MAY - JUNE 2020

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BUSINESS MONTHLY

EAST AFRICA EDITION

DRIVING BUSINESS

HEALTH: WITH THE CORONA VIRUS PANDEMIC, THE MEDIA OUGHT TO SET THE NATIONAL AGENDA

ECONOMY: AFRICAN COUNTRIES AREN'T BORROWING TOO MUCH: THEY'RE PAYING TOO MUCH FOR DEBT

ENVIRONMENT: AFRICA'S GROWING LEAD BATTERY INDUSTRY IS CAUSING EXTENSIVE CONTAMINATIONG

25TH ANNIVERSARY CELEBRATION

The 25th Anniversary Special Awards nomination edition

Allan KILAVUKA: new CEO to watch at Kenya Airways

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25 YEARS OF DRIVING BUSINESS
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BUSINESS MONTHLY EAST AFRICA EDITION
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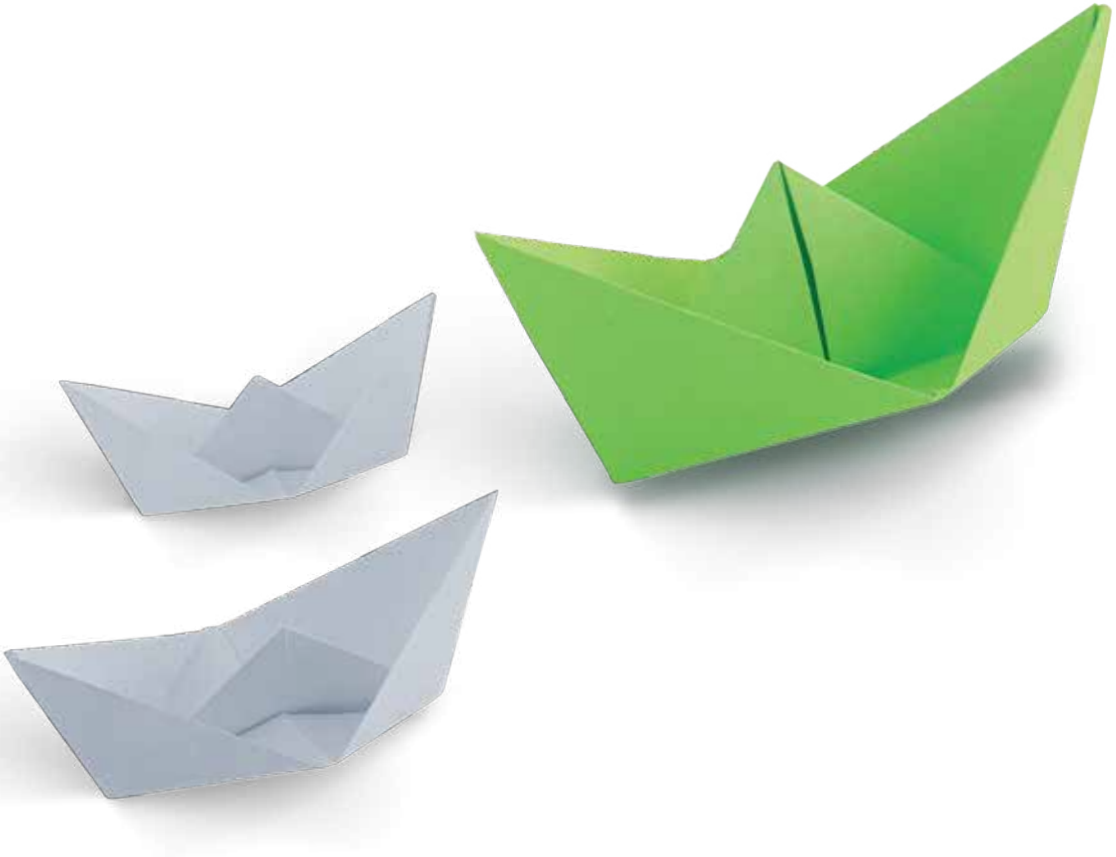

Safaricom

With the coronavirus pandemic, the media ought to set the national agenda

Mass media ought to provide citizens with accurate information and provide education regarding all issues around the coronavirus, and do so without inflaming passions or crying fire in a crowded cinema hall, as the old adage warns.

BY DR. HANNINGTONE GAYA PHD

CEO - The Knowledge Warehouse Kenya

In the back ground of the declaration of the coronavirus as a pandemic and the nature of the coverage of the pandemic by the mainstream media, it is prudent to revisit the role of the mainstream media. This article therefore starts with a short story, borrowing heavily from a number of authoritative sources.

Back in 1968, two communication researchers, Maxwell McCombs and Donald Shaw interviewed 100 residents of Chapel Hill, North Carolina, the United State (US) requesting the residents to point out the issues they were most concerned about.

After determining the issues deemed most important, the two researchers evaluated the media serving the county, both print and broadcast for the content being aired or in the print media.

McCombs and Shaw found an almost perfect correlation between the nature of news stories that were covered most often and the residents' concern for the same issues. The study was repeated in 1972 and 1976. Although the study was on electoral issues, it is regarded as the first to coin the term agenda setting for the media.

The only difference is that 1968, 1972 and 1976 were election years in the US, and 2020 is the year the coronavirus has been declared a pandemic by the World Health Organization (WHO). The other difference or variable, is that we did not have an influential and difficult to contain social media, with its tributary, fake news.

In the 1968 research, McCombs and Shaw focused on two elements:

- Awareness
- Information

The conclusion in these studies is that the mass media can exert a significant influence on what the audience consider the major issues of the moment, in those studies, elections.

In the same vein, the mass media exerts a significant influence on what Kenyans consider the major issues in economic, social and political issues, as they are currently playing out. In the current case, how to be safe and generally handle the coronavirus pandemic.

Generally, the studies confirm that agenda setting by the mass media does in fact take place and that mass media attention towards stories is one of the most important factors involved in shaping the publics' view of the story's relative importance. In the current case, the mass media is one of the most important factors in shaping the facts and fake news about the awareness and information around the coronavirus.

In fact, studies have shown that the numbers or times a story is repeated in the media will affect the story's importance, regardless of what is said about the topic.

One of the major roles and probably the main one, of a free media in a democratic society is ostensibly to provide the public with well researched and accurate information necessary for them to take part in governing themselves. Media is therefore first and foremost a tool for self –governing, not necessarily a form of business. Hence, the term, the fourth estate.

Therefore, the question of how our media houses decide what stories is important and how to cover the important stories such as the coronavirus pandemic, becomes a matter of great importance to the survival and recovery of our country from the effects both economic and social, of this pandemic.

Without boring you by glossing over the two main media theories: authoritarian and libertarian, a majority of communication academics and practitioners have hinted that the social responsibility theory is an extension of the two and that the agenda setting and watch dog theories are among the offshoots of the social responsibility theory. These three theories are, in my opinion, of major concerns to Kenya as a country at this moment in history.

Agenda setting is simply the creation of what the public thinks is important. Agenda setting describes a very powerful influence of the medias' ability to tell the citizens, what issues are important including the power to present images to the public.

Quoting extensively from communication academics, 'agenda setting is possible because the media does not reflect

the truth but filters and shapes it. Media concentration on a few issues and subjects leads the public to perceive those issues as more important than other issues not given presence and prominence in the media.'

Back to the social responsibility theory, the media have inalienable responsibilities towards the society. The essence of the theory is an affirmative role in advocating also social issues, including health in this case; not just opinions of powerful politicians, organized civil society and well-oiled business interests.

There is a school of thought that opines that the social responsibility theory needs therefore to involve a number of ways in which the state could play a role in ensuring that media fulfills their social obligations whilst at the same time, retaining the independence of journalism and the freedom of speech. In Kenya, this is the Media Council.

Mass media ought therefore to provide citizens with accurate information and provide education regarding all issues around the coronavirus, and do so without inflaming passions or crying fire in a crowded cinema hall, as the old adage warns.

Mass media should identify the problems hindering the free flow of accurate information and management of the Corona Virus. Media also should have mobilization function, campaigning for proper and timely manner of managing the pandemic. In essence, these social responsibilities ought to come before the media rights and freedoms that are always bundied around, now more than ever before.

The mainstream media ought to remain the 'watchdog' that the public rely on for revealing errors and wrongdoing in handling the pandemic as well as for accurate information and adequate education to enable objective decision making and understanding of the coronavirus pandemic.

The function of the media in this process is essential since they determine on behalf of the people, which issues are the most important. Agenda setting in this case, illustrates a very powerful authority of the media, the capability to inform the public what issues are of national importance.

This, the media can do through the usual internal filters and gate keeping, in moments of national emergencies, such as the coronavirus pandemic.

I exit the article with the famous quote by Bernard Cohen, "The press may not be successful much of the time in telling people what to think, but it is stunningly successful in telling the people what to think about".

Can we accurately tell Kenyans what to think about the coronavirus? Through priming and framing, we can. ■

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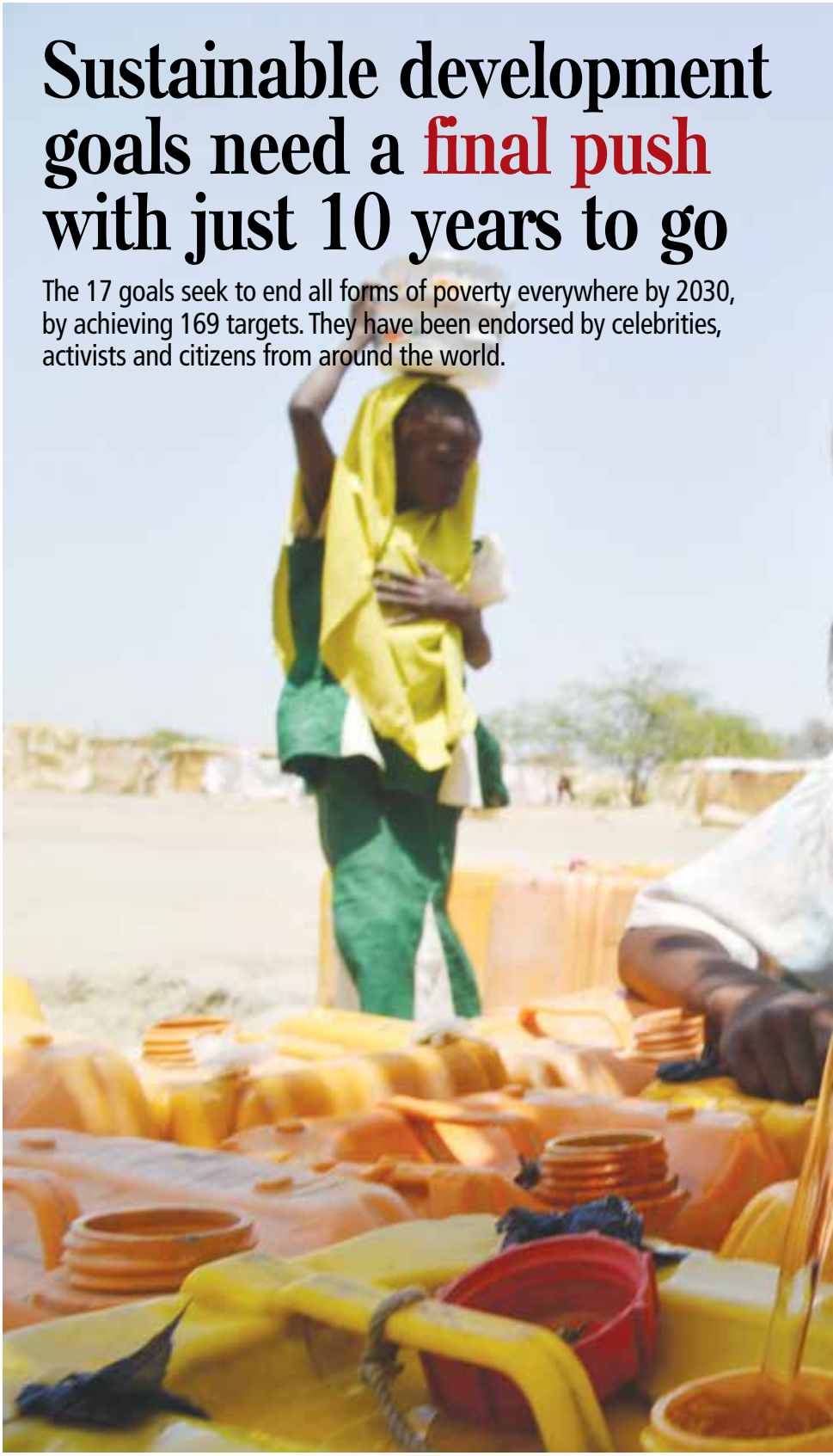
THE KNOWLEDGE Warehouse

WILLEM FOURIE

Associate Professor at the University of Pretoria and Co-ordinator of the South African SDG Hub, University of Pretoria

Sustainable development goals need a final push with just 10 years to go

The 17 goals seek to end all forms of poverty everywhere by 2030, by achieving 169 targets. They have been endorsed by celebrities, activists and citizens from around the world.



Since their adoption by 193 countries in 2015, the United Nations Sustainable Development Goals have been hailed as the "most ambitious" and "transformative" agenda for fixing the world's biggest challenges to date.

In some respects, the hype is justified. The goals cover a much wider range of objectives than the Millennium Development Goals, their predecessors, even though these goals were thought to have saved the lives of seven million people. Unlike the millennium development goals, which were applicable only to developing countries, both developed and developing countries have committed themselves to achieving the sustainable development goals.

The 17 goals seek to end all forms of poverty everywhere by 2030, by achieving 169 targets. They have been endorsed by celebrities, activists and citizens from around the world. Competitions to be chosen as advocates, pioneers and young leaders for the development goals are proliferating.

Yet, progress in achieving them does not match the hype. According to the most recent SDG Index, an unofficial but influential barometer on the goals, most countries are struggling to make headway. For example, Denmark, the top performer for 2019, has only succeeded in eradicating poverty, reducing inequalities and achieving peace and justice as well as building strong institutions.

Algeria, the highest-ranked country in Africa, is experiencing either "significant challenges" or "major challenges" with 11 of the goals, with an upward trajectory only for eliminating poverty, and promoting industry, innovation and infrastructure.

Decision-makers tend to ascribe weak performance to the widely published US$2.5 trillion "financing gap" between current expenditure and what is required to attain the development goals. But there might be other reasons, too. With only 10 years to go until 2030, the year when they should be achieved, it's an opportune moment to look at the weaknesses, and identify ways they can be addressed.

THE 17 SUSTAINABLE DEVELOPMENT GOALS

- No Poverty
- Zero Hunger
- Good Health and Well-being
- Quality Education
- Gender Equality
- Clean Water and Sanitation
- Affordable and Clean Energy
- Decent Work and Economic Growth
- Industry, Innovation and Infrastructure
- Reduced Inequality
- Sustainable Cities and Communities
- Responsible Consumption and Production
- Climate Action
- Life Below Water
- Life on Land
- Peace and Justice Strong Institutions

Four critical questions

In my work at the South African SDG Hub on the goals in Africa and beyond, I have encountered four critical questions. Compelling responses to these questions can help accelerate progress.

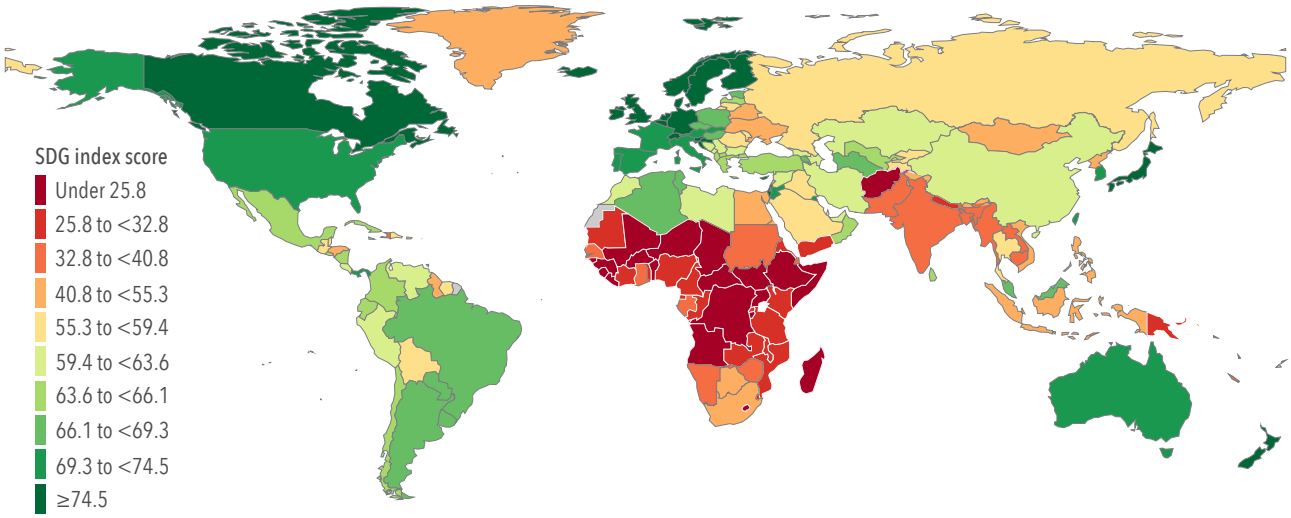
Are the goals redundant? The goals cover a large number of priorities governments would have focused on as a matter of course. Their overlap with pre-existing government objectives ranges from decreasing the number of HIV infections and reducing stunting, through improving access to electricity and building resilient infrastructure to combating corruption and increasing tax collection.

But these overlaps need not be a problem. Governments would have done most of the things the goals propose. Their value, then, lies in getting governments to raise their level of ambition further. This is indeed a big ask. One way of making these stretched targets more than mere wish lists is using the goals to set up more networks that share good practices. Due to severe time constraints, the formal reporting process might not be the ideal vehicle for such networks.

Are they unattainable? The goals' targets are exceptionally ambitious. The level of ambition is clear when considering a snapshot of the 169 targets.

One social target seeks to end all forms of malnutrition by 2025, another wants to ensure that all women have access to contraception by 2030. One target wants to ensure access to safe and afford- >>

SDG index score, 2018



*The SDG index is a composite measure, ranging from 0 to 100, of overall progress toward meeting the SDGs. It takes into account 40 of the 41 performance indicators for the health-related SDGs.Note: Population census coverage is not included because of its binary status and because it does not have forecasts.

Global average SDG index score, 2017: 59.4 out of 100

HEALTHDATA.ORG/GBD

>> able water for all people, while another wants the same for electricity access.

Other targets are to eliminate child marriages by 2030 and to halve food waste by 2030. There are also targets to conserve at least 10% of all coastal and marine areas by 2020, and to ensure that all people have legal identities by 2030, with all births registered.

Does this mean the goals are fundamentally unattainable? Not if they are used to foster game-changing innovation. They have the potential of taking governments beyond a mere compliance mindset, to one that promotes innovation and experimentation. Beefing up the annual STI Forum is one way of doing so. Developing and scaling game-changing innovation are the only ways to address the cross-border, multi-generational and multi-sectoral challenges expressed by the development goals.

Do we know how much the goals will cost? Many people find the widely publicised estimates of their financing gaps unconvincing. The often-cited financing gap of up to US$2.5 trillion per year was initially calculated by the UN Commission on Trade and Development (UNCTAD) in 2014, a year before the development goals were adopted. How can the goals be attained if there's uncertainty about their costing?

In a recent report, 82 per cent of African countries surveyed indicated that that they had not yet calculated the cost of the goals. This is despite the fact that 100 per cent of the countries surveyed highlighted a lack of funding as the main impediment to achieving the sustainable development goals.

What can be done? Thorough calculations of country-level financing needs – ideally by using a standardised and comparable methodology – will go a long way in responding to this criticism. The goals should not be used as a catchall funding wish list.

When will the measurement tools be sorted out? The 169 targets are measured by more than 240 indicators. Surprisingly, the methodologies of some indicators – the so-called tier 3 indicators – have not yet been finalised. This means that, five years after their adoption, progress on some of the goals' targets can still not be measured.

