southern Africa continues to function well, even if Mozambique's relations with South Africa and Tanzania have recently become more strained. Lesotho in particular has continued to build on its strong efforts to improve regional cooperation and has made great strides in working together with its neighbor South Africa. The two countries have signed an agreement to expedite the business and labor-related movement of people across their shared border. The COVID-19 pandemic has posed major challenges to citizens in both Lesotho and South Africa. The two governments had to make special arrangements to allow for the movement of goods and services between their countries even during lockdown-related border closures. In contrast, regional cooperation in eastern Africa has been marked by turmoil during the period under review. Tensions between Uganda and Rwanda escalated in 2019 with both sides

accusing each other of seeking to destabilize the other, which led eventually to a border closure between the two countries that came at great cost to both sides. Kenya's trade relations with Uganda have also been strained, especially since the former effectively banned Ugandan dairy products from the market in 2020. Kenya and Tanzania have also been accused of imposing higher road tolls on trucks with Ugandan number plates. Border closures due to the COVID-19 pandemic have further undermined trade within the region and fueled tensions as members of the East African Union (EAC) have failed to develop a coordinated response to the crisis.

Outlook

Transformation-related events of Southern and Eastern Africa during the 2019-2021 period suggest that the region is not only treading water in all three of the BTI's analytic dimensions but that it is slowly but surely headed in the wrong direction.



Looking forward, current trends suggest that civil liberties, political rights, and the stability and performance of political institutions will remain under threat. It seems unlikely that Eritrea, Somalia and South Sudan will make significant advances toward democracy. Authoritarian long-term rulers in Rwanda or Uganda will intensify their repressive policies directed at an increasingly courageous civil society. Continued erosion of the separation of powers in favor of the executive branch will only further weaken democratic institutions. Even the political futures of the region's democratic heavyweights of Botswana and South Africa are uncertain. President Mokgweetsi Masisi has so far proved to be as polarizing and unwilling to compromise as Ian Khama, who held office from 2008 to 2018. Private media have reported increasing corruption by politicians and high-ranking officials, some of whom have faced only mild disciplinary action. These reports cast a shadow of doubt on the credibility of the political leadership. The Masisi government has failed to implement reforms, commit to financial transparency, and provide access to government information, thus fueling the public perceptions of a corrupt leadership that condones graft. South Africa's democratic institutions remain robust. Many view the July 2021 arrest of Jacob Zuma as evidence that the rule of law is functioning properly. However, the obviously orchestrated

looting that came in the immediate wake of the ex-president's arrest shows just how far his influence and that of his allies reaches as well as the extent to which corruption and state capture persists. The state of South African democracy will be determined by how the country deals with the biggest economic challenges facing it: high unemployment, increasing poverty and inequality. As pervasive problems across South African society, they hamper political transformation in the country. The COVID-19 crisis has both highlighted the severity of these challenges and exacerbated the problems associated with them. The state's ability to govern well, as well as the capacity to foster a more inclusive and cohesive society depend on the government taking action to reduce inequality and poverty while creating more employment opportunities for the population.

Although no significant incidents were reported in Kenya during the period under review, political stability in the country is nonetheless tenuous. Political tensions will rise again in 2021 as various candidates jockey for the lead in the runup to 2022 elections slated to elect President Uhuru Kenyatta's successor. In 2020, several members of the Luo ethnic community holding political or administrative office within the government were removed from their positions. In response, President Kenyatta has expanded his patronage network in strategic areas with supporters from the Kikuyu community. There are thus growing signs that Kenyatta would renege on his promise to back Deputy President William Ruto's candidacy to become president. The ongoing debate over presidential succession has created new alliances between former rivals and enemies, especially as current Vice President Ruto has begun voicing his opposition to the current president. Traditional political adversaries have sought to bridge their differences as established alliances have fallen apart and new ethnopolitical divisions have emerged. The country thus faces the growing threat of interethnic tensions and the government taking drastic measures involving security forces in its effort to keep things from spiraling out of control.

