African Union

- **Africa**: Mechanisation of agriculture is a priority across many African countries as Africa gears up to exploit its potential to become the world’s food basket. Currently, African farming systems remain the least mechanised of all continents.

Mechanisation of agriculture is a priority across many African countries as Africa gears up to exploit its potential to become the world’s food basket. Currently, African farming systems remain the least mechanised of all continents. Some 70% of farmers cultivate parcels of less than 2 hectares by hoe. According to FAO, Africa has less than 2 tractors per 1,000 ha of cropland. Mechanisation can help unlock underutilised agricultural potential. The challenge is to develop arrangements that enable smallholder farmers – who can’t afford to buy their own equipment – to access equipment like tractors. What’s the best way of promoting mechanisation for small-scale farmers? In Ghana, the government provides tractors at subsidised rates to entrepreneurs who run 89 centres that rent out and service tractors. The approach could be a promising model of a PPP. Private tractor owners, however, were reluctant to provide services where farms are small and scattered because of the high servicing costs involved. Policymakers must find ways to nudge tractor owners to serve smallholders and to reduce servicing costs. Governments, private actors, community-based organisations and development partners can all contribute. This would help to create the appropriate checks and balances for mechanisation. For more information, read: [http://bit.ly/2j2d20r](http://bit.ly/2j2d20r).

CAS View: The industrialisation and mechanisation of industry in Africa has frequently been called for. Proponents of this includes the likes of the president of the AfDB, Akinwumi Adesina. From a productivity perspective, this call cannot be faulted. After all, Africa is a net importer of food to the tune of US$35 billion annually. Given its potential, this is criminal. A concern is the fact that the sector currently provides jobs for about 70% of the African population, depending on who you listen to. Why is this a concern? What happens to many of these when agriculture is mechanised and jobs are lost? The standard academic answer (for Africa) is that they will be trained to be accommodated in more developed parts of the economy. This puts a lot of pressure on the education systems in Africa. Maybe we should start there. Maybe we should get the education systems up and running to train our fitters and turners, electricians, mechanics, plumbers, millwrights, engineers, etc. This would require an economy where there is a demand for this type of vocation. But it is this type of economy that Africa needs. Then, because we have a shortage of people that can work on the farms, we mechanise agriculture. To mechanise and then look for ways to accommodate those that have lost their jobs, are just going to increase the pool of unemployed people. Africa does not have the luxury of this kind of jobless growth.

- **Africa**: According to Akinwumi Adesina, the AfDB intends to create 25 million jobs to benefit 50 million youths over the next 10 years through skills development.

According to Akinwumi Adesina, the AfDB intends to create 25 million jobs to benefit 50 million youths over the next 10 years through skills development. This vision will be implemented through the Presidential Youth Advisory Group (PYAG) that was inaugurated recently on the side-lines of the 6th EU-Africa Business Forum in Abidjan. Should Africa be successful in fixing the youth unemployment challenge, Africa will gain 10-20% annual growth. That means Africa’s GDP will grow by $500 billion annually for the next 30 years. Africa’s per capita income will rise by 55% annually to the year 2050. Of the 13 million youths that enter the labour market each year, only 3 million (about 33% of African youth) are in wage employment, while the rest are underemployed or in vulnerable employment. The annual gap of more than 8 million jobs is projected to get worse, with the number of youth expected to double to more than 800 million in the next decade. Unless employment opportunities are created for them, Africa’s rapidly growing population of youths can give rise to serious social, economic, political and security challenges. Sixty-six million African youths earn less than $2 a day, less than the price of a hamburger. For more information, read: [http://bit.ly/2nlakX](http://bit.ly/2nlakX).

CAS View: In the article above this one, there is a call for Africa to mechanise its agri sector. Here we see the reality that youth unemployment, all things remaining the same, is set to become a greater problem. With an annual gap of more than 8 million jobs, mechanising agriculture will give it an exponential lift. I find the logic behind the calculations strange. Should Africa be successful in fixing youth unemployment, it will gain 10-20% annual growth. I think it would be better to state that Africa needs 10-20% annual growth.
growth to fix the youth unemployment problem. We need job opportunities, and this comes with growth. How else do we create jobs? It’s as if Adesina is saying the jobs are there, we just need to upskill Africa’s youth. Is this really true? Make no mistake, education is going to be a very important strategy in the broader context! To further understand the figures, $500 billion annual GDP is close to 2 South African economies. This is therefore no minor undertaking. Maybe Adesina should be more practical and inspire African governments to develop solutions to grow their economies so that the youth can find jobs. Doing nothing is not an option. Adding 8 million unemployed to the already high figures is creating a gigantic problem. This is, amongst others, a massive contributor to the migrant problem that Europe and other parts of the world are facing. Seen from this angle, Angela Merkel’s attempt to provide African governments with funding to create meaningful jobs by growing their economies, is a sound strategy, provided the money is used for that purpose. In the meantime, increasing numbers of unemployed youth are filling up gunpowder kegs. All that it needs, is one small flame, one small trigger. This is therefore a situation that must be a high priority for every government in Africa. Unless it is dealt with, the resultant explosion will be spectacularly disastrous!