The lack of quality data compounds the issue, specifically in Africa. Take South Africa, for instance. Its statistical institution is regarded as one of the best in the developing world. But in its most recent report on the goals it was only able to report on 128, or 64%, of the 199 of tier 1 and tier 2 indicators. These are indicators with internationally established methodologies.

In responding to this criticism, the first order of business should be to sort out the metrics. More specifically, the outstanding indicators' methodologies should be finalised as a matter of urgency. Five years after their adoption, the legitimacy of the goals depends on having a standardised set of methodologies for all indicators to measure progress. ■

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How fame abroad changes African footballers' way of life back home

Many African players began their professional journey by playing in street football and inter-street competitions within their communities or nearby communities.

ERNEST YEBOAH ACHEAMPONG
Lecturer, Health, Physical Education, Recreation and Sport (HPERS), University of Education

African footballers have long been attracted to careers abroad. This is easy to understand considering that many come from backgrounds of poverty and high unemployment rates in countries with repressive governments that mismanage resources. Rural life also poses challenges to aspiring sports people, such as a lack of playing grounds and other facilities.

These factors tend to hinder football development on the continent.

The European football market offers footballers better conditions and socioeconomic benefits. Foreign leagues provide considerably better earnings than what players earn in their domestic leagues.

The evolution of the European football market picked up in the 1980s, providing a chance for many African players to achieve professional status. Football became a global business product, attracting huge broadcasting rights and corporate sponsorship.

The experience of playing and living abroad in this environment can lead to changes in players' behaviour. Not only do they have far greater wealth than their peers, they may break old social ties and consider themselves "special".

I set out to explore these changes to understand why achieving professional status abroad

should suddenly affect players' behaviour in their home communities.

I interviewed professional footballers from Ghana, Senegal, Nigeria, Zambia, Sierra Leone, Cote d'Ivoire, Kenya, Cameroon and Egypt, aged between 18 and 52, who had played in the leagues of countries like England, Germany, Spain, Italy and France. They were asked to describe their football career path from their country of origin to moving abroad and beginning their professional activity. The study captured both current players and those who had left Africa in the 1980s, 1990s and 2000s.

The study found that upward social mobility often led to extreme behavioural and attitude switches. Some of the notable traits from the players studied were arrogance and conspicuous consumption. Some even spoke ill of fellow professionals in lower or developing leagues.

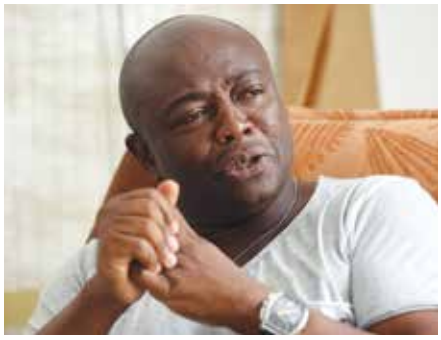
This is important because their home communities expect them to maintain a relationship with the people who supported them during their formative periods. It leads to social disconnection when some are perceived as "ungrateful" and reluctant to give back to society.

All interviewees admitted that fame and wealth, if not properly managed, could have a negative effect on society. On the other hand, they could use their higher social status to change lives in their home countries.

In contrast to professional footballers who migrate, other kinds of migrant workers often maintain strong connections with people at home. Sometimes they send resources to support projects for the public benefit, such as building schools.

African beginnings

Many African players began their professional journey by playing in street football and inter-street competitions within their communities or nearby communities. Social practice of the sport supported individual players' social integration and made them visible to football enthusiasts. All the players I interviewed said they had received a lot of support from their communities.



> We were enjoying football and having fun but to see that such a thing can turn to the most lucrative business in the world is what amazes me, something I started like a joke became the most unique, powerful, influential business in the world that when you speak people listen, when you talk, you inspire millions of people… And you have to also learn to maintain the fame and not to abuse it.
>
> - *Abedi Pele, a former captain of Ghana*

When they left their communities to play abroad, they gained social status and national recognition. Most moved to cities and adopted new attitudes. A player recalled that the "job of football has a way of changing you if you're not careful without you knowing, unconsciously, you'll turn out to be a different human being".

An example is Abedi Pele, a former captain of Ghana and one of the most globally recognised footballers to emerge from Africa. Speaking at a G8 Summit he said:

"We were enjoying football and having fun but to see that such a thing can turn to the most lucrative business in the world is what amazes me, something I started like a joke became the most unique, powerful, influential business in the world that when you speak people listen, when you talk, you inspire millions of people… And you have to also learn to maintain the fame and not to abuse it".

Apart from fame, my study found that there are other variables that can drive changes in players' behaviour. Some do not recognise the changes personally. They include belief in one's own abilities and the likelihood of one's behaviour leading to a specific outcome. Other variables include self-control and learning from observation. The influence of these variables on behaviour is not unexpected when a person comes from a background of moderate education.

Players in the study said they had to guard against behaviour such as ignoring their former team colleagues, senior players, coaches, friends and the community that supported their professional activities abroad. They said the community saw such behaviour as undesirable since it did not represent their cultural norms and social values. These values include reciprocal behaviour and an attitude of humility, obedience, gratitude and submissiveness.

Abedi Pele noted that "When you are rich, famous and influential, if you don't take your time you will think that the world belongs to you or you control it"

A few players in the study identified fame and wealth as an opportunity to support a worthy cause in African communities. One was Stephen Appiah, a school dropout who grew up in Chorkor, a poor fishing community in Accra, Ghana. He built a health-care centre and library and created an annual sports day event for Chorkor. He no longer lives there but his social projects represent his presence there after his success.

Communities expect successful players to be guided by social norms that shaped their early lives – not just by wealth and fame achieved later. But sudden situational changes tend to influence people's social networks. Many footballers no longer mix with their former friends.

The study suggests that if professional African players maintain their bond with their home communities, they can create opportunities to support local development. They can also serve as role models for young talent keen to have a career abroad. ■

African countries aren't getting as much as they should from FDIs

Foreign direct investment plays an important role in economic development. It provides financial resources, technological spill overs and improvement in human capital.

MUAZU IBRAHIM

Lecturer, Department of Banking and Finance, University for Development Studies

Economic growth is driven by a number of factors. These include foreign direct investment, national savings, household spending, fiscal and monetary policies. Since the late 1980s African governments have fully embraced foreign direct investment as a major driver of growth.

One of the avenues through which countries have sought to attract more foreign direct investment has been investment summits. These are hosted jointly with developed countries. They include the Africa-China Investment Summit, Africa-UK Investment Summit and the Africa-US Investment Summit.

Despite these efforts, data shows that Africa has not been a major recipient of these flows. In fact, it attracts a lot less than other developing countries.

There's a bigger problem too – the impact on economic growth of the foreign direct investment the continent attracts is lower than other comparable parts of the world. In our research we set out to understand why. To do this, we looked at the financial services sector which is underdeveloped in most African countries.

The search

We examined data from 45 countries between 1980 and 2016. The variables we looked at included economic growth, foreign direct investment, financial sector development, human capital, government expenditure and gross fixed capital formation.

The countries were selected based on data availability. They comprised several countries from all the regional blocs, including six countries from Northern Africa.

Overall, the continent's financial sector is under-developed compared to other emerging economies, with the exception of South Africa which is relatively well-developed. The countries' financial sectors are bank-based, thus providing limited space for the equity (capital) markets.

We sought to examine the relationship among three factors: foreign direct investment, economic growth, and financial sector development. Financial sector development measures a country's financial institutions to make financial services available to citizens. It also includes the provision of finance to businesses.

There has been a lot of economic literature on the impact of foreign direct investment on economic growth. And there have been many studies on the linkages between foreign direct investment, financial sectors and economic growth. But less has been done on the extent to which Africa's financial sector is a conduit through which foreign direct investment drives economic growth.

Research findings on the impact of foreign direct investment on a country's economic growth are mixed. This implies that the extent of the impact is determined by other factors and characteristics of a country's economy.

That's why we chose to look at how the financial sector, in particular its stage of development, can moderate the impact of foreign direct investment on economic growth.

Funds from foreign investors are channelled through a country's financial system before being allocated to the targeted beneficiary of the investment.

What attracts foreign direct investment

For the most part, foreign direct investment inflows to Africa have generally been attributed to five factors. These are regulations (ease of doing business), the general investment climate, broader economic reforms, information communication and technology development, and improvements in infrastructure.

Foreign direct investment plays an important role in economic development. It provides financial resources, technological spill overs and improvement in human capital. These are all critical factors that can spur Africa's economic development by addressing infrastructural deficits and reducing unemployment.

The effect of foreign direct investment on economic growth is well documented globally. Funds from foreign investors are channelled through a country's financial system before being allocated to the targeted beneficiary of the investment.

In Africa's case we found that the continent's underdeveloped financial sector has dampened the impact of foreign direct investment on economic growth.

To measure financial sector development, we calculated credit provided by the financial sector to the private sector as a percentage of GDP. On this measure, Africa's financial sector fails to allocate financial resources effectively and efficiently to the productive sectors of the economy.

When the financial sector does allocate resources, it invests in risky projects. The net effect is that it hurts economic growth and therefore fails to support foreign direct investment.

What's to be done

Foreign direct investment inflows to Africa are increasing, albeit marginally. What our study shows is that African governments need to spend more effort on maximising the impact of foreign direct investment on economic growth. This is over and above current efforts to gain a bigger share of global foreign direct investment flows. Failure to raise the impact of foreign direct investment on economic growth will mean that African countries will not fully benefit from higher inflows.

Improving the performance of the financial sector should be one of the major preoccupations of African policymakers. This should include regulators improving their supervisory roles. And they should strengthen the financial sector's ability to allocate resources effectively to the productive sectors of the economy. Improvements in corporate governance and risk management strategies would also help. ■

This article was co-authored with Abraham Mensah Acquah. He holds BA (Integrated Business Studies) and a Master of Commerce degree in Banking and Finance from the School of Business and Law, University for Development Studies, Wa, Ghana.

Africa's growing lead battery industry is causing extensive contamination

Comprehensive awareness programmes about the associated health impacts are critical to the communities since most contaminated sites only come to light after reported deaths or cases of severe lead poisoning are identified.

FARIDAH HUSSEIN WERE

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Africa is facing a serious lead poisoning problem. In Senegal, for example, researchers linked the deaths of children from processing lead waste to supply a lead battery recycling plant in a poor suburb of Dakar.

In Kenya, the legacy of a shutdown lead-recycling plant is causing major health problems for people living in the neighbourhood. And in Nigeria an investigation by journalists showed how lead battery recycling facilities were poisoning workers and the people living in the area.

The problem is growing along with the market for lead batteries. This is due to lack of regulation and investment in environmentally sound battery recycling plants. Most facilities in Africa are small. They weren't built with adequate pollution controls to prevent disasters and ongoing contamination.

The production of lead batteries is growing rapidly in Africa as the market for lead batteries expands. Global lead output continues to grow, with about 85 per cent production going to make batteries.

We conducted a study around lead battery recycling plants in Cameroon, Ghana, Kenya, Mozambique, Nigeria, Tanzania and Tunisia. Our results showed significant lead contamination around 15

licensed battery recycling plants. This shows that informal sector recycling is not the only source of lead pollution.

Other studies have also reported excessive emissions from lead acid battery manufacturing and recycling plants in low and middle-income countries.

Our findings contribute to the growing body of research in documenting lead contamination around licensed recycling plants across Africa. This underscores the need for urgent action. This should include putting in place regulatory systems.

A typical lead battery recycling plant without adequate pollution controls. Occupational Knowledge International

Growing problem

At the 15 facilities we tested, 85 per cent of the soil sampled from inside and outside the plants exceeded 80 parts per million (ppm). This is the health hazard level used in California. Piles of used battery cases and waste slag (residues) were responsible for some of the soil contamination. But excessive airborne emissions are the largest source.

This extensive soil lead contamination is a significant source of human exposure across the region. We found that these hazardous sites are often adjacent to residential areas, agricultural and grazing lands.

In recent years, the United Nations Environment Assembly has begun to recognise the growing threat of lead battery recycling to public health and the environment. In 2016, it passed a resolution noting the lack of adequate infrastructure needed to recycle the rapidly growing number of used lead-acid batteries. It noted that there was a "need to further reduce releases, emissions and exposures".

Despite this call and the urgent need for continued intervention, there's been minimal effort by African governments.

Unlike electronic waste, lead battery recycling is a profitable enterprise that can be safely done without any subsidies. Countries such as China have enforced minimum size requirements for recycling facilities to ensure that adequate emission control technology can be cost effective.

In the US and Europe effective take-back schemes ensure that lead batteries are collected back at the end of their useful life. These measures are key to ensuring that used batteries go to regulated facilities and aren't diverted to the informal sector.

What is needed

Our research points to the need for regional and national level action across the continent. This should include the establishment of comprehensive industry-specific regulations.

There must be performance requirements in place for stack emissions, ambient air levels, minimum production capacity for new and existing recycling plants and occupational exposure limits for airborne emissions and blood lead levels.

There's also a need to attract investment to build efficient facilities with proper emission control technology. Along with these measures, governments should put strategies that should require manufacturers and distributors to take back used batteries in order to consolidate this hazardous waste stream.

Without formal collection systems there's no financial incentive for battery recycling companies to invest in suitable infrastructure as they are competing against the informal sector.

As our study shows, land use restrictions in most countries on the continent have been ineffective in separating hazardous recycling plants from residential areas. This has resulted in harm to human health.

The industry needs to be more transparent. Battery makers and recyclers should report emissions and alert the public about soil lead contamination.

The remediation of contaminated soils under these circumstances is complex and costly. The regulatory system should ensure that financial resources are available for the anticipated cost of remediation following plant closure.

Comprehensive awareness programmes about the associated health impacts are critical to the communities since most contaminated sites only come to light after reported deaths or cases of severe lead poisoning are identified. ■

Perry Gottesfeld, the Executive Director of Occupational Knowledge International, was a co-author of the research and also contributed to this article.

Allan Kilavuka: The new CEO to watch at Kenya Airways

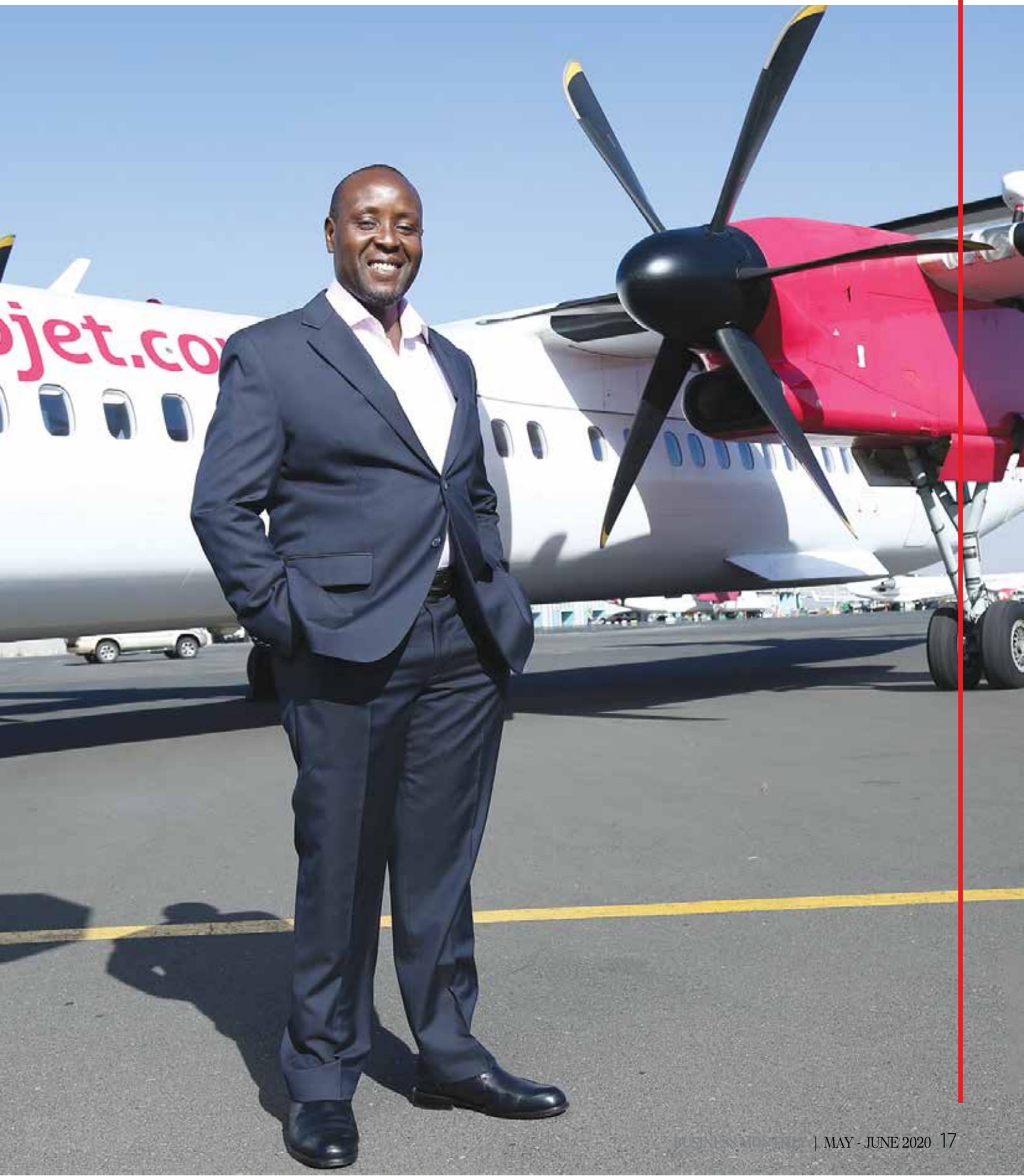
Allan boasts of over 23 years of working experience, having started as MD of Kenya Airways subsidiary, Jambojet, in December 2018.

BY DR. HANNINGTONE GAYA PHD
CEO - The Knowledge Warehouse Kenya

Allan Kilavuka took over the helms of the national carrier, Kenya Airways (KQ) on April 1 2020 after acting in the same capacity from Jan 1 2020. Previously, Allan was the Chief Executive Officer (CEO) and Managing Director for Jambojet. The national carrier had been looking for a suitable replacement to Allan's predecessor Sebastian Mikosz even since he indicated that he was leaving a year earlier. It would appear like it was only when Allan stepped in to fill the void did the KQ board notice the gem that was right next to them at Jambojet.

Allan boasts of over 23 years of working experience, having started as MD of Kenya Airways subsidiary, Jambojet, in December 2018.

Allan's career started with Deloitte & Touche (now Deloitte) where he initially was assigned tasks in client business support and then >>


jet.co

>> ended up in audit and advisory services. While at Deloitte he attempted to change course in his career and passed the inaugural exam in Kenya of Certified Information Systems Audit.

Shortly thereafter though, he was recruited by GE Africa to help lead growth of GE in Africa. In 2009, Allan was requested to relocate to South Africa as CFO to help turn around a GE Africa Power Services business which was struggling. The turnaround was successful.

Following the successful turnaround, Allan was tasked in 2011 to move to Industrial Solutions Middle East and Africa business, again to help steady the business. He was promoted to be the Commercial Finance Leader-GE Africa in May 2014, a position he held until being appointed Global Operations Leader for GE Africa in 2015, enabling Allan return to Kenya, the head offices of GE Africa.

Head hunted, Allan smelled the coffee, returned home to Kenya to take the helm at Jambojet. The rest is history.

Since then, Allan has led Jambojet to well-thought-out route expansion and customer centric leadership style that has seen the airline maintain its revenue base while sustaining its profitability trajectory amid a difficult operating economic and social environment and cut throat competition. Allan's mantra of customer, people, excellence, innovation and profitable growth is what he has come to be known for at Jambojet.

> Allan is very responsive to the needs of the business and is highly thought of as a problem solver. He is an excellent finance manager with expertise in all areas of corporate finance.

The soft-spoken General Electric (GE) trained post graduate psychologist, has a love for hiking, reading and sports. He likes to spend time with his beautiful and supportive wife, his three children and close family and also participate in caring for special needs children especially at his local church. He says these children help to ground him and he learns more from them about life and being relational than from any other source.

