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Senegal 2012 and Beyond: Economic and Political Challenges

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FELWINE SARR, SEP 26 2012

On March 25th, 2012, Senegal experienced its second successful democratic alternation. Macky Sall, former Prime Minister and stemming from the liberal family, replaced Abdoulaye Wade as the head of the Senegalese State. This successful alternation was triggered by a major political (mostly institutional), economic and social crisis. This crisis – along with the debate on the constitutionality of the candidacy of the outgoing President, the head-on opposition of the Movement of June 23rd (M 23) – was aroused by youth employment, recurrent electricity power-cuts, unsatisfied social demand, bad governance, weakening of the democratic institutions, etc. The election of Maitre Abdoulaye Wade in March, 2000 had aroused enormous hope, in particular in the young people, to whom he had promised education, job opportunities and future prospects. After 12 years in office, in spite of some realizations in terms of infrastructure in the region of Dakar and a significant increase of the raw percentage of children in full-time education in primary school[1] the assessment of the liberal regime is widely negative and the report states a failure in almost all domains.

The unemployment rate of the young people has increased, which has spawned an outbreak of illegal immigration towards Europe; the educational system has been in crisis for nearly a decade; also an energy crisis still impacts negatively on the economic performances of the country. At the institutional and political level, a considerable decline in transparency and good governance has been noted. According to the indicator measuring perception of corruption in a study by Transparency International[2], Senegal occupies in 2011, the 112th place of 182 countries, a drop of 13 places (from the 99th to the 112th place).

It was the population and the civil society's strong desire of a new social order that allowed the political change on March 25th, 2012. In this context, the new government will have to take up the challenge to change the paradigm in terms of economic and institutional governance. It will be judged in particular in its capacity to respond to a strong social demand (employment generation, reduction of staples prices, increase in the purchasing power, etc.), but also its ability to establish another political line, by restoring the rule of law through the empowerment of institutions, which can then ensure a fair democratic game.

Characteristics of the Senegalese Economy

Senegal is a West African country of 13 million inhabitants with a wide base on the age pyramid, in that more than half (55%) of the population is under 20 years of age. The percentage of children in full-time education at primary school is 85%[3]. Senegal is a Sahelian country which mainly gains its resources from the export of some primary products: peanut oil, phosphates, halieutic products. Agriculture occupies more than 51% of the population, but contributes only up to 16% in the GDP. This figure is boosted by the tertiary and secondary sectors which contribute respectively 61% and 24%[4] of the GDP[5]. The country saw a devaluation of its currency the CFA franc in 1994[6]. The growth rate over the last five years (4% on average), although superior to the demographic growth rate (2.6%) is by far inferior to the limit of 7% defined by the DSRP to reduce poverty[7]. Poverty, according to the Senegalese household study, ESAM II (2005), affects 54% of the population, especially impacting the rural areas and women. Many Senegalese households have no access to basic social services (nearby health infrastructures, tap and drinkable water...).

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On the Economic and Social Plan

The challenges facing the new government are important and the emergencies multiple. One of the first tasks of the new government will be to identify the priorities and the appropriate levers of an effective action. The first challenge will be to accelerate the economic growth and, above all, to modify its structure. To ensure the economic prosperity and a greater welfare of its populations, Senegal has to establish a pro-poor growth approach. That is a growth which supplies income to the poor people, impacts the regions where they live, affects the factors of productions that they use (mainly the labor factor); what supposes to think upstream of growth models by targeting the social strengths which are carriers of this growth and so by settling the question of the redistribution of fruits of growth *ex ante*. Considering the depth of the rural poverty, boosting the growth of agricultural sector is a priority. The question of food safety is connected to that of agricultural development. It is crucial to cut down poverty and improve the well-being of populations. Senegal continues to strongly depend on the import of rice (800,000 tons/year) and wheat (300,000 tons/year) to feed its population, while it arranges potentialities in terms of farmlands to ensure food self-sufficiency.

All this requires, naturally, good macroeconomic policies, but especially structural reforms to diversify the Senegalese economy, its revenue streams, and limit its vulnerability to exogenous shocks (the prices of raw materials are very volatile). The creation of wealth cannot be made without finding long-lasting solutions for the question of energy supply, in a context of an increasing demand connected to the urbanization and to the needs of the secondary and tertiary sectors of the economy.

The question of youth education and the employment is as well a priority. With a 49% unemployment rate[8], affecting mainly young people, generating jobs requires, at first, an increase in the productivity of the Senegalese economy which is still very weak; then profound reform of the educational system to better adapt it to the market needs by strengthening professional fields in the upper and secondary education.

At the political and geostrategic level

On the internal plan, the urgency is to strengthen the rule of law. Reforms are expected to guarantee a better balance of power between the executive, the legislative and the judicial, to avoid the excesses of hyper-presidentialism of the former regime. Weaknesses in the Senegalese constitutional text allowed Abdoulaye Wade to compete for a third election to which he was not entitled, and to make it valid by a yes-men Constitutional Council. A constitutional revision, reinforcing the text and registering in the marble the principle of the political alternation in an irreversible way is urgent. Similarly, the implementation of a more independent constitutional court (due to the mode of nomination of his members), which will see to the respect and the immunity of the respect for the fundamental text of the Senegalese republic are priority acts that must be put in place.

