



## African Economic Outlook 2006 “Moving Towards Political Stability?”

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- ◆ The focus on war and anecdotal evidence hides real progress towards more stable and open political systems in Africa.
- ◆ This is demonstrated by a new indicator based on a systematic screening of political events and decisions over the last ten years.
- ◆ The diagnosis for 2004 and 2005 is more positive than may have been thought.

There is an impression that conflict is endemic in Africa and that any improvement in the political climate can only be temporary. Indeed, conflicts and political unrest linger in Uganda, Ethiopia, the east of the Democratic Republic of Congo (DRC) and in Côte d'Ivoire. Does this mean that no progress is being made towards political stability and democracy? Are things getting worse or better?

The focus on war and anecdotal evidence hide real progress towards more stable and open political systems in Africa. A detailed monitoring of the daily events and decisions that make up the reality of political life and government attitudes in 30 African countries shows the breadth of this change. The annual *African Economic Outlook 2005-2006* provides such a systematic screening of political events, using three categories to see what is going on: domestic political trouble, government repression and government softening.

According to the *African Economic Outlook's* indicators, political repression has lessened over the last decade, as more governments have adhered to the rule of law and respect for human rights. The upholding of civil rights and liberties has improved in countries which were very fragile at the beginning of the decade, including Algeria, Nigeria and South Africa. In parallel, political instability has been declining,

though important exceptions remain in Chad, DRC and Côte d'Ivoire, where the authorities have countered raising political instability by hardening their political stance. A number of presidential and/or legislative elections took place in 2005 and 2006 as did important referendums. Tanzania and Benin joined Mozambique in the still limited, but growing, number of countries enjoying a peaceful passage of presidential powers. Egypt held its first-ever multi-party elections, in which the opposition made substantial gains. In Uganda, 92.5 per cent of voters approved the re-establishment of the multiparty system. More positive developments are hoped for as Chad, the DRC, Côte d'Ivoire and Liberia either conclude or engage in delicate political transition programmes in 2006.

Political troubles tend to increase around election time. In 2005, public demonstrations and riots, clashes with the security forces were recorded in Egypt, Ethiopia and Gabon. Political tensions have also increased in Chad, as well as in Kenya following the rejection of a government-backed new constitution, which prompted the President to suspend Parliament. In a way, the surge of tensions can be seen as a sign of growing maturity, where people dare to express themselves and become more vocal. Of course, one must be careful interpreting this data: tensions may decrease as a result of continuous hardening of repression – as in the case of Zimbabwe.

## An Early Warning Indicator

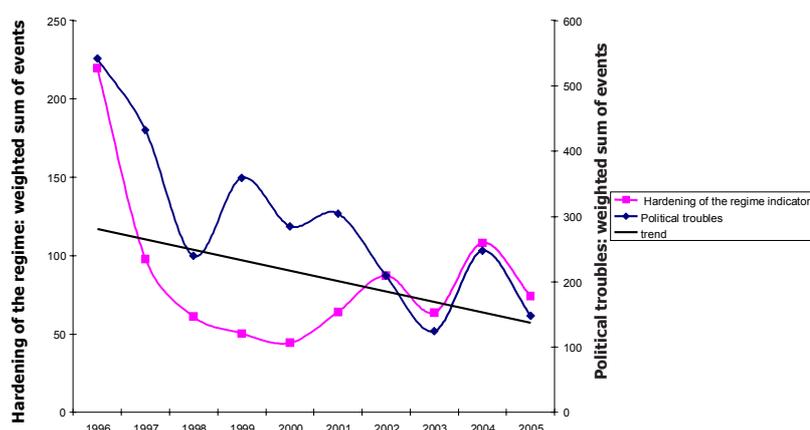
The political indicators are based on information gleaned from the French weekly *Marchés Tropicaux et Méditerranéens*. They refer to:

- 1) **Political troubles:** occurrence of strikes, demonstrations, violence and coups d'état;
- 2) **Softening of the political regime:** releases of political prisoners, measures in favour of human rights, decisions promoting democracy, lifting of bans on demonstrations and public debate;
- 3) **Hardening of the political regime:** incarcerations of opponents, measures threatening democracy such as dissolution of political parties, violence perpetuated by police and banning of demonstrations or public debates.

For the specialists, the events were computed as statistical variables, taking both into account their occurrence and intensity. A principal component analysis was then used to determine the set of relevant weights attributed to each variable within the synthetic indexes.

The resulting data covers 30 African countries in five African sub-regions gathered on a weekly basis from January 1996 to December 2005. The objective is not to address the issue of conflicts in countries that are already affected, but to offer early warning and risk indicators for countries that are still relatively stable. As such, none of the countries covered is in a situation of open war, although one or two might drift towards such a situation. The regular monitoring of the AEO political indicators is also helpful in tracking the dynamics of political responses to political instability and their implications for economic performance.

Figure 1. **Political Troubles and Hardening of the Regime**



Source: OECD (2006) *African Economic Outlook*.

The *African Economic Outlook's* close monitoring of political activity did not produce any evidence of contagious effects of political instability in Western and Southern Africa. Despite mounting tensions in Côte d'Ivoire and the deterioration of the political stance in Zimbabwe, neighbouring countries have resisted well and continued as in Mali, their progress towards stability and democracy.

In other cases, however, tensions ignored borders. War remains the strongest stress and threat to democracy and human rights in Africa. Continuous fighting in the east of DRC is endangering the country's transition to peace. Tensions between Ethiopia and Eritrea resurfaced in 2005 and conflicts in Northern Uganda and Northern Kenya continue. Chad has been severely affected by the ongoing Darfur crisis in Western Sudan and the large number of refugees crossing the border.

Instead of the often chaotic and anecdotal "analysis" of African politics, the *African Economic Outlook* political indicator offers a sound basis for forecasting the near future political health of countries. The diagnosis that emerges from 2004 and 2005 is on balance far more positive than may previously have been thought.

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