What Allan will be relying on to turn around the high potential airline into a national asset that makes a greater contribution to the economic development of Kenya and Africa, is

proven and extensive experience in strategy, business development, business process re-engineering and continuous improvement, financial acumen in planning and analysis and most importantly, people leadership, an area that has witnessed a dearth at KQ.

These skills will be enhanced by a vast experience in doing business in Africa and specifically his passion in psychology, an attribute that should endear him with the human resource that includes pilots and customer care crew at the Pride of Africa, as KQ has been know during its former glorious times.

According to Patricia Stirling, Senior Corporate Counsel, Global Branch Operations at GE, on Linked-in on July 11, 2010, 'Allan is an outstanding manager who inspires a great deal of enthusiasm and trust among his team." Just the attributes KQ needs at this time, as a human capital turnaround strategy.

Patricia worked with Allan at GE and adds, 'Allan is very responsive to the needs of the business and is highly thought of as a problem solver. He is an excellent finance manager with expertise in all areas of corporate finance," adds Patricia, according to Linked-In.

EDUCATION

- B. Com Honours degree in Accounting from the University of Nairobi
- Post Graduate Certificate in Psychology, in Psychology from the University of Liverpool.
- He has trained at General Electric's world-class Crotonville Leadership Institute in New York, USA in Executive Leadership, Advanced Management and Financial Management.

Another accolade comes from Hermes Muetetema, Commercial Director-Change

Leadership-Business Development, who worked with Allan in different roles. Hermes posits that, and I quote verbatim, 'Allan is a successful leader with demonstrated ability to deliver results. He is a team player with a boundary less mentality. As leader of GE's Global

Business Services in Africa, Allan has put together a great team and supported the tremendous business growth…Allan always goes an extra-mile to perform over and above his job…

Pascal Henssen, an independent consultant, investor and executive coach, who managed Allan directly in 2009, opines that, 'Allan worked for me as Regional Manager for sub-Saharan Africa. He did a great job setting up various new centers to support the GE businesses across that region. He has a great personality and deals well with people. He is not afraid to speak his mind and contribute. Above all, Allan is a person of high personal integrity."

Allan Kilavuka holds a B. Com Honours degree in Accounting from the University of Nairobi and a Post Graduate Certificate in Psychology, in Psychology from the University of

Liverpool. He has trained at General Electric's world-class Crotonville Leadership Institute in New York, USA in Executive Leadership, Advanced Management and Financial Management.

There you are: an emotionally mature CEO at the helm of Kenya Airways PLC. ■

African footballers face an allegiance problem: Country versus club

The sheer number of African players playing in foreign leagues is one of the most notable trends in recent tournaments

BY WYCLIFFE W. NJORORAI SIMIYU

Professor, Health and Kinesiology, University of Texas at Tyler

Africa's ultimate football prize, the biennial African Cup of Nations (Afcon), kicked-off on Saturday 14 January in Gabon. Its 31st edition, Afcon 2017 is not only a 23-day-long showcase for African football, but also the place to observe trends in the game, such as foreign influence, money and more money.

Marking its 60th anniversary this year, Sudan hosted the first tournament in 1957 with only three nations – Egypt, Sudan and Ethiopia. The Egyptians won it for the first of seven times. They're back at Afcon 2017 as one of the favourites after missing the last three competitions due to political upheavals.

The competition has come a long way, with the most obvious development being the dramatic increase in the number of participating teams – since 1998 16 teams qualify. What makes Afcon 2017 interesting is who made it and who didn't. The last time Uganda played in this tournament, in 1978, Idi Amin was the president. The reappearance of Zimbabwe is refreshing too.

But Guinea Bissau qualifying for the first time along with the absence of Nigeria and South Africa that did not qualify speak volumes about the shifting of footballing power. The increasingly unpredictable cast of nations qualifying for the final tournament shows that the standards are levelling off and the powerful nations with a strong football tradition can no longer take qualification for granted.

Established players draw the bulk of their income from their professional clubs and not national team assignments.

Foreign league legion

The sheer number of African players playing in foreign leagues is one of the most notable trends in recent tournaments. Of the 368 players involved in Afcon 2017, 64 per cent play their club football in Europe, just under a third play in Africa (28 per cent), followed by Asia (6 per cent) and the Americas (1 per cent). There are also four players who are free agents. Most of the Europe-based players play in France (57), followed by 37 in England, then Portugal (19), with 18 players each in Spain and Turkey.

Newbies Guinea Bissau are without a single locally based player in their squad as most of the Lusophone country's squad play in Portugal. On the other side of the scale Tunisia have 14 players in their 23-man squad who play at home.

It's also becoming increasingly rare to find home grown coaches on the sidelines in major African tournaments. At Afcon 2017 only four teams—Senegal, Zimbabwe, Guinea Bissau and the Democratic Republic of Congo—are led by African coaches, while most of the other 12 tacticians are European.

Foreign influence on the African game is also exhibited in the number of players who simply refuse the call up to represent their national team. For example, eight players refused to honour the national call this year. The African Cup of Nations falls right in the middle of European football club seasons – for many of the clubs it becomes problematic to let key players go for nearly a month during peak time.

One of the refuseniks, Liverpool defender Joel Matip, who reportedly had "a bad experience with previous staff" while on national duty with Cameroon said.

I spoke with the Cameroon manager and he was not happy, but I have to do what is right to be 100 per cent and make sure I am not injured again, especially at an important time in my career starting at Liverpool.

This is likely to be a trend for the future as players stand up to African football administrators, choosing club over country.

Established players draw the bulk of their income from their professional clubs and not national team assignments. Take Yaya Touré, who is one of Africa's biggest stars, as an example. The Ivorian, who announced his retirement from international football last year, earned a staggering basic salary of £240,000 ($352,000) per week in the 2015/16 season from the English Premier League club Manchester City.

TOP LEAGUES

Conversely, African players are unlikely to get rich from playing for their countries. Zimbabwe's national team refused to board a plane for Gabon in a dispute over allowances. It was finally resolved when their football authorities agreed to pay each player $5 000 in appearance fees per match and a daily foreign allowance of $400 each. Pitiful compared to what some of their opponents earn in their day jobs in those fancy European leagues.

Migrants to greener pastures

According to a 2015 report, a total of 4,515 players were recorded to have migrated from Africa to play football outside their home countries. Of the 53 African countries covered, Nigeria had the highest total number of players (596) abroad. Other countries with a high number of players playing abroad include Senegal (397), Côte d'Ivoire (370), Cameroon (366) and Ghana (365). Indeed, out of the world's top 14 countries that export the majority of players, five are African nations.

Six other African countries had more than 100 players each earning their livelihood playing soccer outside their home nations. These were Morocco, Cape Verde, DRC, Mali, Algeria and Guinea Bissau.

So, given this massive figure of players playing outside their home countries, one key question is: Has this massive migration affected the African game?

Of course, when such a huge number of talented players showcase their talents away from Africa, the local leagues are left poorer. This makes it difficult to increase spectator numbers in stadiums except when the national team is playing and the star players are back in the country.

However, at individual level the players are well rewarded for their talent and efforts. Additionally, individual players' technical, physical, psychological, tactical and overall understanding of the game really skyrockets.

Such players tend to bring back home a positive influence on the national team. No wonder that most of the dominant African teams have the largest number of footballing "exiles". It's worth noting that when the national team does well, there is more inflow of cash from international governing body FIFA and also easier to attract corporate support.

The downside is that these star players tend to convert their home audiences to fans of the foreign leagues where they showcase their skills. With European leagues dominating the cable TV networks, most fans transfer their allegiance to foreign leagues and that contributes to reducing interest in domestic leagues.

This should be a wake-up call to those overseeing the African game—it's time to value and treat players with maximum respect and reward them accordingly. ■

Some Kenyan schools are dangerously overcrowded. What must be done

Overcrowded classrooms and schools can also lead to poor student behaviour—such as absenteeism or lack of interest—because teachers can't control or monitor the behaviour of all learners.

MAURICE MUTISYA

Research Scientist, Education and Youth Empowerment, African Population and Health Research Center

A stampede at a primary school in Kenya resulted in the deaths of 14 young children. Though there's speculation over why the children died, it highlights the issue of overcrowding in Kenyan schools. The school had 3,128 pupils and 51 classrooms—on average classes would have over 60 students in them at a time. Maurice Mutisya shares his insights with Moina Spooner from The Conversation Africa on just how bad the overcrowding situation is and what can be done about it.

How big a problem is overcrowding in Kenya's schools and what's behind it?

Overcrowding in primary and secondary government schools in Kenya has been an issue of great concern.

The cause of this overcrowding can be traced back to the introduction of free primary education in 2003. The government wanted to ensure all Kenyans could go to school and abolished school fees.

As a result, enrolment in government primary schools increased by almost 1.3 million students in 2003, from 6 million in 2002 to 7.3million in 2003.

We are also seeing similar patterns in secondary schools, more so since the government in 2018 introduced a push to achieve a 100 per cent transition rate from primary to secondary school. This meant that in 2019, almost 200,000 more students transitioned to secondary school compared to 2018. Unfortunately, the growth is happening in already overstretched schools that don't have enough resources or facilities

to meet the growing demand.

The national average classroom size is about 38 students. When looking at Africa as a whole, there are more than 50 students per class in primary schools in countries with data.

But, while Kenya's case may look good, huge disparities exist between counties as well as between the rural and urban areas. For instance, Turkana has on average 92 learners per teacher, while Mandera had 80 and Garissa had 67. These are extremely crowded classrooms. In contrast, counties like Nyeri, Machakos and Nairobi have 25, 32, and 40 respectively.

Crowding is also more common in schools in urban poor areas, where there are many more students and not enough schools. The crowding in these settings has led to parents seeking out low-fee private schools. A study by the African Population and Health Research Center shows that on average almost half of the children from poor urban households in five major urban areas—Nairobi, Mombasa, Kisumu, Eldoret, Nyeri, and Nakuru—are enrolled in low-fee private schools.

What are some of the consequences of overcrowding?

Overcrowding can have severe negative consequences for the education and the safety of learners.

Classes are larger and this usually leads to a drop in student performance because teachers do not have enough time to meet the individual learning needs of each child.

Overcrowded classrooms and schools can also lead to poor student behaviour—such as absenteeism or lack of interest—because teachers can't control or monitor the behaviour of all learners.

> When looking at Africa as a whole, there are more than 50 students per class in primary schools in countries with data.

The consequences are not only felt by learners, but also by teachers. They have more workload and this can be demotivating.

In addition, there are safety concerns in the schools. In emergency situations, overcrowding can make it hard to evacuate people safely. While the Kenya school's safety guidelines call for disaster and emergency preparedness for all schools, response to any eventuality may be hampered when schools' sizes are large than usual.

Overcrowding can also lead to high rates of disease transmission, such as tuberculosis and pneumonia.

How is the government trying to address the problem?

The Kenyan government has taken steps to expand existing infrastructure and build new schools. But this hasn't had much impact.

For instance, between 2012 and 2016, the number of public primary schools grew by just 13 per cent to 22,945. By comparison, private schools grew by 64.5 per cent. Public schools aren't growing fast enough for the millions of students that need them.

The government also engaged with development partners in an effort to expand access. Private schools play a critical role in bridging the supply gap, hence reducing overcrowding. While this could help reduce overcrowding in some areas, it only benefits those that can afford it.

The government must ensure that it can provide a quality public education to all. Among the urban poor, low-fee private schools are used as a result of excessive public-school demand and concerns over quality.

Is there anything else that can be done?

There is a need to learn from countries that have managed to address the problem of overcrowding. Sometimes this may require radical decisions such as adopting a double shift school system, where some learners school in the morning and the others in the afternoon. This may however be relevant in areas where overcrowding is common.

The government has also set out safety standards for schools to ensure learners are not exposed to otherwise avoidable risks. These standards must be better enforced and monitored to ensure compliance.

The government must also work more closely with school administrators and communities to explore potential solutions given their understanding of the local contexts and needs. ■

Avocados in Kenya: What's holding back smallholder farmers

The Kenyan government, recognising the potential to increase exports and boost smallholder welfare, recently started encouraging more smallholder farmers to connect with exporters.

MULUBRHAN AMARE
Research fellow, The International Food Policy Research Institute (IFPRI)

Kenya is the world's third largest producer of avocados. It's also Kenya's leading fruit export, accounting for nearly one-fifth of its total horticultural exports.

But Kenya only exports 10 per cent of its total avocado production. By comparison, Chile exports 55 per cent and South Africa exports 60 per cent.

Avocado is grown in several parts of Kenya and about 70 per cent of avocado production is by small-scale growers. They grow it for subsistence, local markets, and export purposes.

The avocado export market in Kenya is dominated by five major exporters: Kakuzi, Vegpro, Sunripe, Kenya Horticultural Exporters, and East African Growers. These companies source their avocados primarily from smallholder farmers, although some firms also source from larger growers or own plantations.

In a new study we surveyed 790 avocado-farming households in Kenya and analysed what factors get in the way of smallholder farmers participating in export markets. We then looked at the implications this has on their farming businesses. This included labour inputs—such as hired and family labour— farm yields, sales prices, and finally, incomes.

We found that exporting more of Kenya's avocado production could raise the incomes of Kenyan smallholder farmers. But, to do so, programmes and policymakers need to reduce the barriers that smallholders face when they want to participate in export markets.

These include the costs of harvesting, transport and having liquidity. There are also farmers' organisation transaction costs, such as membership fees and the opportunity costs of time when attending meetings.

The barriers to entry

Smallholder avocado farmers in Kenya face several big barriers to participating in export markets. Capital and liquidity constraint:

They often don't have enough capital to meet the high costs of participation in export markets. For instance, being able to buy or grow higher quality avocados. In most cases, contract farmers need to harvest the produce themselves and transport it to collection sheds or company premises. Their payment then usually arrives after a delay of one to two weeks.

Limited access to production technologies and institutional support: For instance, credit and training. This means smallholder avocado farmers are left out of important parts of the value chain.

Poor infrastructure: In rural areas a lack of good roads makes it difficult and costly to bring produce to markets in far-off areas.

The benefits of exports

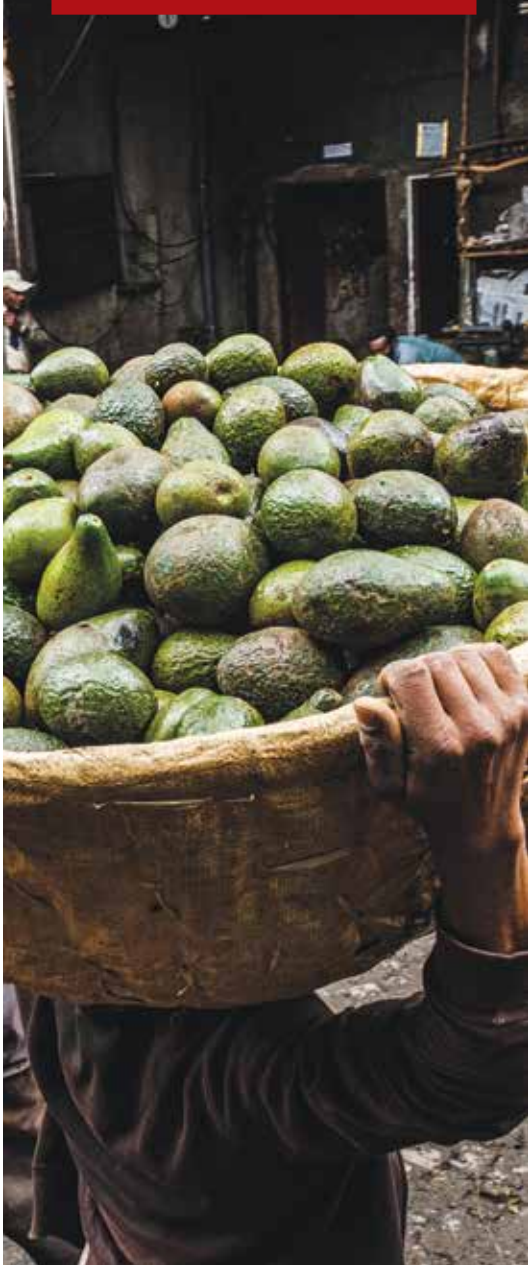
We found that participating in export markets raises smallholder farmers' incomes by nearly 39 per cent. This is mostly on account of higher prices offered in international markets. For example, a dozen Haas avocados, distinguished by their dark green and brown skin and smaller than average avocado stone, sell for 3.5 Kenyan Shillings ($0.03) in domestic markets. But they fetch nearly double, 6 Kenyan Shillings ($0.06), in global export markets.

Smallholder farmers' participation in export markets also increased employment opportunities within the community. International markets demanded higher quality avocados which required additional labour.

Our study found that hired labour costs increase by about 1,300 Kenyan Shillings (US$13) and smallholder farmers' family labour inputs increase by about 15 days, if they participate in export markets.

We also found that smallholder farmers who participated in export markets were older and had received more training than those who participated in only local markets.

Smallholder farmers' participation in export markets also increased employment opportunities within the community. International markets demanded higher quality avocados which required additional labour.



Additionally, participants' farms were on average about 0.11 acres larger, with more Hass avocado trees, the favoured variety in international markets.

Those smallholder farmers who were cracking export markets were also more likely to live near an organised and established farmers' group. These groups allow farmers to share agricultural techniques to improve their produce quality and increase yields.

The groups were more likely to focus on contract farming that grants higher prices for farmers' produce while reducing the costs and barriers for communication between contract firms and farmers.

However, we found only a few smallholder farmers are linked to export markets through contract farming.

Connecting with exporters

The Kenyan government, recognising the potential to increase exports and boost smallholder welfare, recently started encouraging more smallholder farmers to connect with exporters. But integration with export markets remains a difficult barrier for individual smallholder farmers to overcome.

To make export markets more accessible for smallholders, the Kenyan government should increase seedling provision and facilitate avocado cultivation training programmes.

Policies geared towards export promotion and encouraging innovative contract design would increase smallholder farmers' yields and improve the quality of their produce. This would be critical for farmers to participate in export markets.

Additionally, programmes focused on improving the quality of farmers groups, making them more organised and better connected to resources and contract firms alike, would also provide an impetus to participating in export markets over the long term. ■

How does the coronavirus test work? 5 questions answered

The availability of tests has been a big issue. Prior to February 29, the CDC was the only place approved by the FDA to develop, produce and process tests.

MAUREEN FERRAN

Associate Professor of Biology, Rochester Institute of Technology

The US government is fighting to contain and slow down the spread of the coronavirus. Testing is central to these efforts. Molecular biologist and viral researcher Maureen Ferran answers some basic questions about how these diagnostic tests work—and if there are enough to go around.

Who gets tested for the virus?

Currently there are two main reasons someone would be tested for the coronavirus: having symptoms or exposure to an infected person.

The main symptoms of Covid-19, the disease caused by the coronavirus SARS-CoV-2, are fever, dry cough and shortness of breath. These look a lot like the flu and the common cold, so it takes a physician to determine if testing for the virus is necessary.

Initially, the Centers for Disease Control and Prevention recommended testing only people with symptoms and who had potentially been exposed to the virus. But to the surprise of public health officials, several of the first people in the US who tested positive for the virus had no obvious exposure.

This development suggested that the virus was being transmitted locally, meaning it was spreading from person to person easily and/or that people may have been transmitting the virus without experiencing serious symptoms.

In response, on March 4 the CDC changed its recommendations to allow anyone with Covid-19-like symptoms to be tested as long as a doctor approved the request. Since the number of available tests is limited, the CDC is encouraging physicians to minimize unnecessary testing and consider a patient's exposure risks before ordering tests.

As of writing this, there are no specific treatments available for Covid-19, but that does not mean testing is pointless. Perhaps most importantly, testing is done so that infected patients can be quarantined and the spread of the virus slowed. Another benefit of testing is that it lets public health workers build a more accurate picture of the number of cases and how the virus is spreading in the population.

What it is like to get tested?

For a patient, the process of being tested for the virus is easy and can potentially be done almost anywhere. It typically involves taking a swab from deep in a patient's nasal cavity to collect cells from the back of the nose. The sample is then sent to a lab, where it will be tested to determine if the patient's cells are infected with the virus. The same process is used to collect a sample from a patient who is tested for flu.

How does the test work?