**East Africa**

- **Ethiopia:** Ethiopia will begin running Africa’s first waste-to-energy plant in early 2018.

  Ethiopia will begin running Africa’s first waste-to-energy plant in early 2018. The Reppie project is built on the Koshe landfill site located on the outskirts of Addis Ababa. The plant is expected to deal with 1,400 tons of waste daily, about 80% of refuse generated by Addis Ababa. It will supply Addis with 30% of its household electricity needs while conforming to global standards on air emissions. The project is a partnership between the Government of Ethiopia and a consortium of international companies: Cambridge Industries Limited (Singapore), China National Electric Engineering and Ramboll, a Danish engineering firm. The consortium was established to design, construct and in some cases own waste-to-energy facilities customized for Sub-Saharan Africa. Reppie is the first of hopefully a series of such facilities in major cities across the region. Here, “waste-to-energy” incineration is a quadruple win: saving land space, generating electricity, preventing the release of toxic chemicals into groundwater, and reducing the release of methane into the atmosphere. For more information, read: [http://bit.ly/2BnvNTF](http://bit.ly/2BnvNTF).

  **CAS View:** I have referred to this waste-to-energy (WTE) plant a couple of times. It is now nearing completion and will fulfill an important function – getting rid of a waste problem, generating much-needed electricity, and providing much-needed jobs. It also provides a proof-of-concept of a WTE plant in Africa. This is in addition to the positives spelt out in the last sentence above. In Cape Town, South Africa, they recently commissioned a WTE plant that will generate gas, to be sold to and distributed by Afrox. In the same country, Johannesburg apparently has 7 landfill sites, which are being filled up. Their daily waste generated is in the region of 5000 tons. They have no WTE plants. This charge can be levied at many other African cities. They should take the time and copy a page out of Ethiopia’s energy and waste management book. This is a case study that should be publicised continuously until all of Africa’s major cities are using WTE plants.

- **Ethiopia:** Ethiopia’s success in achieving structural and economic transformation will depend on sustaining the economic growth rates of the past decade by boosting productivity and competitiveness and finding sustainable solutions for infrastructure financing.

  The World Bank’s strategic plan for Ethiopia, 2018 to 2022, is aligned with Ethiopia’s Second Growth and Transformation Plan to attain lower middle-income status by 2025. Ethiopia’s success in achieving structural and economic transformation will depend on sustaining the economic growth rates of the past decade by boosting productivity and competitiveness and finding sustainable solutions for infrastructure financing. Building resilience and inclusiveness is the second identified area. Ethiopia’s success in achieving further progress for reaching the twin goals will depend on its capacity to further build resilience and inclusiveness. Supporting institutional accountability and confronting corruption is another area the Bank intends to engage in. Though the Government has established several formal feedback mechanisms at local levels and for specific services, additional investment in accountability and transparency mechanisms is needed. The expected goals set in the framework are: increasing agricultural productivity by 23% for female-headed households, protecting 14 million people from food insecurity, and...
Kenya: Kenyan opposition leader Raila Odinga has declared that “he will be sworn-in as the people’s president” on December 12 despite Uhuru Kenyatta having been officially inaugurated as the president of Kenya on 28 November.

Kenyan opposition leader Raila Odinga has declared that “he will be sworn-in as the people’s president” on December 12 despite Uhuru Kenyatta having been officially inaugurated as the president of Kenya on 28 November. Odinga did not participate in the rerun October 26 presidential election, while he lost the initial August 8 election, which was subsequently annulled on the grounds of electoral irregularities. Odinga’s actions have upset the ante in the ongoing controversy and political unrest surrounding Kenya’s election. NASA supporters attempted early Tuesday morning to attend a prayer service and memorial in Nairobi, for the more than 50 people killed in previous election-related violence. However, clashes broke out as the police prevented them entering the grounds by firing teargas and beating some of them. Police had earlier warned Odinga’s supporters that they had no permission to hold the memorial – a warning subsequently ignored. For more information, read: http://bit.ly/2Agdtel.

CAS View: It seems Raila Odinga is a strange gentleman. He asked the Kenyan Supreme Court to annul the election of 8 August. His request was granted as the Supreme Court also felt there were electoral irregularities. Kenyatta clearly did not like the verdict, but accepted it. Then Odinga decides to shift the goal posts and demand a total new process, something which the Supreme Court did not rule on. Odinga then decides to boycott the rerun, and because he was the only candidate, Kenyatta wins by a landslide. Granted, only about 39% of the voters voted. But in a certain way, that was not Kenyatta’s problem. While Odinga can claim that Kenyatta has no legitimacy, Kenyatta won the rerun fair and square (seemingly). For the rest of the world, he has all the legitimacy he needs. Now we have a situation where Odinga is going to have himself sworn in as the “people’s president.” The last time I checked, that is tantamount to treason. Given that there was no election involved in him calling himself the “people’s president,” he has no legitimacy anywhere in the world. Any action by his followers will be seen as criminal activity. His arrest, which should be a foregone conclusion (surely there cannot be 2 presidents in one country?), will create a lot of unrest, but Kenyatta will have the power of the military and police, and the legitimacy of being the elected president, to clamp down on both Odinga and his followers. Declaring Odinga’s NASA consortium a banned organisation based on his decision to promote himself to president, is another strong possibility. So, currently Kenyatta has to do nothing but sit back and watch Odinga dig a grave for himself. Unfortunately, should Odinga continue with this line of action, he will be digging a grave for Kenya’s economy as well. Let’s hope that this situation will normalise sooner rather than later. Kenya is a great country with a lot of potential. Its people deserve better.