Senegal due to its geostrategic position has always played a leading role in the sub-region of West Africa. It is the second largest economy after Ivory Coast of the WAEMU Zone (its economy represents 22% of the GDP of the zone). However, its diplomatic weight has always been more significant than its economic weight. The first president of Senegal, Léopold Sédar Senghor[9], due to his stature, contributed to this fact. Senegal has been managing to maintain political stability since its entry into independence in 1960. The country has never experienced a Military coup and underwent two democratic alternations without major clashes. Senegal also was highly involved in the resolution of internal political conflicts in Africa[10].

In a context of strong political instability of the countries which surround it (recurring coups in Guinea Bissau and a great presence of the narco-traffic, the partition of Mali and Islamist threat, political instability chronicles in Mauritania) President Sall has to ensure a leadership in terms of good governance and democracy. Senegal should contribute by its diplomatic action to strengthen the political stability in its sub-region. The government of Macky Sall will have to handle with dexterity the question of the relations with Mauritania, in particular to manage the diplomatic tension with our Mauritanian neighbors about the situation of negro-Africans in the Mauritanian society. President Sall and his government have also to stabilize the conflict in Casamance[11] and to avoid possible effects of contagion (spillover effects) connected to the Bissau Guinean context. Considering the experience of the Senegalese army with a mission of preserving the peace,[12] it is expected of the Senegalese government to play a leading role

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in an intervention force of the ECOWAS having as its mission to free the North of Mali, to dislodge the Islamists there and to restore the Malian territorial integrity. The recent statement by President Macky Sall relative to the lack of implication of Senegalese troops in Mali is not reassuring. Within the framework of a mission of the ECOWAS with a mandate of the UNO and especially with air and logistic support of Western powers, Senegal should assume a military commitment to fight against a terrorist threat which is knocking at its doors.

In conclusion, the challenges facing the new government of Macky Sall are multiple. Therefore, in an economic plan, the main priority is to establish pro-poor growth policies and to respond to a strong social demand. At the internal political level, urgent reforms are expected to strengthen the rule of law and to guarantee a more efficient democratic system by reinforcing its institutions. In a geostrategic level, Senegal must assume a diplomatic leadership by contributing to strengthen the political stability in its sub-region.

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[1] This increased from 54% in 1994 to 82% in 2005 according to the Senegalese Ministry of Education.

[2] Since 1995, the NGO TRANSPARENCY INTERNATIONAL has been publishing every year an indication of perception of the corruption (CPI) classifying countries according to the degree of corruption perceived in a country. The indication is elaborated by means of inquiries carried out with businessmen, with analysts of risks and with academics living in the country or abroad.

[3] This data is from the report of ESAM II (Senegalese Investigation in Households II), published in 2005

[4] The secondary activities (24% of the GDP are based on the transformation of phosphates (12.4%), the food-processing transformation, the mining industries (17.5%), the BTP (BUILDING AND CIVIL ENGINEERING WORKS) (7.7%) and the industry of the cement (15%). These last sectors are supported by the real estate investments of the Diaspora and public works. The tertiary sector (61% of the GDP), the public service included for 20% is essentially worn by the effective action of transport and telecommunications and financial services, it remains however largely informal.

[5] These data are from the Direction of the Forecast and Economic Studies (DPEE) of the Senegalese Ministry of Economic and Finance (www.dpee.sn)

[6] Senegal belongs to the UEMOA (West-African Economic and Monetary Union) and shares a common currency with Benin, Burkina, Ivory Coast, Guinea Bissau, Togo, Niger and Mali. The CFA franc has a fixed parity with the Euro (1euro = 656.9 CFA FRANCS)).

[7] The DSRP (Document of Strategy for the Growth and the Reduction of the Poverty) form the basis of the operations of concessional loans and the reduction of debt of the IMF and the World Bank within the framework of the Initiative in favor of countries heavily indebted (PPTE). Senegal elaborated its second DSRP (2006-2010) to reduce the poverty of half to the horizon 2015 and reach the Objectives of the Millennium for the Development (OMD).

[8] Unemployment Statistics are from the Direction of the Forecast and Economic Studies (DPEE) of the Senegalese Ministry of Economic and Finance (www.dpee.sn)

[9] Léopold Sédar Senghor was the first President of the Republic of Senegal: Poet, Grammarian, Member of the Académie Française, the bard of the negritude, due to his intellectual and moral stature he contributed to make Senegal shine and made it a diplomatic power in West Africa.

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[10] Senegal often got involved as mediator in the resolution of political conflicts in the West-African sub-region for the main part (Sudan, Mauritania, Niger, Chad).

[11] For 30 years, The state of Senegal is confronted with an armed rebellion in Casamance (a region in the South of the country which demands political independence). Although the conflict is confined in this region, no long-lasting solution has been hitherto found and a situation of latent war and insecurity remains.

[12] The Senegalese army has a long tradition of participation in peace-keeping forces and observers' sending in various African or UN missions. She has a reputation of professionalism. She became famous in particular in Lebanon, in Congo, in the Darfur, in Macedonia, in Timor-oriental, in Haiti, in Rwanda, in Iraq, in Ivory Coast. She also intervened twice to restore the constitutional order in Gambia in 1981 and in Guinea-Bissau in 1998.

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