While collecting a sample is easy, actually determining whether a person is infected with the coronavirus is much more complicated. The current method looks for the virus's genetic material (RNA) in a patient's cells.

In order to detect the presence of RNA in the patient's sample, labs perform a test called reverse-transcription polymerase chain reaction. This method first converts any viral RNA to DNA. Then the DNA is replicated millions of times until there are enough copies to detect using a specialized piece of equipment called a quantitative PCR instrument.

If genetic material from the virus is found in the sample, then the patient is infected with the virus.

It takes 24-72 hours to get the results of a test. During the early ramp-up of testing, there were some concerns about the test's accuracy after one study found 3 per cent of tests in China came back nega-

While collecting a sample is easy, actually determining whether a person is infected with the coronavirus is much more complicated.

tive when the samples were actually positive. But this type of genetic test is generally very accurate—more so even than rapid flu tests—and the benefits of testing outweigh the risk of an error.

Does the US have enough tests?

The availability of tests has been a big issue. Prior to February 29, the CDC was the only place approved by the FDA to develop, produce and process tests. However, as the number of suspected cases climbed and doctors approved more people for testing, demand to be tested soared.

The test for the coronavirus requires kit, specialized equipment and specially trained personnel. Faulty and slow development of test kits and the initial requirement that all tests be processed at the CDC contributed to the slow rollout across the US.

As pressure on the federal government to make tests available increased, the FDA announced a new policy on February 29 that made it easier for commercial and academic laboratories to develop their own tests and allowed other certified labs to test patient samples.

Integrated DNA Technologies, a CDC contractor, shipped 700,000 tests to commercial, academic and health care laboratories on March 6. Quest Diagnostics and LabCorp, two large commercial test manufacturers, started making their own test kits, which became available on March 9. Many companies, hospitals and other institutions are now racing to develop more tests to diagnose Covid-19.

On March 10, Alex Azar, secretary of Health and Human Services, announced that 2.1 million testing kits are now available and more than 1 million have shipped to certified labs for testing. Millions more are expected to ship out this week.

Does everyone really need to be tested?

Realistically, it isn't feasible to test everyone who is sick in the US. Therefore, most health officials believe it is important to prioritize the testing of people who need it the most: those at high risk such as health care workers who have been in contact with Covid-19 patients; symptomatic people in areas with high infection rates; and people 65 years of age and older with chronic health issues, such as heart disease, lung disease or diabetes. As more tests become available, it will be possible to test more people.

There's also a need to develop faster tests that do not require special equipment and personnel. Testing allows experts to better understand how the outbreak is progressing and try to predict the impact the virus will have on society.

As with all outbreaks, this pandemic will end. In the meantime, however, people need to wash their hands and try to minimize their risk of exposure. There is much to be learned about this novel coronavirus. Only time will tell if it disappears from the human population, as SARS did in 2004, or becomes a seasonal disease like flu. ■

Latest trend in the Oil Industry in Kenya

Kenya first announced on March 26, 2012, its first oil discovery, in Turkana where Africa-focused British firm Tullow Oil Plc has been exploring for oil, and was now checking on the commercial viability of the find.

BY PERIS W. MWANGI

As Africa economies experience transformative periods, the energy sector holds huge potential to revitalize and turn around most the them, in order to empower the growth and development of each respective country.

NJ Ayuk, the executive chairman of the African Energy Chamber, relishes the thought of how energy remains key to unlocking the African dream. He says in his book entitled 'The future of African Energy', "If African governments, businesses, and organizations manage Africa's oil and gas revenues bravely, we can make meaningful changes across the continent."

Taking into consideration of his vast experience and knowledge in the global energy sector, Ayuk challenges major players to be more active in developing their resources and local content skills. He also encourages decision-makers to put Africa's people at the center of economic growth plans.

Speaking on the US-Africa relations specifically, Ayuk postulates that Africa needs companies that are willing to share knowledge, technology and best practices, and also businesses that are willing to form positive relationships and partnerships in their different expertise.

Closer home, Kenya is a net importer of petroleum products and its petroleum sector is dominated by foreign-owned companies. The sector is characterized by a large number of players that import, export, distribute and transport petroleum products.

Kenya's oil industry is currently dominated by foreign holding firms, with two French multinationals at the helm: Rubis Energie and Total.

Rubis Energie increased its share in the Kenyan market to 20.1 per cent following its acquisition of Gulf Energy. As of June 2019, Gulf Energy had a market share of 5.3 per cent, a move that made Rubis Energy to be the market leader then. The lead was also facili-

tated by Rubis Energie's acquisition of Kenol Kobil which had a market share of 14.8 per cent then.

Rubis Energie describes the Kenyan market as "fast-growing", on energy demands and has sights on further deepening its presence to tap into this growing potential. "Higher volumes in this market would allow, in time, to generate significant economies of scale," says the firm when announcing that it had signed a share purchase agreement with the owners of Gulf Energy.

Total gets the second position after Rubis Energie with 13.2 percent market share. The two French oil majors now control a combined 33.3 per cent of Kenya's petroleum retail market.

Total has also controlled the market through acquisitions and generic growth, having completed an acquisition of Gulf African Petroleum Corporation (Gapco) in early 2017.

The acquisition of Gapco gave Total Kenya massive assets, especially storage, which had always enabled Gapco to remain one of the largest petroleum resellers in the country.

Past acquisitions in Kenya by Total include Elf Oil in 2000 and Chevron (formerly trading in Kenya under the Caltex brand) in 2009.

Vivo Energy which runs Shell branded outlets, owned by Helios Investment Partners, has a 12.5 per cent market share. It takes the third position after the French MNCs.

The fourth-largest oil marketer in Kenya is Ola Energy (formerly Oil Libya) with a share of 5.4 per cent, while the State-run National Oil Corporation of Kenya (NOCK) comes in at number five with a dismal 4.4 per cent market share.

The acquisition of KenolKobil by Rubis Energie resulted in the disappearance of Kenyan firms at the top of the log, with NOCK being the only locally-owned firm among the top five largest oil marketers. Rubis Energie have started rebranding the service outlets, having started with Kenol on Limuru Road, in the UN Blue zone area. The outlet is state of the art and fits the diplomatic district distinctly. >>

>> The four foreign firms sitting on top of the table control 51.2 per cent of the Kenyan market.

The cash-strapped NOCK has, however, been experiencing difficulties in the recent past, including being unable to restock its retail outlets, casting doubt whether it can keep up with the multinationals that appear to have taken over the Kenyan market.

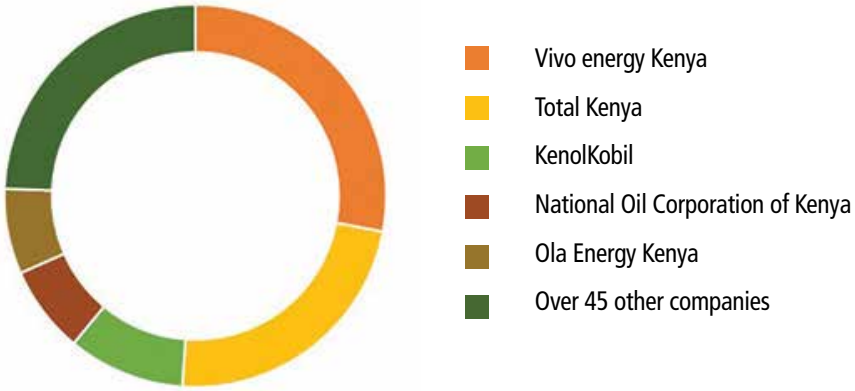
Kenyan shareholders of small and mid-tier oil distribution and marketing companies have in the last few years' relinquished ownership to foreign firms. The current data from Petroleum Institute of East Africa (PIEA), indicate that there are 96 oil marketing companies in Kenya operating over 3,000 service stations. More than half of these service stations are owned by independent players.

Total owns 16.4 percent of all these service stations followed by Shell (16.2 percent) Kenol Kobil (15.4 percent) Oil Libya (6.9 percent) Gulf (5.8 percent) NOCK (4.4percent) Galana (2.7percent) Petro Oil (2.4 percent) and Be Energy (1.85 percent).

> Kenya's dream to give the world a taste of her second batch of light and sweet crude oil is looking like a tall order.

According to the Competition Authority of Kenya regulations, the presence of several competitor petrol stations in close proximity to the merged entity's stations within the 3-kilometer minimum radius recom-

Market sharing among oil market companies in Kenya Between January and March 2018.



mended by international best practice in the downstream market offers vital competitive restraint.

Upstream, Kenya exported its first crude oil in August 2019, with President Uhuru Kenyatta flagging off the first shipment that had more than 200,000 barrels in Mombasa. The oil was purchased by a British-based Chinese company, according to an official government statement. The shipment is an accumulation of oil produced since Kenya began pumping in June 2018 at up to 2,000 barrels a day.

Kenya first announced on March 26, 2012, its first oil discovery, in Turkana where Africa-focused British firm Tullow Oil Plc has been exploring for oil, and was now checking on the commercial viability of the find.

However, Kenya's dream to give the world a taste of her second batch of light and sweet crude oil is looking like a tall order. The London-based company is facing governance issues while its partner in Lokichar, Africa Oil is in financial woes. That added to its strings of bad luck in Ghana and Guyana is poised to derail Kenya's nascent local oil industry.

On December 9th, 2019, Tullow cut forecasts for production from Ghana for the fourth time in 12 months and suspended dividends. In a statement, the firm stated, "Production performance has been significantly below expectations from the group's main producing assets, the TEN and Jubilee fields in Ghana".

These challenges that Tullow is facing could now haunt Kenya. The Lokichar project has already experienced challenges that have resulted in pushing the date for next oil export from an optimistic 2021 to 2022 and now a doubtful 2023.

The project is currently at a critical stage in the Kenyan project, where Tullow together with its joint venture partners (Total and Africa Oil) as well as the Government, are preparing the Final Investment Decision (FID) in the second half of 2020.

The FID was expected to be signed in the course of last year but pushed to 2020 owing to the project's failure to achieve key milestones before the partners can commit. Tullow might also have difficulties raising funds to carry forward its work in Kenya after rating agency Moody's downgraded Tullow's rating to B2 from B1 and probability of default rating (PDR) to B2-PD from B1-PD.

Tullow has a net debt of $2.8 billion (about €2.5 billion), but a dip in production potentially limits cash flow, and thus its ability to repay this.

Tullow and its partner Africa Oil in Lokichar are also having a fight with Kenya Revenue Authority (KRA) over unpaid taxes, which is demanding over Sh10 billion ($100 million) from the two companies. KRA says the two firms did not pay taxes after selling their stake in different oil between 2012 and 2018.

The taxman is demanding Sh5.2 billion from Tullow in Value Added Tax (VAT), which KRA said Tullow ought to have paid following the sale of its 25 per cent interest in Block 12A to Delonex Energy in 2015 and a further 10% in 2018, to the same firm. Tullow has disputed the demand with the case currently at the tax appeals tribunal. ■

African countries aren't borrowing too much: They're paying too much for debt

African governments are paying interest of 5 per cent to 16 per cent on 10-year government bonds, compared to near zero to negative rates in Europe and America

MISHECK MUTIZE

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There is renewed concern about the sustainability of rising debt levels in many African countries. Much of this debt is being incurred through foreign currency denominated Eurobonds issued on international financial markets. The total value of Eurobonds issued between 2018 and 2019 was more than the value of all bonds sold between 2003 to 2016.

African governments are issuing and listing their Eurobonds on established international debt markets—usually London and Irish Stock Exchanges. African governments would venture offshore a lot less if domestic bond markets were active and liquid. But besides South Africa, African bond markets are largely underdeveloped with inactive and illiquid secondary markets. This makes it difficult to attract international investor participation locally.

The International Monetary Fund (IMF) believes that African countries are on a Eurobond issuing spree and half of them are near or at distressed levels. It argues that African governments are piling on debt without evaluating the exchange rate risks and the real costs of repaying the debts.

But, in my view, the debt alarm being set off by international debt management organisations is exaggerated. The problem is not that African countries are borrowing too much, but rather they are paying too much interest. There are a number of reasons for this, including badly informed ratings by rating agencies, as well as the behaviour of issuers.

There are solutions. But these require African governments to stand up and take action.

Doing the calculations

There are two key elements that are taken into account in assessing a country's debt burden. One is the level of debt based on the ratio of debt to gross domestic product (GDP). The other is the cost of servicing the debt—interest payments.

Debt levels on the continent, for example, are on average way below the 100 per cent debt-to-GDP ratio mark. But the impression created is that they are much higher. This exaggerated perception of African debt levels has resulted in countries paying higher interest rates on debt. The premiums are much higher than those paid by other countries. In my view these are not justified by the risk profile of African countries.

Save for four countries—Cape Verde, Djibouti, Congo and Mozambique—all the other African countries have debt-to-GDP ratio averaging 60 per cent. A debt-to-GDP ratio of 60 per cent is the IMF's and African Monetary Co-operation Program's threshold for prudent debt levels.

The scale of debt issuances in Africa amounts to only 1 per cent of the continent's total GDP annually—whose average annual growth rate is 4 per cent. In simple terms, this means the value of income generation is higher than the rate of government debt accumulation. These ratios give a snapshot of a country's fiscal sustainability.

On the contrary, the amount of interest expenditure has been disproportionate to the debt-to-GDP ratio. Studies show that in developed economies, an increase of 1 per cent in debt-to-GDP ratio is associated with an increase of between 0.02 per cent and 0.03 per cent in interest rates.

African governments are paying interest of 5 per cent to 16 per cent on 10-year government bonds, compared to near zero to negative rates in Europe and America. On average, the interest repayment is the highest expenditure portion and remains the fastest growth expenditure in sub-Saharan Africa's fiscal budgets.

The rising interest rates on Africa's debt should be of major concern. African countries are short-changing themselves by accepting high yield curves in their Eurobond Initial Public Offerings. This unjustifiably cements the perception that they are high-risk issuers.

The drivers

The high interest rates are driven by several key factors. First, the mismatch between the short-term duration of the debt that African governments have taken on by issuing Eurobonds compared to the long-term nature of the >>

Despite consistent positive economic growth averaging 3.6 per cent among 32 rated African states, data show that the number of downgrades and negative outlooks are almost double that of upgrades and positive outlooks.

>> infrastructure projects they propose to fund with the money raised through Eurobonds. The excessive need to attract investors is forcing African governments to borrow short-term to finance long-term projects.

Second, fungibility of Eurobonds proceeds—flexibility to be utilised for purposes other than the ones they were raised for—exposes the funds to the downside vulnerabilities of misappropriation and non-productive expenditures.

Third, poor credit ratings as the majority of countries are in junk status. Credit ratings are pivotal in determination of both interest rates and the demand for bonds.

The weaknesses of rating agencies' risk assessments have widely been criticised. According to sovereign credit methodologies of the big three rating agencies, economic growth is a decisive factor in past sovereign credit events. There is a strong positive correlation between economic strength and credit worthiness. But in Africa high economic growth has not translated into better sovereign ratings.

Despite consistent positive economic growth averaging 3.6 per cent among 32 rated African states, data show that the number of downgrades and negative outlooks are almost double that of upgrades and positive outlooks. This implies that African countries are now worse off than they previously were. This overlooks the continent's significant progress in governance, economic growth and human development over the past years.

Take Ethiopia. It has a current economic growth of 8.5 per cent and has been hovering between 8-11 per cent for over 10 years. But it has not had a single upgrade activity from any of the three international rating agencies.

Senegal, one of Africa's most stable countries, experiencing three peaceful political transitions since its independence in 1960, has maintained an economic growth averaging 6 per cent over the past 10 years. It still remains in junk status rating.

Some of what drives higher interest rates also rests with Africa governments. For example, a lack of sufficient information about the specific 'use of proceeds' in prospectuses during Eurobond Initial Public Offerings is magnifying the risk of fiscal indiscipline. It means that funds have no conditionalities or any lines of accountability.

It is also the case that governments use the money they raise on loss-making projects and non-productive fiscal expenditure. Two examples illustrate the point: the failing Kuraz mega sugar project in Ethiopia was funded from the 2014 Eurobond as was the Kenyan Standard Gauge Railway (SGR) which is failing to stimulate any new economic activity.

Solutions

African countries can act to address the rising interest burden, and to avert falling into a debt trap through the following mechanisms:

Governments should use the money raised to fund profitable projects and use the profits from these projects to repay interest owed.

> On average, the interest repayment is the highest expenditure portion and remains the fastest growth expenditure in sub-Saharan Africa's fiscal budgets.

Governments must take control of the bond issuance process during the bond structuring stage. They must exercise their choice of accepting or rejecting investors' bids.

It is imperative for African countries to structure bonds with favourable yields and tenure. This process should not be entirely renounced to syndicates of lead-managers, originators and investment banks. The oversubscription of recent Eurobond issues—Eurobond issuances have been oversubscribed by three times on average—simply shows that demand is outweighing supply. Countries should manage lead issuance advisors to negotiate for the lowest interests possible to be saved from unnecessary costs.

Governments should bargain for competitive interest rates and accept only favourable bids.

Governments should borrow for productive expenditure and manage proceeds from international bonds more prudently with integrity and transparency.

African countries should establish a continental position, adopt international standards and guidelines to establish lines of accountability in rating agencies. This will create a platform to enforce adherence to scientific rating methodology, rating appeals, regulating rating agencies and sufficient involvement of rated countries in the rating process. ■

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What Aristotle can teach us about Trump's rhetoric

He doesn't mind if you don't agree with him because he's not talking to you anyway. His strategy is to continue nurturing his credibility with core supporters.

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From Franklin D. Roosevelt's fireside chats to Ronald Reagan's reputation as the "great communicator" to Barack Obama's soaring oratory to Donald Trump's Twitter use, styles of presidential communication have varied over time.

But what is similar across all presidents is their ability to create persuasive messages that resonate with large segments of the US population.

Whatever your opinion about Donald Trump, he is highly effective at doing this. The question is why, and how does he do it?

As someone who teaches rhetoric and communication, I am interested in how people connect with an audience and why a message resonates with one audience but falls flat with another. Whether intentional or not, Trump is using rhetorical strategies that have been around for more than 2,000 years.

What makes something persuasive?

There have been many definitions of rhetoric over the past two millennia, but at its

most basic level it is the practice and study of persuasive communication. It was first developed in ancient Greece, and arose from the need for people to defend themselves in law courts—a brand new invention at the time.

One of the world's most influential thinkers in this regard was the ancient Greek philosopher Aristotle, who lived from 384 to 322 B.C.

Aristotle was a student of Plato and the teacher of Alexander the Great. He wrote about philosophy, poetry, music, biology, zoology, economics and other topics. He also famously wrote about rhetoric and came up with an elaborate and detailed system for understanding both what is persuasive and how to create persuasive messages.

To Aristotle, there were three main elements that all work together to create a persuasive message: a person's use of logic and reasoning, their credibility and their use of emotional appeals.

Aristotle wished that everyone could be persuaded with detailed logical arguments—what he called "logos." However, that approach is often tedious, and, frankly, Aristotle felt most people weren't smart enough to understand them anyway. Facts, documents, reasoning, data and so forth are all important, but those alone won't win the day. So, he claimed, we need two other things – and this is where Trump excels: credibility and emotion.

Trump: The credible leader

Aristotle argues that someone's credibility—or "ethos"—is one of the elements that people find most persuasive.

However, he also said credibility is not a universal trait or feature. For example, a degree from Princeton gives you credibility only to someone else who has heard of Princeton, understands its cultural cachet and respects what it represents. The Princeton degree itself doesn't give you credibility; it's the perception of the degree by someone else that's important.

Aristotle also said that an important feature of credibility is to appear to have the audience's best interest in mind by sharing and affirming their desires and prejudices, and understanding and amplifying their cultural values. In politics, the person who does the best job of this will get your vote.

So, when Trump states that climate change is a hoax or that the "news media is the enemy of the American people," what makes that effective for certain audiences has nothing to do with the truthfulness of those statements.

Instead, it's because he's channelling and then reflecting the values and grievances of his audience back to them. The closer he gets to hitting the sweet spot of that specific audience, the more they like him and find him credible.