Rwanda: Turkish investors will work with local businesses to promote trade between Rwanda and Turkey.

Turkish investors will work with local businesses to promote trade between Rwanda and Turkey. Fatih Metin, the Turkish economy deputy minister, recently said Turkey is willing to sign a bilateral trade treaty that will help boost business between the two countries. Turkey wants to share its technical knowhow,
especially in the manufacturing sector, with Rwanda to help promote trade. He said that both Turkey and Rwanda should work together to develop a double taxation treaty to attract more investors into Rwanda. He applauded Rwanda’s conducive business environment, saying it was one of the reasons attracting them to invest in Rwanda. Trade between Rwanda and Turkey is estimated at $383 million over the last seven years. The investments have created more than 1,300 direct jobs in Rwanda. Rwanda’s exports to Turkey have increased to over $8.5 million on an annual basis, while it imports about $21 million worth of commodities from Turkey. There are already some Turkish firms in the energy and agriculture sectors, among others. Turkish Airlines also operate the Kigali route. Forging strong trade ties with Turkey will boost Rwanda’s exports to the EU market. For more information, read: http://bit.ly/2BAGimy.

CAS View: We tend to focus on the likes of China, India, Japan, South Korea, USA, etc in Africa. Turkey is a country with a number of companies that are quite active in Africa, amongst others the Koc family conglomerate. In addition, Turkey opened its first military base in Africa in Somalia in September 2017. Over the past 10 years, Turkey has expanded its presence in Africa, establishing 36 embassies (some sources say 39) and major trade links. A Turkish company is building a multi-billion dollar railroad across Ethiopia and Tanzania, while Turkish Airlines flies to more than 50 African cities (41 countries). It seems that President Erdogan has made Africa an important part of his foreign policy. He has visited quite a number of African countries, such as Tanzania, Mozambique, Madagascar, Ivory Coast, Ghana, Nigeria, Guinea, Kenya, Uganda and Somalia. Turkey’s economic impact in Africa is still a bit limited, and its trade with African countries are small relative to its other trade partners. However, it is focusing stronger on its ties with Africa. Hopefully this will be good for the countries on the African continent.

Southern Africa

- **Zimbabwe:** There has been much focus on the similarities between Emmerson Mnangagwa and Robert Mugabe. Yet, quite a few say Mnangagwa will represent a decisive break with the past.

There has been much focus on the similarities between Emmerson Mnangagwa and Robert Mugabe. This includes doing everything to stay in power and protect the patronage networks that have enriched the ruling Zanu-PF elite. Yet, quite a few say Mnangagwa will represent a decisive break with the past. He is seen as more pragmatic and less ideological than Mugabe. Mnangagwa was apparently more open to the idea of tackling problems in Zimbabwe’s economic situation, such as no currency, no jobs, precious few reserves and no access to international lending. He backed aborted attempts to clear up Zimbabwe’s debt arrears and get international lending flowing again. At his inauguration, Mnangagwa set out some plausible steps towards Zimbabwe’s revival. He committed to “elements of market economy in which enterprise is encouraged, protected and allowed just and merited rewards.” He spoke about creating “a stable environment for international investors whose presence in our midst must be valued and secured.” Civil servants must roll up their sleeves or face the sack. Mnangagwa has committed to elections by next August. The good news is there is plenty of low-hanging fruit, such as excellent land, decent (if rundown) infrastructure and a phenomenally well-educated population. For more information, read: http://on.ft.com/2ApQtiL.

CAS View: Some of the comments to this article include other low hanging fruit such as mining (ongoing, but could be done more efficiently with capital and knowhow, without a loss to those currently involved), agriculture (lots of potential in letting real farmers work the land), and tourism (Zimbabwe has real attractions, and tourists will be more likely to consider it a destination if it is on a path to more inclusive growth and representation). Others say the best way for Mnangagwa to secure his political legacy is by creating the conditions next year for an election free enough and fair enough that he might actually lose it, and then, if he were to lose it, to abide by the result. According to the Brenthurst Foundation, there are 3 main challenges for economic recovery that Mnangagwa will face: (1) reaffirming respect for investors, (2) passing constitutional amendments in favour of property rights, and (3) deferring to market forces.

In all, Mnangagwa’s history does not create a lot of hope. However, his future could be very different. The cards have been dealt, and although one could wish for another hand, one has to play the cards you’ve got. In this case, we should give Mnangagwa the benefit of the doubt and give him the opportunity to “fix” what his ex-boss has “broken,” albeit with his help. For the sake of the ordinary Zimbabwean, it is my fervent wish that he lives up to the positive expectations. The cynics would say, “Johan, if wishes were horses, beggars would ride!” Still…