The recent introduction of political reforms in Tanzania has fueled hopes in eastern Africa that the authoritarian trajectory taken by former President Magufuli has come to an end. Magufuli passed away unexpectedly in March 2021 and was succeeded by Vice President Samia Suluhu Hassan as stipulated by the constitution. Whereas Magufuli was a vocal COVID-19 skeptic, the new president is forthcoming in acknowledging that Tanzania cannot simply wish the virus away. Within three weeks of taking office, she formed a committee of experts to advise her on COVID-19 developments in the country and the steps to be taken in order to protect the public. Whether her statements make much of a difference in the public's perception of the coronavirus pandemic remains to be seen. During the first few weeks of her presidency, she directed the Ministry of Information to lift the ban on media outlets that had been muzzled for criticizing the previous government. Although President Hassan has begun initiating change, Magufuli's nearly six years in office have had a profound impact on the country that cannot be changed in just a few weeks. And while Tanzanians generally welcome the new direction taken by their new president, little has been done in the short time she's been in office to change Magufuli's key economic, social and political policies.

In Zambia, opposition candidate Hakainde Hichilema won an unexpected victory over incumbent President Edgar Lungu in the August 2021 presidential election. His win came as a surprise because the elections were held under the country's most challenging conditions ever. In the runup to the elections, President Lungu exploited various tools at his disposal, including the police and new legislation regulating public appearances and rallies, to prevent Hichilema from holding election rallies and to arrest those who dared to participate in such rallies. Election day was marked by internet blackouts and a heavy military presence in opposition strongholds. Despite these attempts at intimidation, the opposition won 59% of the valid votes cast. Key to this success was the formation of a coalition of all major opposition parties, which resulted in Hichilema receiving support from regions outside his core constituency. Hichilema's success was also fueled in part by the fact that Zambia's poor economic situation and Lungu's authoritarian style of government met with rejection among young voters in particular. The military's behavior on election day can also be cited as a positive factor. Contrary to fears that the military would respond with violence to protests held by the opposition after the vote was cast, it remained

neutral. Hichilema's landslide victory has emboldened democratic institutions in Zambia to stand up to autocratic tendencies and thus represents a real mandate for change in the country.

Economic development over the next two years in Southern and Eastern Africa will be influenced primarily by how governments handle the COVID-19 pandemic and the measures they take to revive their economies during and after the pandemic. School closures and the exclusion of most youth from educational opportunities have the potential to undo decades of fragile economic development. As a result, the existing divide between a small, affluent, urban middle class and a large, poor, rural population will only widen. All countries across the region need to adopt more robust industrialization strategies and stay focused on modernizing agriculture in order to boost productivity and increase value-added production. In the post-pandemic era, the big and difficult task will involve generating economic growth, increasing productivity, and significantly expanding the formal labor market so that it can absorb more young people. More investment in a healthy and well-educated population is needed to achieve the desired level of productivity and competitiveness. Providing opportunities for the millions of young people expected to enter the labor market in the near future is essential to ensuring successful and sustainable economic development across the region. The launch of the African Continental Free Trade Area (AfCFTA) in January 2021 could prove to mark an important step forward in promoting intra-African trade.

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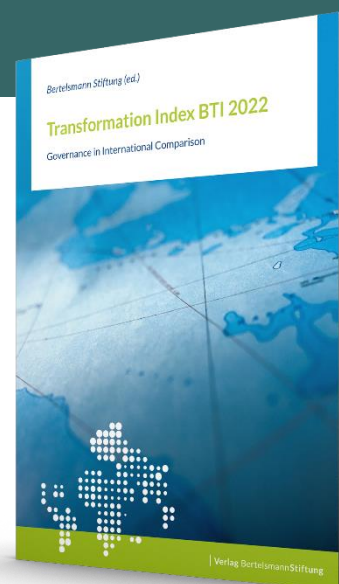
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