Very often, politicians "evolve" or "pivot" from a position that has earned them intense loyalty from a small group to a position they think will resonate with a larger group in order to get more supporters. This works for some people. But that's not Trump's strategy.

Instead, he goes all-in with his core supporters, establishing stronger bonds and identifying more closely with that group than someone with a more moderate message would. This also creates extremes on both sides: passionate supporters and intense detractors.

President Trump the communicator, then, has a laser focus on one particular segment of the population. He doesn't mind if you don't agree with him because he's not talking to you anyway. His strategy is to continue nurturing his credibility with core supporters.

Trump: The emotional leader

Peppering your credibility with emotional appeals—what Aristotle calls "pathos"—is particularly effective. As Aristotle once wrote, "The hearer always sympathizes with one who speaks emotionally, even though he really says nothing."

Anger, for example, is an emotion that a speaker can provoke in an audience by using real or perceived slights. In Book 2 of his "On Rhetoric," Aristotle writes that anger is an "impulse, accompanied by pain, to a conspicuous revenge for a conspicuous slight." He details how an audience will channel their "great resentment" and revel in the "pleasure" of their expectation of "revenge" against those who have wronged them.

In another passage, he writes, "people who are afflicted by sickness or poverty or love or thirst or any other unsatisfied desires are prone to anger and easily roused: especially against those who slight their present distress."

Using slights to channel and rouse anger is a near daily strategy that Trump has used against the FBI, the news media, the Mueller investigation and other perceived enemies.

Anger over the slighting of one's "present distress" also helps explain why, for example, Hillary Clinton's "basket of deplorables" comment was such a rallying cry for Republicans. They didn't like being dissed.

Trump's language style

A speaker's style of language is also important. Trump is very effective with this, too.

Aristotle recommended that a speaker should first identify feelings that their audience already holds, and then use vivid language that resonates with that specific audience to intensify those emotions. Trump has repeatedly put this tactic to work, particularly at his rallies.

For example, Trump regularly invokes a familiar adversary, Hillary Clinton, at his rallies. By drawing on his audience's known animosity toward her and encouraging them in the "lock her up" chant, calling for her to be jailed and describing her election night loss as "her funeral," he is using an aggressive style of language that reflects and heightens the pre-existing emotions of his audience.

The downside is that the more he uses language that is strongly incompatible with other groups, the more they dislike him. But that seems to be something Trump embraces, which only gives him even more credibility with his supporters.

Whether this approach is a smart electoral strategy in the future remains to be seen. ■

What can the Black Death tell us about the global economic consequences of a pandemic?

By far the worst death rate in history was inflicted by the Black Death. It lasted from 1348 to 1350, killing anywhere between 75 million and 200 million people worldwide and perhaps one half of the population of England.

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Concerns over the spread of the novel coronavirus have translated into an economic slowdown. Stock markets have taken a hit: the UK's FTSE 100 has seen its worst days of trading for many years and so have the Dow Jones and S&P in the US. Money has to go somewhere and the price of gold—seen as a stable commodity during extreme events—reached a seven-year high.

A look back at history can help us consider the economic effects of public health emergencies and how best to manage them. In doing so, however, it is important to remember that past pandemics were far more deadly than coronavirus, which has a relatively low death rate.

Without modern medicine and institutions like the World Health Organization, past populations were more vulnerable. It is estimated that the Justinian plague of 541 AD killed 25 million and the Spanish flu of 1918 around 50 million

By far the worst death rate in history was inflicted by the Black Death. Caused by several forms of plague, it lasted from 1348 to 1350, killing anywhere between 75 million and 200 million people worldwide and perhaps one half of the population of England. The economic consequences were also profound.

'Anger, antagonism, creativity'

It might sound counter-factual—and this should not minimise the contemporary psychological and emotional turmoil caused by the Black Death—but the majority of those who survived went on to enjoy improved standards of living. Prior to the Black Death, England had suffered from severe overpopulation.

Following the pandemic, the shortage of manpower led to a rise in the

While the plague that caused the Black Death was very different to the coronavirus that is spreading today, there are some important lessons here for future economic growth.

daily wages of labourers, as they were able to market themselves to the highest bidder. The diets of labourers also improved and included more meat, fresh fish, white bread and ale. Although landlords struggled to find tenants for their lands, changes in forms of tenure improved estate incomes and reduced their demands.

But the period after the Black Death was, according to economic historian Christopher Dyer, a time of "agitation, excitement, anger, antagonism and creativity". The government's immediate response was to try to hold back the tide of supply-and-demand economics.

This was the first time an English government had attempted to micromanage the economy. The Statute of Labourers law was passed in 1351 in an attempt to peg wages to pre-plague levels and restrict freedom of movement for labourers. Other laws were introduced attempting to control the price of food and even restrict which women were allowed to wear expensive fabrics.

But this attempt to regulate the market did not work. Enforcement of the labour legislation led to evasion and protests. In the longer term, real wages rose as the population level stagnated with recurrent outbreaks of the plague.

Landlords struggled to come to terms with the changes in the land market as a result of the loss in population. There was large-scale migration after the Black Death as people took advantage of opportunities to move to better land or pursue trade in the towns. Most landlords were forced to offer more attractive deals to ensure tenants farmed their lands.

A new middle class of men (almost always men) emerged. These were people who were not born into the landed gentry but were able to make enough surplus wealth to purchase plots of land. Recent research has shown that property ownership opened up to market speculation.

The dramatic population change wrought by the Black Death also led to an explosion in social mobility. Government attempts to restrict these developments followed and generated tension and resentment.

Meanwhile, England was still at war with France and required large armies for its campaigns overseas. This had to be paid for, and in England led to more taxes on a diminished population. The parliament of a young Richard II came up with the innovative idea of punitive poll taxes in 1377, 1379 and 1380, leading directly to social unrest in the form of the Peasants' Revolt of 1381.

This revolt, the largest ever seen in England, came as a direct consequence of the recurring outbreaks of plague and government attempts to tighten control over the economy and pursue its international ambitions. The rebels claimed that they were too severely oppressed, that their lords "treated them as beasts".

Lessons for today

While the plague that caused the Black Death was very different to the coronavirus that is spreading today, there are some important lessons here for future economic growth. First, governments must take great care to manage the economic fallout. Maintaining the status quo for vested interests can spark unrest and political volatility.

Second, restricting freedom of movement can cause a violent reaction. How far will our modern, mobile society consent to quarantine, even when it is for the greater good?

Plus, we should not underestimate the knee-jerk, psychological reaction. The Black Death saw an increase in xenophobic and antisemitic attacks. Fear and suspicion of non-natives changed trading patterns.

There will be winners and losers economically as the current public health emergency plays out. In the context of the Black Death, elites attempted to entrench their power, but population change in the long term forced some rebalancing to the benefit of labourers, both in terms of wages and mobility and in opening up the market for land (the major source of wealth at the time) to new investors. Population decline also encouraged immigration, albeit to take up low skilled or low-paid jobs. All are lessons that reinforce the need for measured, carefully researched responses from current governments. ■

Helen Lacey, Lecturer in Late Medieval History, University of Oxford was a co-author of the research and also contributed to this article.

Governments should always assess the impact of economic reforms on citizens

What can government do to mitigate the risks and maximise the chances of an outcome that is economically productive and socially and environmentally sustainable?

DANNY BRADLOW

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The purpose of national economic reform is to change the structure and overall direction of an economy. Reforms therefore can affect the amount of resources available to a country. They can also affect human rights.

South Africa desperately needs to reform its economy. Its capacity to deal with its tragic problems of unemployment, poverty and inequality is diminishing. State owned enterprises like the power utility Eskom, public transport group Prasa and South Africa Airways, are failing to deliver adequate services. They are also draining public resources away from more productive and socially beneficial purposes.

And the country's economy is too carbon intensive. It needs to transition to less carbon intensive forms of production and consumption.

The South African government's proposed responses to these challenges are controversial. They involve job losses and cuts in social services. Government claims that over time the reforms will yield more jobs, better services and a growing economy that is environmentally sustainable. Unfortunately, while the short-term costs are clear, the long-term benefits are uncertain. Even if they arrive, they may not benefit the groups bearing the short-term losses.

The same is true about the alternatives. For example, the mining sector's efforts to protect the coal industry may preserve jobs but at the cost of the long-term health of children. Efforts by trade union to preserve wages for public sector workers may mean fewer jobs in the public sector for today's students and learners.

In short, all these options may produce substantial benefits. But they may also exacerbate social conflict and not generate the promised benefits.

Mitigating risks

What can government do to mitigate the risks and maximise the chances of an outcome that is economically productive and

socially and environmentally sustainable? What can be done to minimise social dislocations?

Government should develop a good understanding of how each of the different proposals will affect different groups in society—today and over the life of the reforms. This cannot be done merely through dialogue and speculation. It requires impact assessments of each reform option before its implemented.

Such impact assessments are standard operating practice for large projects. Their scope has expanded over time. They now include environmental, social, health and, more recently, human rights elements.

International best practice standards have been developed for different actors. For example, the financial sector has developed the Equator Principles. The International Council of Mining and Minerals has a new set of Mining Principles. More generally applicable principles including the United Nations Guiding Principles on Business and Human Rights and the International Organization for Standardization's standards on environmental management, sustainability and social responsibility.

There are growing demands for similar impact assessments of substantial government policy initiatives.

Measuring impact on rights

In 2019, the UN Human Rights Council adopted a resolution encouraging all states, national human rights institutions and non-state actors to use the Guiding Principles on Human Rights Impact Assessment of Economic Reforms when developing economic reforms. These principles were developed by the UN's Independent Expert on Foreign Debt and Human Rights.

The Centre for Human Rights at the University of Pretoria has developed a user-friendly guide to the 22 guiding principles for governments and civil society groups in the 15 countries that belong to the Southern African Development Community.

The principles begin with an overview of the binding human rights obligations that states assumed by signing and ratifying the international human rights conventions.

These treaties oblige governments to respect, protect and fulfil the human rights of people under their jurisdiction. They should ensure that their economic reform efforts promote and do not undermine human rights. This means that governments must implement reforms that are non-discriminatory. These reforms must also allocate the maximum available resources to the realisation of the rights of all people in a country.

Where governments cannot avoid adopting policies that have an adverse effect on human rights, they must ensure that their actions are necessary, proportionate, reasonable, non-discriminatory.

Where governments cannot avoid adopting policies that have an adverse effect on human rights, they must ensure that their actions are necessary, proportionate, reasonable, non-discriminatory. They must also ensure that such policies are designed to contribute to the ultimate realisation of human rights.

The guiding principles also specify that governments should ensure that their proposed reform policies are assessed for their impact on human rights. These impact assessments should assess the short, medium- and long-term impacts of the proposed policies. They should also be based on the principles of participation, access to information and accountability.

The aim is to promote a national dialogue about the proposed policies. The Guiding Principles are flexible about who, inside or outside the government, should undertake these impact assessments. However, the assessors must be credible, independent and technically competent and the impact assessments must inform policymaking.

Time to act

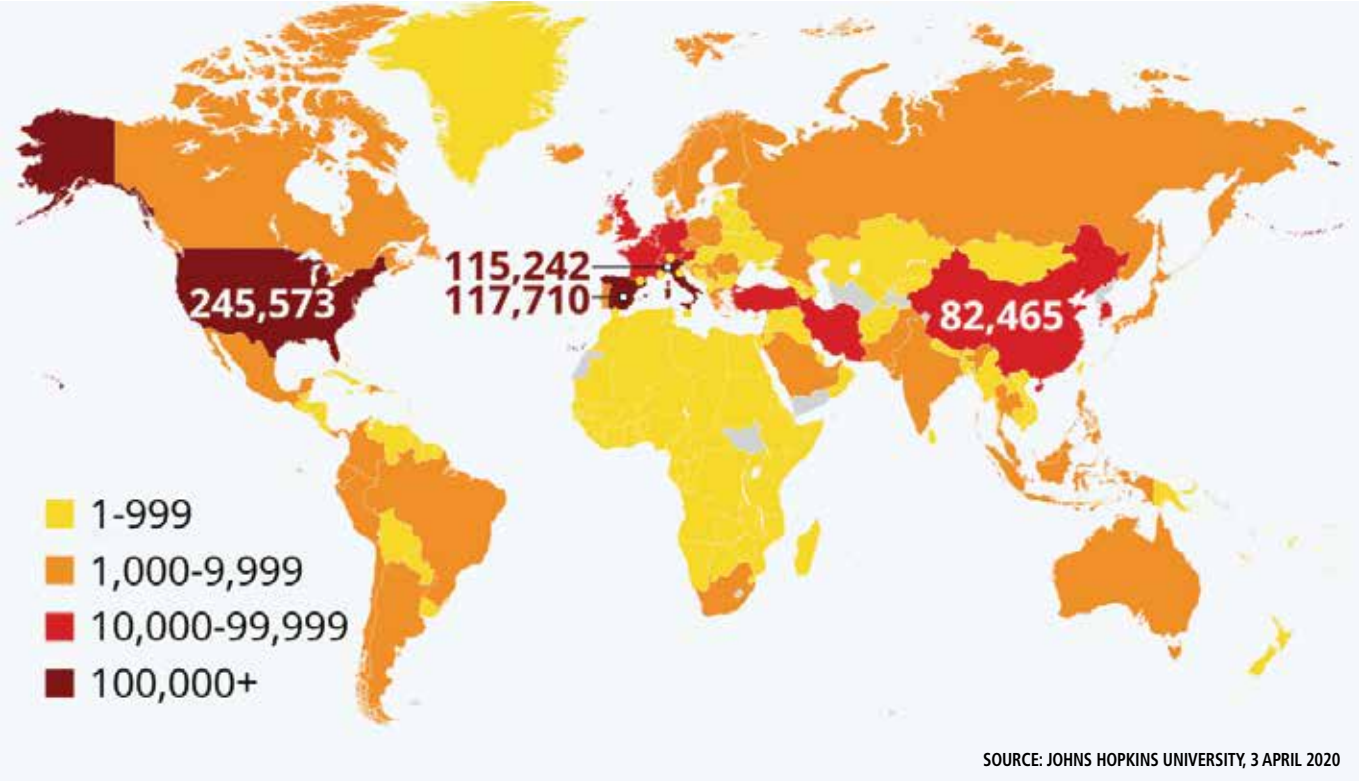
Even before the UN's guiding principles were adopted, governments and non-state actors began assessing economic reform initiatives for their impact on human rights. For example, Thailand's National Human Rights Commission assessed the impact on human rights of the proposed US-Thailand Free Trade Agreement. The UN Economic Commission for Africa, the UN Office of the High Commission for Human Rights and the Friedrich Ebert Stiftung jointly commissioned a human rights assessment of the African Continental Free Trade Agreement. The government of Scotland conducts an annual equality impact assessment of its budget. And the Center for Economic and Social Rights has coordinated human rights impact assessments of austerity programmes in Brazil, South Africa and Spain.

South Africa's Social and Economic Impact Assessment System requires government to assess the socioeconomic impact of proposed policy initiatives, legislation and regulation before they are submitted to cabinet for approval. It is unclear if such an assessment has been done of current economic reform proposals.

The government should do this assessment and should release it for public comment and review. But there's no reason for non-state actors to wait for government to act. Social organisations, representing business, labour and civil society can conduct their own impact assessments. This will inform the debate about the economic reform strategy that South Africa should adopt. ■

Covid-19 in Africa: Fewer cases so far, and more preparation needed

Now that the virus has made its way into Africa, countries on the continent need to be more prepared for greater action to contain the virus, especially if it follows a seasonal pattern.



SOURCE: JOHNS HOPKINS UNIVERSITY, 3 APRIL 2020

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The novel coronavirus disease (Covid-19) outbreak, recently declared a pandemic by the World Health Organisation, has taken the world by surprise. The good news is that tremendous scientific and technological advances have permitted scientists to understand a lot about this virus in a short amount of time.

Within just two months of the first case, the causative virus has been identified, its genetic makeup has been determined, and detection methods have been optimised. Scientists have also found that there is more than one strain circulating.

Despite these rapid advances, there is still significant uncertainty. Scientists don't yet fully understand its transmission route, although person-to-person transmission, through inhalation of droplets in the air, is the most common mode. Another uncertainty is its low detection rate, especially with mild or asymptomatic cases. A third is how weather could affect transmission.

Currently, Africa has very few cases of Covid-19 compared with most other parts of the world. The highest number of cases has been reported in South Africa—1,585—by the time of going to press. It remains unclear why this is so. But the trend has generated several kinds of reactions, such as doubts around the slow spread despite the weak health systems in most of the countries, and some attributing the low spread to a low level of urbanisation.

Other factors being cited include the fact that cases are more recent, giving countries more time to prepare, as well as a lack of testing capability. There is also speculation that the virus has not spread because it cannot thrive in warmer regions, like much of sub-Saharan Africa.

The environment and respiratory virus transmission

Among the several environmental factors that influence the survival and spread

of respiratory viral infections, air temperature plays a crucial role. Cold weather makes the respiratory system sensitive to infections. This is why people tend to suffer from respiratory infections during cold winter months.

In tropical climates, influenza and respiratory viruses are transmitted more during the cold rainy seasons.

Despite the uncertainties surrounding its spread, the SARS-CoV-2 virus may be following this pattern.

Other members of the coronavirus family have displayed a certain degree of sensitivity to weather patterns. For instance, cases of the Severe Acute Respiratory Syndrome (SARS) were 10 times higher in lower temperatures than higher ones.

However, the effect of air temperature is also related to other factors, such as relative humidity as these viruses prefer low humidity.

Also, the Middle East Respiratory Syndrome (MERS) coronavirus was stable in air at low temperatures which could favour its spread. Despite this, the virus did not observe a seasonal trend but rather occurred sporadically. Other factors, such as animal (camel-to-human) transmission and weakened immune systems, also favoured its spread.

Temperature and SARS-CoV-2

A look at the temperature data of the most affected countries outside China—South Korea, Italy, Iran and Spain—shows that the mean monthly temperatures between January and March of 2020 range between 6 and 12 degrees Celsius.

In sub-Saharan Africa, most countries that have recorded cases of Covid-19—such as South Africa, Nigeria, Senegal, Togo, Cameroon, Rwanda, Kenya, Uganda, Tanzania, Ethiopia and Benin—had mean monthly temperatures of 20 to 32 degrees Celsius in this same period. Meanwhile, Algeria and Egypt—North African countries that have seen cases—had monthly temperatures between 11 and 17 degrees Celsius.

Therefore, previous coronaviruses spread more during the colder winter months. Also, there are marked temperature differences between the most affected (colder) and least affected countries (warmer) in the Covid-19 pandemic.

But this pattern alone cannot fully explain the current low number of cases in affected African countries.

The first reason is that following the onset of the outbreak in December in China, measures were taken to prevent the transportation of the virus to other places outside China. This allowed many countries to prepare for any new cases. Secondly, the cases in the African countries are recent, and the first affected persons have been quarantined. Thirdly, many countries do not have adequate capability to test for the virus.

These factors, together with the higher temperatures, could contribute to the apparent lower spread.

African countries need to prepare more

Now that the virus has made its way into Africa, countries on the continent need to be more prepared for greater action to contain the virus, especially if it follows a seasonal pattern.

For example, the peak circulation of flu in South Africa is in the winter season between April and July. In Senegal, the peak season is in the rainy season, from July to October. Many other African countries experience these peaks during the cold rainy season. This could mean that the preparedness of most African countries may soon be tested when these seasons come, especially as many more countries are confirming imported cases into the continent.

African countries need to strengthen their capacity in terms of identifying new cases. Health-care facilities and personnel need to be well equipped to manage identified cases. The general public needs to be sensitised on how to go about getting medical attention if they suspect any signs or symptoms. Personal and household hygiene practices using detergents, such as bleach, need to be encouraged to prevent possible environmental transmission. ■

SYMPTOMS OF CORONAVIRUS

According to the WHO, the most common symptoms of Covid-19 are fever, tiredness and a dry cough. Some patients may also have a runny nose, sore throat, nasal congestion and aches and pains or diarrhoea. Some people report losing their sense of taste and/or smell. About 80 per cent of people who get Covid-19 experience a mild case—about as serious as a regular cold—and recover without needing any special treatment.

About one in six people, the WHO says, become seriously ill. The elderly and people with underlying medical problems like high blood pressure, heart problems or diabetes, or chronic respiratory conditions, are at a greater risk of serious illness from Covid-19.

In sub-Saharan Africa, most countries that have recorded cases of Covid-19—such as South Africa, Nigeria, Senegal, Togo, Cameroon, Rwanda, Kenya, Uganda, Tanzania, Ethiopia and Benin—had mean monthly temperatures of 20 to 32 degrees Celsius in this same period.

Coronavirus: Five essential measures to bolster the global central bank 'bazooka'

Governments must hammer together a co-ordinated plan to boost spending. This is likely to be more effective than tax cuts in stimulating the economy in the short run.

COSTAS MILAS
Professor of Finance, University of Liverpool

As the coronavirus escalates and public worries about the outbreak sky-rocket worldwide, the attempts by central banks to unleash a co-ordinated response have fallen alarmingly flat.

America's central bank, the Federal Reserve, led the way on March 15 by slashing the US headline interest rate to zero (between 0 per cent and 0.25 per cent) and launching a new US$750 billion (£620 billion) round of quantitative easing (QE), the policy that aims to shore up the financial system by creating new money to buy assets like government bonds. This supposed "bazooka" came less than two weeks after the Fed cut rates from 1.75 per cent to 1.25 per cent and subsequently made US$1.5 trillion in additional liquidity available to US banks.

The Bank of Japan, which has been pursuing QE continuously for a decade, has announced it will double its programme for buying stocks to ¥12 trillion (£93 billion) a year, while also increasing its purchases of shares in property funds and corporate bonds. These followed comparable moves by the Bank of England, European Central Bank and most recently the People's Bank of China.

World markets were deeply unimpressed by this huge intervention. The Dow Jones plunged 13 per cent on Monday March 16, its second worst ever daily performance after the Black Monday crash of 1987, and many markets are falling again on March 17. During previous crises, such coordinated moves have seen markets rise or at least stop falling so sharply.

Policy limits

Part of the problem, as outlined in research I co-authored with Chris Martin, a professor at the University of Bath, is that QE is fairly ineffective in the current environment of extremely low interest rates. Notably, both the UK and US governments' costs of borrowing for ten years are extremely low. This means that injecting more QE in an attempt to lower the country-specific costs of borrowing, which is in turn intended to pass through to lower corporate borrowing, has just about reached its limits.

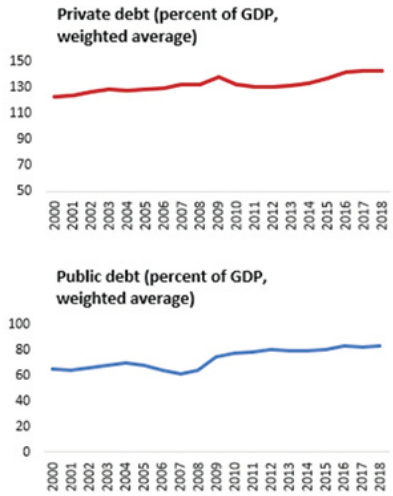
It has not helped that ECB president Christine Lagarde made a "dangerous slip" a few days ago when she said it wasn't the bank's job to narrow the differences in borrowing costs between different eurozone countries. She was comparing Germany and Italy, in a statement that seemed totally at odds with her predecessor Mario Draghi's loud commitment to do "whatever it takes" to prop up the struggling Mediterranean countries during the eurozone crisis in order to save the euro.

Though Lagarde and her chief economist later clarified that the ECB would fight against fragmentation in the eurozone, the costs of borrowing for Greece and Italy have risen sharply. As well as inflicting further jeopardy on these countries at a time when the coronavirus is causing chaos in Italy, many northern European banks are significantly exposed to Italian private and public debt—per the graph below.

Interestingly, after Draghi's original "whatever it takes" statement in 2012, almost all European banks, particularly Portuguese ones, increased their exposure to Italian debt. French banks have maintained significant exposure ever since, while Greek banks should also worry because they have become more exposed in the past three years or so.

Mark Carney, the former governor of the Bank of England, recently mentioned that banks, unlike during the 2008 financial crisis, can be "part of the solution" this time around, having been strengthened to cope with crises. To some extent, this may be right. But

Trends in world debt
The global debt ratio was stable in 2018.



Source: IMF Global Debt Database, IFS, and WEO.

if Italy is not supported by the ECB, Europe's banks will start to have a problem.

What next

To mitigate this crisis, there are five things that can now be done to help.

1. One

Governments must hammer together a co-ordinated plan to boost spending. This is likely to be more effective than tax cuts in stimulating the economy in the short run. Such moves should build on the interventions we have seen from the likes of the UK and New Zealand already. Co-ordination is important, as echoed by the head of the IMF, because countries trade with each other. If one does "enough" to restore its supply chain and demand but others don't, we will all still be stuck with the problems in supply and demand that are driving the economy down.

For instance, governments can support those who have lost their jobs or are quarantined. This is arguably more pressing in the UK, where unemployment benefits are much lower as a percentage of previous income than the OECD average. Another good move would be to increase wages for those on the front line, such as nurses, whose starting salaries took a hit in real terms after the last financial crisis.

2. Two

Tax cuts are still an important stimulus in the medium term, so we need to see them too. We should significantly cut VAT to stimulate consumer demand around the world, with particularly aggressive cuts from countries hit hardest by the outbreak. Governments should slash corporate tax rates to help prevent companies from collapsing under the weight of the crisis. The OECD average VAT rate is 19.3% and the average corporate tax rate is 23.5%. If every country slashed both rates by five percentage points, it should help.

3. Three

Closing European borders is not the answer. To see Germany, the power engine on the continent, doing this for all but commercial traffic feels like a large step in the wrong direction. It risks introducing extra frictions in trade that will add to the economic downturn. This will make it harder to coordinate economic action and must be reversed. To misquote Dante, the darkest places in the economic hell will be reserved for those who refuse to coordinate policies with other countries at a time like this.

4. Four

To mitigate the mounting crisis in Europe, Christine Lagarde must keep re-iterating that her policy is a continuation of Draghi's policy. This will re-assure the markets, which have a very short memory and like it when policymakers repeat robust messages.

5. Five

While the virus is still rampant, there is a limit to what can be achieved by cutting taxes and interest rates. Only by getting it under control will we see the confidence boost that will bring consumers back to spending and allow healthy workers to return to full capacity. It goes without saying that this means implementing the best mitigation measures and pushing to create a vaccine as quickly as possible. ■

The Fed will have to do a lot more to stop Wall Street's coronavirus panic

So far, the Fed's actions have helped to keep markets from seizing up. But in a fast-moving crisis, the Fed seems to be reacting to events instead of trying to anticipate them.

ALEXANDER KUROV
Professor of Finance and Fred T. Tattersall Research Chair in Finance, West Virginia University

The Federal Reserve is 0 for 2 in its fight against Wall Street's coronavirus panic, seeming to confirm perceptions of the central bank's impotence.

The Fed's first attempt to calm thing down—a half-point surprise rate cut on March 3—failed because markets knew the Fed was almost out of ammunition on rate cuts. Its second effort on March 15—a full percentage point cut in a very rare weekend action—failed because, well, the Fed actually is out of ammunition.

As a finance professor who does research on how Fed policy affects financial markets, I believe that to make a real difference in what's happening in the markets, the US central bank will need to do what it did a decade ago to calm markets: whatever it takes.

And that means once again reaching into the unknown.

Go big or go home

During the 2008-2009 financial crisis, markets were in free fall for months before calm was restored and assets like stocks started climbing again.

One of the main things that changed was that policymakers finally demonstrated they were ready to do whatever it took to return things to normal. The federal government committed about US$1 trillion to support the banks, bail out automakers and shore up mortgage lenders.

At the same time, the Fed not only cut interest rates from 5.25 per cent to zero but unleashed an unprecedented set of measures in an effort to keep credit markets from seizing up, shore up liquidity and become the lender of last resort for a variety of financial institutions. For example, the Fed's large program of bond buying, known as quantitative easing, helped stimulate the economy by lowering interest rates for a variety of bonds and loans. The Fed held over $4 trillion in securities at the program's peak in 2015.

Warning signs

Today, markets across the globe are making it clear that things are getting worse and policymakers need to do a lot more to ease the frayed nerves of investors.

It's not just stocks tanking. A broad range of credit markets are also beginning to seize up, just as they did in 2008. Two of the markets in particular reveal how bad things have gotten.

Normally, when stocks tumble, bonds issued by very strong companies like Microsoft and Johnson & Johnson go up because they're seen as a haven, just like U.S. Treasuries. But their prices are going down, which means their yields—which in effect is what companies will have to pay to borrow money— are going up quickly.

Similarly, the market for commercial paper—basically, very short-term corporate IOUs—is beginning to seize up. This is some of the safest debt around, primarily issued by top-grade companies— and usually paid back within days—to buy inventory or make payrolls. Back in 2008, stress in this market caused a run on money market funds and only calmed when the Fed began buying commercial paper directly for the first time in its history.

If problems like these continue, it will put serious strain on corporate borrowers. Coupled with the direct economic shock of what is happening, this may lead to bankruptcies and mass layoffs, making the downturn even worse. It will also send the message that the only safe haven for investors is in Treasury bills.

During the 2008-2009 financial crisis, markets were in free fall for months before calm was restored and stocks started climbing again.

Getting ahead of the curve

So far, the Fed's actions have helped to keep markets from seizing up. But in a fast-moving crisis, the Fed seems to be reacting to events instead of trying to anticipate them.

The latest cut, coming a few days ahead of a regularly scheduled meeting, was coupled with a plan to buy $700 billion in Treasury bonds and mortgage-backed securities, effectively restarting its quantitative easing program.

This is a good start. But, just as in 2008, the Fed will likely have to do things it's never done before to solve the problem. That may involve finding new ways to keep overall credit conditions from getting worse. Otherwise, the economic shock of the coronavirus pandemic may inflict lasting damage on businesses and households.

The crisis could be tackled in a variety of ways. I'm not advocating a specific approach. The point is that the Fed needs to show markets it understands the seriousness of this crisis and, just as in 2008, will be the lender of last resort and will do whatever is necessary to ease financial stress.

Fed Chairman Jerome Powell helpfully noted in a press conference that the central bank has many more tools in its toolkit, but he also emphasized what it can't do, in terms of fiscal policy. Fair enough, but markets need to hear what the Fed can and will do, not what it can't.

Back in 2002, his predecessor Ben Bernanke popularized the idea of "helicopter money," in which the Fed supplies large amounts of cash to the public directly, "as if the money was being distributed or scattered from a helicopter." Bernanke never did it, but maybe Powell will need to.

During the global financial crisis, the US government did send out checks to regular people to help stimulate the economy, but this ultimately added to the deficit. The difference with the Fed doing something like this is that it can "create money" out of thin air, which can lead to inflation but also means it's virtually unlimited.

Show us the money

Of course, Fed can't end a public health crisis with a wave of its hand. No matter what it does, the pandemic will take time to abate, perhaps depending on how well Americans follow the advice of public officials and hunker down.

And Powell was right: The Fed alone can't prevent or stop a recession. Whether anyone can do so at this point is debatable, but at the very least, government stimulus of some magnitude will certainly be needed to contain the damage—and more than is currently being considered.

But the Fed can—and must—find a way to reassure financial markets and stop the panic before it gets out of hand, even if stocks continue to decline as we learn more about the extent of the outbreak in the US

Put another way, Powell needs to "show us the money." ■

Society's vulnerable will be hit as Covid-19 cases rise in poorer economies

The most vulnerable households are those most likely to be affected economically. Low-wage workers are often those most likely to lose their jobs if they miss work due to an extended illness.

DAVID EVANS
Professor of Public Policy, Pardee RAND Graduate School

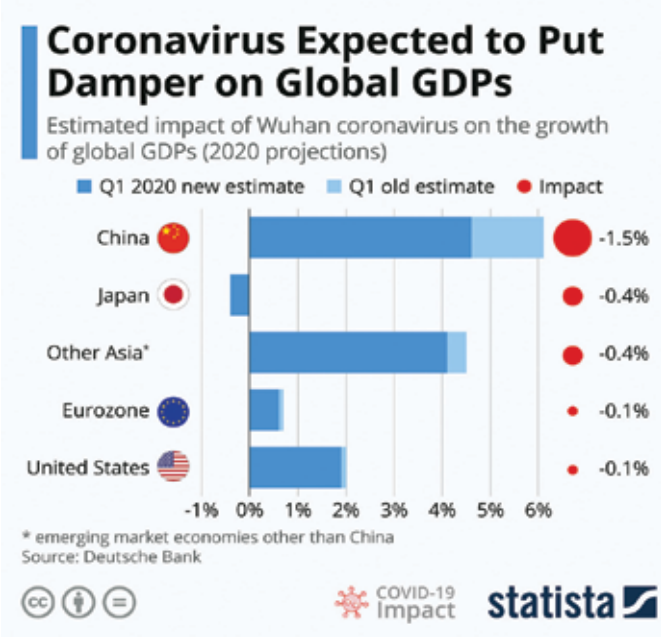
MEAD OVER
Adjunct Professor - Global Human Development (GHD), Georgetown University

As travellers cancel flights, businesses ask workers to stay home, and stocks fall, a global health crisis becomes a global economic crisis. In any health crisis, our first concern is (and should be) with the health of those affected. More than 6,400 people have died worldwide and more than 164,000 cases have been confirmed in 146 countries or territories.

The economic impacts have dramatic effects on the well-being of families and communities. For vulnerable families, lost income due to an outbreak can translate to spikes in poverty, missed meals for children, and reduced access to healthcare far beyond Covid-19. With cases confirmed in many low- and middle-income countries, these impacts may affect the world's most vulnerable populations.

What are the channels of economic impact we can expect from Covid-19? Beyond the human tragedy, there is a direct economic impact from lives lost in an outbreak. Families and loved ones lose that income and their in-kind contributions to household income such as childcare.

Though less likely to pass away from Covid-19, many working age adults still fall ill and their families will feel the financial burden as they miss work for days or weeks.



Aversion behaviour

Most of the economic impact of the virus will be from "aversion behaviour."That is, actions people take to avoid catching the virus. Aversion behaviour comes from three sources:

Governments impose bans on certain types of activities, as when the government of China orders factories to shut down or

Italy closes most shops throughout the country.

Firms and institutions (including private schools and private companies) take proactive measures to avoid infection. Business closures—whether through government bans or business decisions—result in lost wages for workers, especially in the informal economy, where there is no paid leave.

Individuals reduce travel—to the market, for tourism, on business, and going out for social and other activities.

These actions affect all sectors of the economy. These in turn translate into reduced income both through the supply side (reduced production drives up prices for consumers) and the demand side (reduced demand from consumers hurts business owners and their employees).

These short-term economic impacts can translate into reductions in long-term growth. As the health sector soaks up more resources and as people reduce social activities, countries invest less in physical infrastructure. As schools close, students lose opportunities to learn (hopefully only briefly) but more vulnerable students may not return to the education system, translating to lower long-term earning trajectories for them and their families, and reduced overall human capital for their economies.

For example, unplanned pregnancies rose sharply in Sierra Leone during the Ebola epidemic, likely in part a result of school closures. Adolescent mothers are less likely to return to school, and their children will likely have fewer health and educational investments.

Further, the infection and death of health workers in the front lines of epidemics can lead to worsening health conditions in the long-term, such as maternal and infant mortality. These all have poverty implications well beyond their humanitarian implications.

What we know so far and what to expect

Economic estimates of the likely global impact vary dramatically. Tom Orlik and others at Bloomberg >>

hypothesise $2.7 trillion in lost output. The Asian Development Bank projects losses ranging from $77 billion to $347 billion, and an OECD report talks about a halving of global economic growth.

Some recent analysis of the actual and potential economic impacts of the crisis provides a snapshot. Across sectors in African countries, the economic impact stems from the slowing down of the Chinese economy, with reduced Chinese demand for raw materials. This analysis projects reduced investments in energy, mining, and other sectors, and a fall in travel and tourism.

Another analysis reports that Chinese factory closings have adversely affected consumers in Africa. In Zimbabwe and Angola, exports to China have crashed.

About a fourth of Ugandan imports come from China. Supply chains have been interrupted for weeks because many Chinese factories shut down production. Small traders selling textiles, electronics or household goods are in trouble. In Niger, stocks of certain goods, including groceries, from China have already been significantly decimated, leading to higher prices.

Across sectors in African countries, the economic impact stems from the slowing down of the Chinese economy, with reduced Chinese demand for raw materials.

Most of the data and observed impacts in the developing world so far stem from production and export stoppages from China, and those estimates pre-date the worsening economic conditions in Europe and the US. But as the economies of other countries slow down with the spread of the disease, these impacts will show up more clearly in economic data and likely grow over time.

What should be done

Beyond three stimulus and liquidity recommendations from the International Monetary Fund, we add three recommendations.

First, contain the pandemic. As our colleague Jeremy Konyndyk puts it, 'To assuage market reactions to the outbreak, you have to present a viable plan to defeat the outbreak.'

As long as the outbreak is actively spreading, many aversion behaviours are rational and wise. Containing the disease is the first step to mitigating not only the health impacts but also the economic impacts.

Second, strengthen the safety net. The most vulnerable households are those most likely to be affected economically. Low-wage workers are often those most likely to lose their jobs if they miss work due to an extended illness. They are often the least able to work remotely to avoid contracting the virus. And they are the least likely to have savings to survive an economic downturn.

Making sure there is an economic safety net in place—cash transfers, sick leave, subsidised health coverage—helps the most vulnerable survive and provides support to enterprises that serve those populations.

Third, measure the impact. Systematic data on which populations are experiencing the greatest hardships and which industries are failing is essential to providing assistance. During the Ebola epidemic of 2014-2015, researchers used phone surveys in Sierra Leone and Liberia—building on the sample frames from existing surveys—to gather information on the impacts of both ill health and aversion behaviour on households and enterprises across the countries. ■

Amina Mendez Acosta provided research assistance for this article. A version of this article was first published by the Center for Global Development.

HOW CORONAVIRUS WILL CHANGE HOW WE SHOP, TRAVEL AND WORK

In just a matter of weeks, people in affected areas have become accustomed to wearing masks, stocking up on essentials, cancelling social and business gatherings, scrapping travel plans and working from home. Even countries with relatively few cases are taking many of those precautions.

Traces of such habits will endure long after the virus lockdowns ease, acting as a brake on demand.

On the supply side, international manufacturers are being forced to rethink where to buy and produce their goods—accelerating a shift after the US-China trade war exposed the risks of relying on one source for components.

In the white-collar world, workplaces have amped up options for teleworking and staggered shifts—ushering in a new era where work from home is an increasing part of people's regular schedule. Universities stung by travel bans will diversify their foreign student base and schools will need to be better prepared to keep educating online when breakouts force their closure.

Source: Bloomberg

EAST AFRICA'S PREMIER NEW CAR MAGAZINE

MAY - JUNE 2020

motor

ALL YOUR MOTORING NEEDS

NEW VW TIGUAN ALLSPACE HITS THE KENYAN ROADS

Latest development in local motor vehicle assembly

Tanzania 7,000/= Uganda 10,200/=

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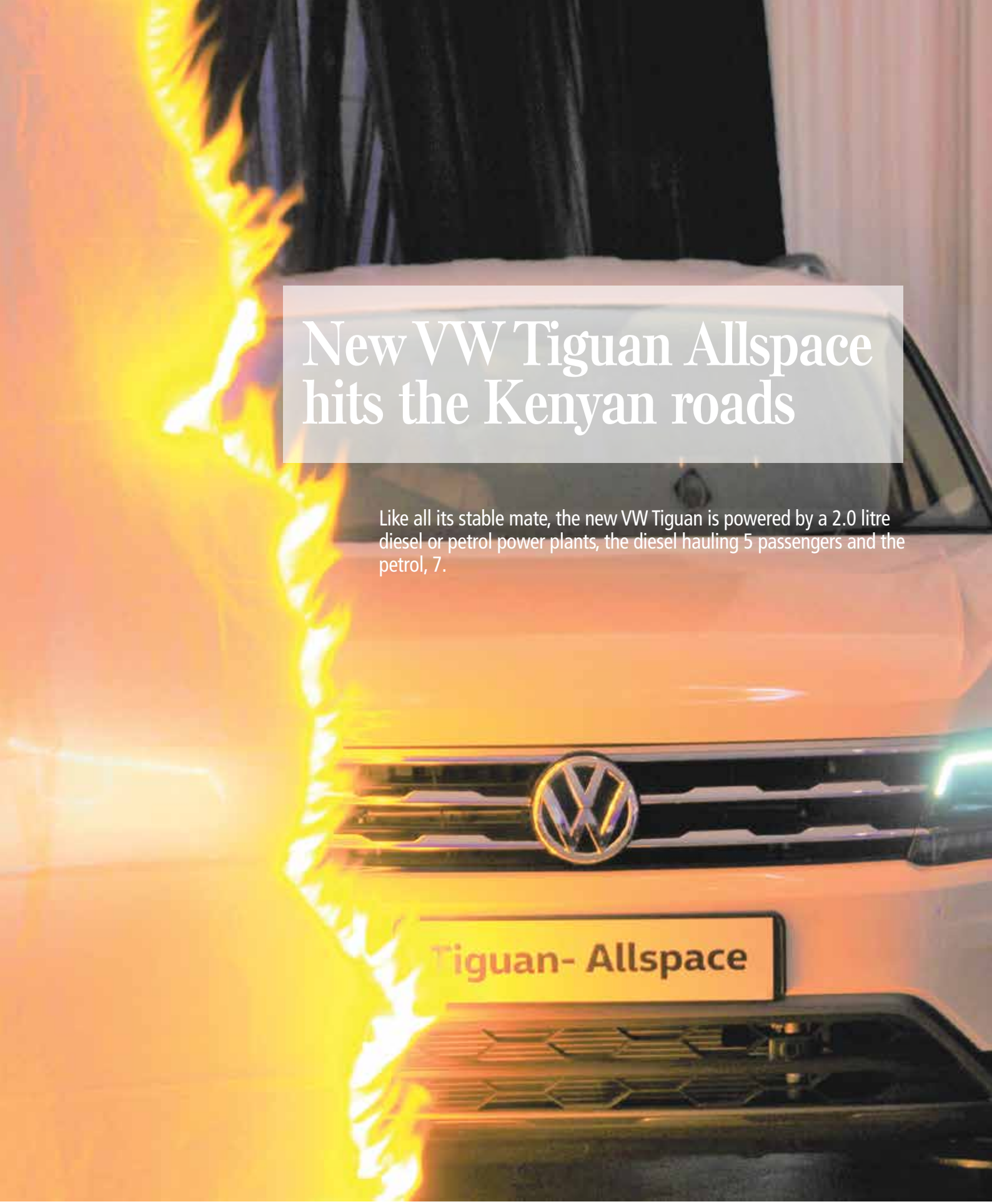

New VW Tiguan Allspace hits the Kenyan roads

Like all its stable mate, the new VW Tiguan is powered by a 2.0 litre diesel or petrol power plants, the diesel hauling 5 passengers and the petrol, 7.

DT Dobie, through its VW Division, recently launched the new Tiguan range of soft SUVs. The media launch at the new state of the art and customer friendly showroom on Uhuru Highway, was graced by Matt Olivier, DT Dobie's Business Development Director and the ever-graceful Usha Nagpal, VW General Manager Sales. The new VW Tiguan launch marked another milestone for DT Dobie in Kenya, the SUV having been assembled locally from CKD kits at the Kenya Vehicle Manufacturers facility in Thika.

Priced at Ksh. 4.5m for the Trendline and Ksh. 5.5m for the Highline, the new VW Tiguan comes standard with a wide range of the latest German safety features, including dual airbags driver and passenger front and curtain airbags, front and rear sensors to help in blind spots and pedestrian monitoring to help warn the driver about the surroundings, reverse camera to improve rear traffic alertness, Anti-locking Brake System (ABS), Electronic Brakeforce Distribution (EBD), Electronic Stability Program (ESP), Electronic Stability Control (ESC) with counter-steer support and Anti-Spin Regulation (ASR) among other safety features both for the occupants and the pedestrians.

Like all its stable mate, the new VW Tiguan is powered by a 2.0 litre diesel or petrol power plants, the diesel hauling 5 passengers and the petrol, 7. The Tiguan is sleek and stylish, with power transmitted through an all-wheel drive 7 speed automatic transmission, churning the road on 17 inch alloy wheels to increase the ground level clearance and ride height, making the SUV extremely suitable for our rugged and occasional pot-holed roads, in addition to improving the road handling.

Styling and design

The new VW Tiguan features bold radiator grille, coupled with headlight styling that boosts the appearance at the front. The sharply cut shoulder lines and bonnet creases points to the greatness in design and precision of German car designers and engineers, that remain the hallmark of VW.

Underneath the new Tiguan, the VW Group's MQB platform gets its first outing on an SUV. Its steel construction confers a front transverse engine layout and all-independent strut at the front and multi-links suspension at the rear. This redesign of the underbody also increases torsional rigidity while at the same time increasing the overall length and enlarging the SUV's tailgate opening. This is a compromise that is not normally easy to achieve.

The technical specification is equally impressive and includes adaptive damping and a gradually sensitive variable-rate steering system.

The engine range includes a 178bhp 2.0-litre turbo petrol unit and a 237bhp twin-turbo 2.0-litre diesel, driving through a seven-speed dual-clutch automatic gearbox in both cases. The new Tiguan is also 53kg lighter than the outgoing model, further improving performance and reducing fuel consumption.

Usha Nagpal (left), General Sales Manager Volkswagen of DT Dobie and Matt Olivier (right), Director Business Development during the launch of the locally assembled Volkswagen Tiguan Allspace at the new showroom along Uhuru Highway.

Interior

And, as you settle in behind the new VW Tiguan's steering wheel, you soon realize that it is money well spent: the dashboard and indeed the entire interior cabin looks quite a lot like that of the new VW Golf.

The Highline trim incorporates additional comfort features including keyless access, park and rest assist detectors and a 360-degree surround view camera.

The launch of the VW Tiguan Allspace also enhances DT Dobie's growing range of locally assembled vehicles at the KVM facility in Thika, outside the capital of Nairobi.

DT Dobie launched the Volkswagen Polo Vivo in 2016, the first ever locally assembled German car in Kenya, followed by the Caddy Kombi in 2019.

DT Dobie local assembly programme has brought new car ownership within reach of >>

COMFORT & CONVENIENCE

- Power Steering
- Power Windows
- Tachometer
- Power Boot
- Power Adjustable Exterior Rear View Mirror
- Air Conditioner
- Heater
- Adjustable Steering
- Parking SensorsFront & Rear
- Navigation System
- Voice Control
- LED lights
- Front/side Impact Beams
- Advanced Safety Features

>> many more Kenyans as they are attractive and cost-effective alternatives to buying used cars. The buyers have the satisfaction of knowing that these cars will have to be driven for many years before they reach the mileage of a used imported car.

Evolved for the future, DT Dobie makes the purchase easier through a finance package of 10 per cent down payment and up to 60 months repayment period to suit all pockets, subject to a customer's individual credit standing.

As you arise to the next level with the new Tiguan from VW, DT Dobie makes the difference for your driving peace of mind with a 3 year or 120,000km warranty and a branch aftersales service across the country in Nairobi, Mombasa, Nakuru and Kisumu, not to miss the ever charming and helpful Usha Nagpal, the general manager in charge of VW sales in Kenya. ■

The Tiguan is sleek and stylish, with power transmitted through an all-wheel drive 7 speed automatic transmission, churning the road on 17 inch alloy wheels to increase the ground level clearance and ride height, making the SUV extremely suitable for our rugged and occasional pot-holed roads.

Volkswagen operations in Kenya going strong

Just over three years after Volkswagen ventured into Sub Saharan Africa, the brand's assembly facility in Kenya is going strong.

The assembly facility, which was opened in December 2016 in Thika, Kenya, was the first SKD facility Volkswagen established as part of its Sub Saharan Africa expansion strategy.

The Volkswagen brand has since expanded its Sub Saharan operations to include an assembly facility and mobility solutions in the Rwandan capital of Kigali, with Memorandums of Understanding (MOUs) signed with governments in other Sub-Saharan countries to establish plants there in future.

The Thika assembly facility started assembling the Polo Vivo in 2016, and has since added the Caddy and the five-seater Tiguan to its line-up. The seven-seater Tiguan Allspace was also added to the facility's offering earlier this month, making it the fourth vehicle to be locally assembled in Kenya.

The first locally assembled Tiguan Allspace was unveiled early in March, in front of selected guests that included Thomas Wimmer of the German embassy in Nairobi, and Dennis Awori, board member of the CFAO Group, who is Volkswagen's retail partner in Kenya and Rwanda.

Aside from the assembly facility, Volkswagen has a retail presence in the form of five showrooms across Kenya. These include two in Nairobi, one in Mombasa, one in Kisumu and one in Nakuru.

Aside from the assembly facility, Volkswagen has a retail presence in the form of five showrooms across Kenya. These include two showrooms in Nairobi, one in Mombasa, one in Kisumu and one in Nakuru. The brand's market share in the passenger car market is currently 5.3 per cent.

"At Volkswagen, we believe in Africa," said Thomas Schaefer, Volkswagen Group South Africa Chairman and Managing Director, who is also responsible for Volkswagen in the Sub-Sahara Africa region. "We are proud to have led the way for automotive development into Africa, and we will continue to do so. Our success in Kenya is part of our journey as a reliable partner in economic development in Sub Saharan Africa." ■


UNIT 7

Latest development in local motor vehicle assembly

According to the ministry of industrialisation, the three local vehicle assemblers in Kenya, churn out about 6,000 units a year, on a single shift, which is less than the installed capacity.

With the National Automotive Policy aiming at banning the importation of fully built up (FBU) vehicles with an engine capacity exceeding 1500cc, a number of local motor firms, with the support of global auto manufacturers, have embarked on rehabilitating a number of the already existing local vehicle assembly plants and establishing new ones, with the view of assembling vehicles locally. Most of them have started with trucks, buses and pick-ups for commercial use, buoyed by the expanding needs from the mining and construction sectors.

Local assembly of vehicles will reportedly create quality jobs while providing a base for the development of a manufacturing sector, churning out parts and components for the local assembly, usually referred to as local content. If successful, the manufacturing of local vehicle components will spur economic growth and create new and sustainable employment.

The National Automotive Policy when fully implemented, will regulate the age limit of imported vehicles progressively, to expand the market for locally assembled vehicles, and importation of fewer FBUs vehicles. This will be implemented from 8 year to 5 years in 2022; from 5 years to 3 years in 2024 and; from 3 years to zero in 2026. This will be reviewed from time to time as discussed and agreed upon by the stakeholders.

According to the ministry of industrialisation, the three local vehicle assemblers in Kenya, churn out about 6,000 units a year, on a single shift, which is less than the installed capacity.

Kenya National Bureau of Statistics (KNBS) states in an interim report that the number of vehicles assembled in Kenya increased from 3,241 in 2018, to 4,406 in 2019, between the months of January and July. Toyota Kenya and French Automaker Renault Trucks are among the most active firms that have started to assemble commercial vehicles in Kenya.

>>

Renault targets to have assembled 150 trucks for the local market by the end of 2022 with the aim of further expanding its footprint in the East and southern Africa region.

>> Toyota Kenya has begun in earnest to assembly the Hilux pickups in Kenya, a move necessitated by the government's directive that gives preferential treatment in the procurement of motor vehicles and motorcycles to firms that have assembly plants in Kenya. The assembly line, located at the Associated Vehicle Assemblers (AVA) in Mombasa, is the third Toyota model to be assembled locally, adding to the Toyota Land Cruiser and the Hino 300 and 500 series trucks and buses.

The Hilux currently being assembled in Mombasa, is the fourth generation and is the top rival to Isuzu D-Max in the one tonne pick-up truck segment and is one of the most popular and top of mind pick up among business buyers.

French Automaker Renault Trucks has opened its local vehicle plant in Thika, to facilitate local assembly of its K-Range heavy-duty trucks. This comes months after the French firm spent Sh58 million to upgrade the Kenya Vehicle Manufacturers facility in this industrial town. This is to support Kenya's main policy objective to make the country an automotive assembly and manufacturing hub in the eastern and central African region.

This comes in line with Renault's return to the region, taking Kenya as the development hub to achieve the firm's long-term vision, alongside CMC Motors, Renault trucks exclusive partner in the country.

The presence of Renault trucks in Kenya has raised competition in the new heavy truck sector that has so far been dominated by Isuzu East Africa, Simba Corporation, and DT Dobie. Renault targets to have assembled 150 trucks for the local market by the end of 2022 with the

aim of further expanding its footprint in the East and southern Africa region.

The automaker also anticipates assembling other models in the coming years depending on the market's response to the 6 by 4 trucks. Growth in the construction, mining and trade industries has increased demand for heavy commercial vehicles, which are often purchased brand new from official dealerships unlike most passenger cars in Kenya.

The French company signed an agreement in December 2018, with CMC Motors to use the dealer's distribution network comprising eight branches across Kenya and a central warehouse in Nairobi. Renault has four other hubs in Ghana, Morocco, Cameroon, and Tunisia tasked with distributing its trucks and conducting after-sales services across the continent.

Other than the world-renowned Mercedes Actros Trucks, DT Dobie is also locally assembling the Hyundai Truck and Bus models. The leading models include Hyundai HD 65 heavy duty and the Hyundai 72 light duty trucks. Most users plying Hyundai trucks opine that the proof is in the profit, as these trucks partner in every way with the fleet owners through reliability, durability and low fuel consumption. These three attributes reduce the maintenance costs when using the Hyundai trucks especially on long hauls.

With low retail price, starting from Ksh 2,950,000 and a tailormade finance options on tow, the Hyundai Trucks are built to suit all your business needs, from the low maintenance costs to an elaborate aftersales service and parts backup. DT Dobie boasts of an elaborate branch network in Nairobi, Mombasa, Nakuru and Kisumu.

In a nutshell, the Hyundai Trucks are built for Kenya, by Kenyans; economical, tough, proven.

At Simba Corporation, the brand reverberating at the moment is the legendary Mahindra from India. Under the sales banner, 'Simba wawili wakiungana, wateja hufaidika' the models of the moment include Big Bolero, Scorpio Single and Scorpio Double Cabin derivatives.

Simba Corporation entry into local assembly is buoyed by the tax incentives that will see it reduce buyer price in the increasingly competitive one tonne pickup segment, in a price sensitive market that is tilted towards used vehicles. *Kicker) Vehicle dealers assembling locally are exempted from the 25 percent import duty levied on fully built up imported vehicles, an incentive that gives room for lower pricing. For the economy, local assembly create a local value chain through local content manufacturing and value adding services that will benefit the economy through quality jobs and new wealth creation.

Kenyan President Uhuru Kenyatta test drives the Mahindra PIK UP at State House, Nairobi.

Simba Corporation Group CEO Dinesh Kotecha, says the group aims at using the high value product to the market to increase consumer access and gain market share in the increasingly competitive commercial pickup vehicle segment, quoting Business Daily's Edwin Okoth in an article on the same.

'We are confident that Mahindra will solidify its presence in the market with the local assembly of pickups," he said then.

The Mahindra is assembled at Simba Corporation's AVA Plant in Changamwe, Mombasa and marks a new chapter for Mahindra.

Finance is available up to 90 per cent, with loan repayments starting after 60 days. In addition, working capital can be accessed for your business through a partnership with KCB Bank. With the Mahindra pickups and the financial plan in place, Simba Corporation is eyeing MSMEs with an affordable business workhorse. Adds Kotecha, 'The locally assembled pickup will enable small and medium sized enterprise owners to access an affordable, high quality vehicle that provides real value for money."

The Mahindra pick-ups have been present in the Kenya market since 2012 through a franchise agreement with Simba Corporation. >>

> Our import tariffs are lower on the CKD kits, we are creating employment and we are positively influencing employee and customer morale by assembling the Isuzu D-Max locally.

>> Mahindra pickup adds to Simba Corporation's list of locally assembled vehicles including Mitsubishi range of trucks and buses at its AVA Plant in Mombasa.

Simba Corporation branch after sales, parts and service network is available in Nairobi, Mombasa, Kisumu, Kisii, Narok and through a dealer network in Nakuru, Eldoret, Thika, Nanyuki and Machakos.

Isuzu East Africa is also assembling its indomitable D-Max pick-up trucks in Kenya, bringing to a halt the importation of these very popular work horses from the Isuzu Plant in Port Elizabeth, South Africa.

The Isuzu completely knocked down (CKD) parts are being imported into the country, and assembled at the Isuzu Plant located on the junction of Enterprise Road and Mombasa Road in Nairobi, giving the firm tax benefits that allow Isuzu East Africa to lower the unit price of the locally assembled D-Max pick-up trucks. The competitive pricing will enable the D-Max to curve a bigger slice of the market segment that is currently lost to used directly imported pick-ups, which do not feature tropicalised specifications for long hauls in the rugged terrain that is Kenya.

Isuzu East Africa remains the market leader in the segments it competes in with over 34 per cent of the market, a no mean achievement in the cut-throat and most competitive environment that Isuzu operates in. The lowered pricing of the D-Max enables Isuzu to defend and gain market share in the increasingly competitive pick-up truck segment.

According to Rita Kavashe, the CEO of the global Isuzu East Africa operations, "Our import tariffs are lower on the CKD kits, we are creating employment and we are positively influencing employee and customer morale by assembling the Isuzu D-Max locally." In the recent past, Isuzu focussed the local assembly only on trucks and buses while importing the pick-up from South Africa.

Isuzu range of cars, trucks and buses, achieved market leadership in Kenya for the first time in 2010, when the Japanese make curved out a record market share of 24.25 per cent, slowed down a bit in 2011 at 23.5 per cent, before reclaiming industry leadership in 2012 with 25.96 percent. What is most remarkable is Isuzu's ability to retain market leadership, with increased performance each year, and stood at 38.4 percent in 2019, with a bit of a chamfer in 2018 when the market share stood at 34.5 percent, mainly attributed to unpredictable environment as a result of a protracted political turmoil resulting from the disputed 2017 general elections. These figures consider heavy commercial vehicles (trucks), light commercial vehicles (pick-ups) and the SUV, where Isuzu is curving out a niche with the all new Isuzu mu-X.

Isuzu provides a countrywide aftersales, spare parts and workshop service through independent dealerships and agents located in every corner of the country. ■

"Our import tariffs are lower on the CKD kits, we are creating employment and we are positively influencing employee and customer morale by assembling the Isuzu D-Max locally."

Rita Kavashe, the CEO of the global Isuzu East Africa operations,

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IsuzuKenya

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Innovative New Export Programme for Isuzu Motors

Isuzu is a leading brand in the East African markets, with a commanding 44.5 per cent share of the Kenyan new vehicle market in 2019.

Isuzu Motors in Port Elizabeth, South Africa has started supplying knocked down (KD) Isuzu D-MAX pick-up kits for assembly purposes to its Isuzu manufacturing facility in Kenya. This represents the first intra-continental regional trade exchange of its kind for Isuzu on the continent and is aligned to its strategy for its vehicle assembly plant to serve as a hub for growing its overall volumes in sub-Saharan Africa.

Isuzu Motors, majority shareholder of Isuzu East Africa, regards the opportunities in Africa, based on infrastructural investment, to be significant. The East African operation previously focussed only on truck and bus assembly operations while fully importing light commercial vehicles from South Africa.

Isuzu is a leading brand in the East African markets, with a commanding 44.5 per cent share of the Kenyan new vehicle market in 2019.

Isuzu Motors South Africa CEO and Managing Director Michael Sacke said Isuzu's market strength in East Africa can be contributed to the vehicles' overall performance, reliability and customer satisfaction.

"We have put this project together in record time and anticipate that it will result in a win-win for both South Africa and Kenya. Some of the vehicle kits have already arrived in Kenya and the Kenyan team received comprehensive training in Port Elizabeth late last year in preparation for actual operations," said Sacke.

The vehicle kits which are exported from the Port of Ngqura provides additional volume at the port while ensuring job retention at the plant.

While volumes have been projected at 1300 vehicles per year to Kenya through this KD programme, it is expected that this will further increase in the medium-to long-term.

"The Kenya KD project is an important step in achieving our growth strategy which is geared at strengthening our presence in key Sub-Saharan Africa markets through a combination of tactical SKD initiatives as well as various initiatives to strengthen our dealer distribution network," emphasised Sacke.

Rita Kavashe, Managing Director of Isuzu East Africa, welcomed the decision to import KD kits. She said the KD programme gives the Kenyan operation more flexibility and an opportunity to remain competitive. "Our import tariffs are lower on the KD kits, we create employment and we positively influence employee and customer morale by assembling the Isuzu D-MAX locally."

Isuzu Motors South Africa has a network of 79 dealers in South Africa and 33 in sub-Saharan Africa ■

> The Kenya KD project is an important step in achieving our growth strategy which is geared at strengthening our presence in key Sub-Saharan Africa markets through a combination of tactical SKD initiatives as well as various initiatives to strengthen our dealer distribution network.

Lionel Terblanche, Isuzu Motors South Africa Knocked Down Coordinator shows the knocked down kits which are ready to be shipped.

Why is Tesla selling insurance and what does it mean for drivers?

In the short term, Tesla drivers can look forward to insurance that is arguably more seamless and convenient and may well be cheaper – particularly if they clock up fewer miles and drive safely.

ALEX ZARIFIS
Research Associate in Information Management, Loughborough University

In the past year, Elon Musk and Tesla have fascinated the world with new innovations like the Tesla Cybertruck. There is excitement about most new Tesla products, but one hugely important one has been largely overlooked. With far less fanfare and no stage performance by Musk, Tesla started offering car insurance last September. In the long run, this is going to have a major impact on most of our lives – perhaps even greater than Tesla's more eye-catching innovations.

Tesla Insurance is only available for Tesla vehicles in some states of the US at present. It will expand the number of territories gradually over time. But as with the Tesla Cybertruck, the company first wants to see how the business holds up to whatever is thrown at it and whether it cracks under pressure.

For those eligible for Tesla Insurance, the company claims to offer premiums 20% to 30% lower than rivals. Yet even if you are in an area where you can request a quote, Tesla won't necessarily make you an offer. It sometimes still refers drivers to a traditional insurance partner instead. It may be that Tesla chooses the clearer, less risky cases and sends more complex ones to insurers with more experience and appetite to handle them.

So why is Tesla selling car insurance? For one thing, it has the real-time data from all its drivers' behaviour and the performance of its vehicle technology, including camera recordings and sensor readings, so it can estimate the risk of accidents and repair costs accurately. This reliance on data may well mean it never branches into selling insurance to drivers of other manufacturers' cars.

At the moment, Tesla is offering insurance premiums calculated with aggregated anonymous data. In future it could roll out more customised services, like the ones offered by insurers using telematic black boxes, to offer drivers (cheaper) quotes based on how they actually drive.

Every time there is an accident, Tesla has instant access to data about the driver behaviour that led to it. One attraction for the company is that it can evaluate how some of its technologies, like autopilot, stability control, anti-theft systems and bullet-resistant steel, can reduce risk.

Another motivation for Tesla is that some insurers charge a relatively high premium for Tesla cars. One reason is that they still don't have much historic information about the cost of repairs of electric vehicles. By vertically integrating insurance into its offering, Tesla brings down the price of owning its products.

At the same time, insurance is a barrier to many innovations that Tesla is targeting for the future. With the insurance taken care of, it will be easier to sell self-driving vehicles or send people to Mars (with sister company SpaceX). Like many things Elon Musk does, this both solves a short-term problem and fits the longer-term strategy. It's a little like how Tesla focused on producing luxury vehicles first to finance the infrastructure for selling cheaper cars like the Tesla Model 3.

How insurance is changing

Tesla has one more reason for offering insurance, which is that the sector is chang-

ing: a tech company disrupting it fits the zeitgeist perfectly. My research at Loughborough University has looked into this disruption. I evaluated 32 insurance providers around the world including Tesla and found that artificial intelligence, big data, the internet of things, blockchain and edge computing were all rewiring insurance, both literally and metaphorically.

Broadly speaking, the work of the insurer is shifting from local human expert underwriters to automation driven by big data and AI. The existing industry players that I evaluated essentially fell into three categories. Some had recognised they cannot compete with tech companies. They were focusing on interacting with customers, branding and marketing, while outsourcing everything else to companies with the relevant skills.

Other insurers were trying to add new technologies to their existing business model. For instance, some are using chatbots that apply machine learning and natural language processing to offer live customer support. Yet another group had more fully embraced the new technological capabilities. For example, life insurers like Vitality and Bupa now encourage customers to use wearable monitoring devices to offer them guidance on improving their health and avoiding accidents.

Alongside all these were the new breed of insurers, with Tesla perhaps the best example. Others include Chinese giants Alibaba and Tencent. Just like Apple and Google are making incursions into banking and finance, these are tech-savvy companies with many existing customers who are adding insurance to their portfolio of services. In every case, the capabilities of AI and big data-driven automation have acted as a catalyst.

What it means for drivers

In the short term, Tesla drivers can look forward to insurance that is arguably more seamless and convenient and may well be cheaper – particularly if they clock up fewer miles and drive safely. Drivers should still compare prices with other insurers: the likes of Progressive and GEICO are among those that insure Tesla vehicles.

In the longer term, this is a sign that insurance – like banking, road tax and many services – will be driven by real-time data. It will probably change our behaviour for the better. We will probably drive slower, eat healthier food and exercise more – even if libertarians will be uneasy.

This shift will challenge our attitudes towards personal information privacy. Some of us will value the benefits of being open and transparent with our personal information, while others might seek solutions that keep their data with them. Edge computing has potential here, since it allows some data processing to be done on your device so that your personal data doesn't need to be sent to a central server.

So, Tesla and Elon Musk have not just added another revenue stream to their many successful endeavours. They are also helping to fundamentally change the way that we interact with insurance providers. In the future, insurers will be more like a partner on our journey both by car and on foot – both on Earth and beyond. ■

How to drive safely at night

It is certainly wise to have your lights on as dusk approaches, so that oncoming vehicles car also detect your presence on the road. Always ensure that you keep your speed in relation to the distance your headlight show is clear.

When driving at night, your ability to see ahead and other road users to see you is impaired due to reduced visibility arising out of insufficient lighting. It is also difficult to see and read the road signage and information there in, let alone road marks and curves. In particular, the surrounding colours fade, edges become indistinct and the eyes become more strained as they try to adjust to the limited light available. The situation is worse where there is no lighting, such as in smaller and rural roads.

Urban areas are mostly well lit. However, as you move away from an urban centre, you quickly discover that majority of the areas are really dark. The only visible areas on the roads are reflective studs, which mark the centre of the road and light from incoming traffic.

The lights on a car have two purposes: They help you see at night and they help other road users see you. You do not have to wait for the night time before you turn on your car lights or for that matter until the street lights come on. If light levels dip, whatever time of day, then turn on your lights.

It is certainly wise to have your lights on as dusk approaches, so that oncoming vehicles car also detect your presence on the road. Always ensure that you keep your speed in relation to the distance your headlight show is clear.

Your headlights have two settings: dip and full beam. When driving at night on lit roads, you should have your headlights switched to dip. A standard set of headlights will provide about 30 metres of visibility when dipped and about 100 metres when on full beam.

The following will guide you on what to do when driving on particular environments.

In urban areas

- Always used dipped headlights when driving in well-lit areas. This prevents you dazzling drivers on the incoming lane.
- Always keep alert for obstacles, drunk and careless pedestrians and animals, as they can be incredibly difficult to see.
- Approach pedestrian crossings with caution. Pay special attention to matatus, as they are notorious for stopping on undesignated places without indicating or giving a warning, or giving due consideration to other road users.
- Only sound your horn to avoid danger from another moving vehicle. If you need to warn other road users of your presence, you should flash your headlights.

In unlit roads

- When driving on unlit roads, and when no other traffic is visible ahead of you, you should turn your headlights on full beam.
- When you see a vehicle, pedestrian or cyclist approaching, you must turn the headlights to dip.
- On a straight level road, when you see another vehicle approaching, you should turn your headlights to dip a second after they are able to see you. This shows them that you have gone onto dip, and may remind them to do the same. You should then slow down, as the distance you can see to be clear reduces.
- Look towards the nearside of the road, the left, and try not to look at the approaching headlights, as this may affect your night vision.
- If no other traffic is approaching, return to full beam as soon as the vehicle has passed you.
- When driving around corners, you should dip early, before the approaching driver appears in view.

Ensure at all times that your headlights, rear lights, brake lights and indicators are all working, before leaving your current location for home or to any other destination that may include night driving later or on your way back. ■

Importance of waxing your car

Be careful with the brands of the car wax, as many unscrupulous businessmen have normal detergents mixed with dirty water, and distributing the same as liquid car wax.

Due to our very bad weather, all cars in tropical countries need waxing. Waxing a car preserves that clean and shiny finish and seals its 'pores' against dirt, water vapour, and rust. If water does 'stick' on the surface of the car when it rains or when you hose it down, it needs waxing. Even if you use a car-washing product that has wax in it, you must still give most cars a thorough waxing and then a polish.

To avoid scratching the surface and trapping minute particles of dust, always be sure to wash the car before you wax it, no matter how clean it looks.

After applying wax or polymer sealant, use a soft towel to break up the hazy surface by rubbing in one direction. Then switch to a soft, lint-free cloth and rub in the other direction to bring out the shine. Use an extremely soft and clean waxing cloth, without dirt or grit, not one you also use on the wheels or the front grille.

If you drive a dark-coloured car or one with a clear-coat or sensitive lacquer finish, make sure that the cleaners and waxes you use have no abrasives in them. If you are unsure as to whether the finish on your car requires special handling, check your owner's manual for instructions.

Unless your car came with specific instructions from the manufacturer, you can choose from a variety of waxes. Here is a closer look at your options:

■ **Liquid waxes** –These are very easy to use but do not last as long as soft or hard waxes. Liquid wax is excellent for waxing your car after washing it with a wax-free detergent or soap, or for a touch-up between professional waxing. Be careful with the brands of the car wax, as many unscrupulous businessmen have normal detergents mixed with dirty water, and distributing the same as liquid car wax.

■ **Soft waxes** – These are light, fluffy and are very easy to apply and remove. Some are mixed with a light cleaner. However, before using soft waxes be sure to wash the car thoroughly first. After the car is clean, use the application pads provided. Then simply wipe on the wax, following the contours of the surface.

■ **Hard or paste waxes** – These types of waxes provide the most protection and should be used for your semi-annual major wax job. Always apply it on a small area at a time to avoid letting the wax harden to a point where it is hard to remove. Apply the wax according to the directions on the can with an applicator or soft, lint-free rag.

■ **Polymer preservatives** - Products that contain polymer substances, which protect a car more effectively than wax and for longer periods. They bond with the surface and prevent it from fading and oxidizing. At the auto shop, you can buy poly-sealants that are easy to apply and are supposed to protect your car for six months to a year.

Because the waxes that contain cleaners usually contain abrasives, do not use them for every car wash or more often than once a month. In between, use a liquid car cleanser that contains a little wax. ■

Tips for a long-haul drive

On an unfamiliar road, you never know when the next fuel station will emerge. As soon as you hit a quarter of a tank, start looking for a place to fill up.

Are you about to hit the road for a long drive? Whether you are heading to the Coast with the kids or through numerous highways for a cross-country jaunt, always follow these driving tips. Read on to learn more about avoiding traffic, saving money, staying safe and awake on your next road trip.

Before beginning a long drive, always get enough sleep and eat something before you go. Highly caffeinated beverages are not necessarily the best way to stay awake while driving. While initially you will feel more alert, the effects can recede with time, and your attention may wander although you remain awake. Pull over and take breaks every couple of hours, even if you do not feel sleepy. Grab a snack, get some fresh air, and stretch your legs by walking around. If you need to, take a quick nap.

If you can, share the driving responsibilities with someone else. This will allow you to keep an eye on each other while driving and enable you to nap without losing time. If you are driving alone, turn on the radio or put on some music, and keep your window open. You may also want to refrain from using your cruise control (if fitted) if you are driving alone at night—having to concentrate on maintaining your speed can help you stay awake.

If you do have to pull over, move your vehicle off the road. Never park your car on the shoulder for any reason except an emergency. Avoid using your cell phone. If you have to make calls ensure you have a hands-free kit or pair your phone with the car's infotainment system (if available). Never drink any alcohol before your trip. While you may not become intoxicated from one beer, you will become sleepy. A mapping app on your Smartphone is another must-have for long road trips.

If you are driving a rental vehicle, familiarize yourself with the car and all of its equipment (horn, brakes and hazard lights). Lock all of your valuables in the boot or glove compartment. Consider becoming a member of AA Kenya or signing up for your car insurer's roadside assistance program (if available). You will not regret it when your car breaks down on a lonely back road.

Keep costs down by conserving fuel as you drive. Minimize sudden starts and stops, empty your car of all unnecessary weight, and slow down—it takes much less fuel to drive 80km/h than it does to at 140km/h. Don't wait until your fuel gauge is sitting on E to refuel. On an unfamiliar road, you never know when the next fuel station will emerge. As soon as you hit a quarter of a tank, start looking for a place to fill up.

When travelling with kids, be sure to stop often. Do not do it just for snacks and potty breaks, but also for fun. You will also want to pack toys, books, movies (if the car has a rear screen entertainment) and music for the car not to mention your motion sickness remedy of choice. Stock up on snacks and drinks at supermarkets rather than fuel stations or convenience stores as you'll get a wider and healthier selection, as well as better prices. On longer trips, keep napkins, plastic ware and a small cooler handy for meals on the go. Carry a first-aid kit, flashlight, blanket and pillow for the passengers and emergencies. Keep a set of jumper cables, a spare tyre and extra fluids for the car (such as windshield wiper fluid) in your boot.

This last tip is to make sure everyone in the car fastens his or her seatbelt. Not only will it keep you safe, but reduces the risk of injuries should the inevitable happen. ■

Can social media help anti-corruption drives? A Nigerian case study

Technology and social media can be used as effective tools by citizens to monitor infrastructure projects. But this isn't enough on its own. It can only be effective if budgets are also made fully visible.

TOLU OLAREWAJU

Lecturer in Economics, Staffordshire University

Corruption can have a crippling effect on a country's economy. This is why African businesses have described ending corruption as "priority number one".

Take Nigeria, where the basic infrastructure deficit is huge but funds to improve its infrastructure always seem to end up missing or misallocated. In addition, projects are started and never finished. As a result, the country's roads, rail and ports are in a deplorable state.

Nigerians also suffer from persistent electricity shortages. They lack pipe-borne water and proper sanitation facilities. Housing provision is a problem too.

The country has spent billions of US dollars to resuscitate its power and transport sectors. But it has very little to show for it. Nigeria is not alone. Researchers often report that infrastructure spending is regularly used by public officers and government officials across the continent to misappropriate funds.

Tackling corruption is notoriously difficult. Once it's embedded in a country's systems it's difficult to weed out. But a fresh approach is being pursued in Nigeria—with some startling results. Ordinary citizens are mobilising the use of technology and social media to produce evidence that's used to hold officials to account.

Our research set out to discover whether the use of technology and social media by

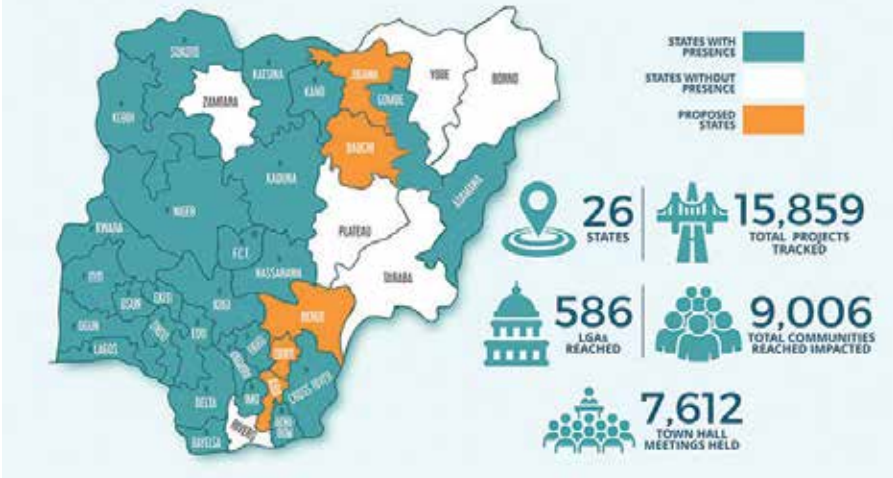
ordinary citizens to monitor infrastructure projects could result in more infrastructure projects being completed—and could also lessen corruption.

A version of this approach has been tried in countries like Peru and South Korea. Nigeria seems to be the first—at least on the African continent— to monitor infrastructure projects in this way.

Our research found, for example, that the camera feed showing the construction of the second river Niger bridge, and similar schemes by Tracka gave citizens the power to monitor infrastructure projects. It also increased transparency and could be used to hold the government and engineering firms that build infrastructure to account.

But we also found that there were challenges. For example, citizens needed data and power to monitor infrastructure projects. Neither was always available.

Tracka presence in Nigeria



Source: Tracka Nigeria

The approach

Monitoring projects has been used by firms and the government as a way to provide more transparency.

For example, research from Uganda shows that corrupt government officials were less able to siphon money for their own enrichment when citizens knew where money was supposed to go and could therefore monitor spending; the diversion of funds fell by 12 per cent over six years.

Research from Kenya also showed that public monitoring of government projects reduced corruption by 20 per cent.

In Nigeria, we investigated infrastructure projects that were monitored by citizens and compared these to infrastructure projects that weren't monitored. We found that there was a positive link between citizens using technology and social media to monitor infrastructure projects and better completion rates and standards for the infrastructure projects.

Generally, when government officials and infrastructure building engineering firms knew that they were being monitored, they didn't want to get caught out. In certain cases, citizens were able to engage with the ministry of works and their state governor and use social media to engage in discussions about the project.

> Researchers often report that infrastructure spending is regularly used by public officers and government officials across the continent to misappropriate funds.

By taking pictures of the proposed infrastructure sites and tagging their state governors or representatives in regular posts about the infrastructure projects, civic participation was encouraged. Although there was no often response in the first instance, the high visibility generated by social media and the threat of losing forthcoming elections often resulted in the infrastructure projects being completed. But this was only for projects that citizens could monitor—and there are too few of these. Even we struggled to find many.

Our investigations also revealed that frequent offline and online discussions created awareness about the infrastructure projects and helped citizens to suggest projects that would be useful for their communities.

Challenges to this approach

This approach is not without its challenges.

For example, citizens needed key >>

Tackling corruption is notoriously difficult. Once it's embedded in a country's systems it's difficult to weed out.

>> information to monitor infrastructure projects properly. This included the type, cost, key stages and duration of the projects. Only then would they be able to compare what was actually happening before their eyes to what had been budgeted for so they could alert the relevant authorities as soon as there were discrepancies.

Mobile network technology and access to social media platforms are also needed to make this work.

There were also social and cultural issues. Some citizens didn't want to engage with social media and technology for personal reasons. In addition, when evidence of corruption was reported by citizens, some saw this as a politically motivated attack. The result was that they lashed out instead of trying to solve the corruption being exposed.

Other challenges included:

- A lack of clear penalties for individuals involved with monitored infrastructure projects that not completed, or not completed to a decent standard;
- A lack of follow up by the relevant anti-corruption authorities; and
- Not enough being done when there were clear cases of standards not being met.

Implications

Technology and social media can be used as effective tools by citizens to monitor infrastructure projects. But this isn't enough on its own. It can only be effective if budgets are also made fully visible.

This would enable citizens to know what they are monitoring and what to look for. Citizens would be wise to demand such transparency: honest governments will have nothing to fear.

This points to the need for a comprehensive approach to tackling corruption. This would need to include transparency and offline and online citizen engagement. In this context, technology and social media could be used as complementary tools.

If African governments and infrastructure building engineering firms on the continent are really concerned about corruption and want to show that they have nothing to hide, they can use this approach to gain more trust from the citizenry. ■

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