

THE IMPACT OF THE FOOD CRISIS ON THE INTERNAL POLITICS AND ECONOMY OF AFRICAN STATES

Authors:

Yurii Oliinyk, Marta Oliinyk-D'omochko,
Anatolii Maksymov

As a result of the Russian-Ukrainian war, world food prices have risen. There is a shortage in markets that were previously dependent on supplies from the Black Sea basin. For African states, considering the poverty of the population, this becomes a significant problem. At the same time, in the context of climate change, a fertilizer shortage creates a crisis for local agriculture.

Some regions are on the brink of famine, but in most, the standard of living is significantly worsened. This affects the legitimacy of local regimes that are trying to find ways to stabilize the economy and food security. The situation is particularly critical in unstable Sahel states, where support for anti-government forces, including those supported by Russia, is intensifying, including coup attempts.

Western Africa, ECOWAS

Alongside the rising cost of food, a significant problem for the countries of Western Africa is the shortage of fertilizers, which were previously purchased from Russia. Nigeria, in perspective, has the potential to replace the absent imports in the region. The country has attracted substantial investments in the production of phosphate fertilizers through companies like Indorama Nigeria and Dangote Group, utilizing its significant natural gas reserves. Additionally, Morocco, supplying a third of the ECOWAS fertilizer market, invested \$1 billion in Nigeria in 2022 to build two phosphate plants (each with a capacity of 1 million tons).

However, difficulties arise for other types of fertilizers. Western Africa imports 82% of its potassium consumption, and for Côte d'Ivoire, Mali, Niger, Senegal, and Sierra Leone, the majority of the import, 80%, comes from Belarus and Russia.

In October 2023, at the World Bank and IMF summit in Marrakech, OCP Chairman Mostafa Terrab and World Bank Vice President for Western and Central Africa Ousmane Diagana signed a Memorandum of Understanding (MoU) to promote cooperation and programs benefiting five million farmers in Benin, Guinea, Mali, and Togo covering 10 million hectares. This collaboration aims to accelerate investments and reforms to make fertilizers more accessible to farmers. However, this assistance is still in the planning stages and is unable to address the magnitude of the problems.

Countries like Senegal and Ghana are implementing several global projects to combat the sharp consequences of climate change. It is expected that the EU and its members will contribute a significant portion of these funds. The strategy aligns with the Paris Agreement on climate change. However, it is unclear how committed EU governments are to the ECOWAS strategy and what funding they will actually provide. Economic stagnation and rising food prices are among the main reasons for the success of military coups, supported by a significant portion of the population.

Nigeria

According to estimates, 24.9 million Nigerians are facing a crisis or worsening hunger, including 1.1 million in a state of emergency. Irregular rains are strongly affecting the country. This has led to a reduction in wheat crops in the northern part of the country. This adds to security instability (due to conflicts with Islamists) and disruptions in supplies from Ukraine and Russia. People are spending more on food in Africa's largest economy as it becomes increasingly dependent on imported grain, the cost of which is determined in US dollars, and its currency weakens. Nigeria is trying to achieve self-sufficiency: in 2023, the government launched programs to provide loans to farmers and increase domestic grain production. However, extreme weather and violence from both gangs and farmers and herders competing for access to fields hinder these efforts. This has left Nigeria unable to produce enough wheat to bridge the gap in supply of over 5 million metric tons.

According to Trade Data Monitor, wheat is one of the most consumed grains in Nigeria, mainly imported from the US, South America, and Europe. Russia was a key source of available wheat, but its supplies almost ceased during the war.

These problems coincide with the failure of the experiment to transition to a cashless economy. In 2021, the electronic currency (eNaira) was launched. In October 2022, the Central Bank of Nigeria (CBN) announced a redesign of the naira and the withdrawal of previous samples. The plan was to significantly reduce cash volume and encourage Nigerians to use electronic transactions.

Despite progressive goals, the project faced active criticism from political opponents. According to statistics, up to 40% of Nigerians did not have bank accounts, leading to a cash shortage. Prices of goods and services sharply rose in urban centers between December 2022, when the policy began, and the time of the national elections in March 2023. The consequences were particularly serious in rural areas, where people without access to banks couldn't buy essential goods.

In March 2023, another president, Bola Tinubu, came to power in the presidential elections with a more critical stance on the cashless transition.

These events, against the backdrop of economic stagnation, erode trust in the government. This is one of the reasons Nigeria is reluctant to quickly intervene in neighboring Niger after the pro-Russian coup. However, the frequency of clashes on the northern borders is increasing.

Zambia

The level of malnutrition in Zambia remains one of the highest in the world. 48% of the population is unable to meet their minimum calorie needs. The price of food is rising – in February 2022, the price of a 25-kilogram bag of flour was 156.5 kronor, and by February 2023, it reached almost 197 kronor. In the fall, it is around 300 kronor, six times more than in 2021 when the current president Hakainde Hichilema from the United Party for National Development (UPND) came to power.

Due to rising prices, anti-government sentiments are increasing, particularly evident in the Socialist Party' street protests. On the other hand, border farmers are selling maize to neighboring DR Congo at better prices. Hichilema proposed raising the minimum price at which corn is bought to encourage farmers to produce more and sell it within the country.

Zambia's problem also includes high indebtedness, over 32 billion dollars. In June 2023, the country reached a landmark agreement on debt restructuring with creditors, including China and Western countries, for 6.3 billion dollars of its debt, but it has not yet been signed.

Democratic Republic of the Congo

The rise in food prices is compounded by the complex internal situation of the long-standing conflict in the eastern part of the country, which has internally displaced millions of people living in temporary camps. In the first half of the year, there was a significant escalation of hostilities leading to the unprecedented displacement of 1 million people.

Currently, due to conflicts, there are 5.8 million internally displaced persons. 3.5 million people are on the brink of famine. Against this background, Kinshasa is trying to strengthen control over eastern territories by involving Russian assistance in the supply of weapons and the presence of mercenaries (primarily from the Private Military Company "Wagner").

Cameroon

Food problems are exacerbated by the ongoing conflict in Ambazonia, where the English-speaking population advocates for self-determination. More than three million people are on the brink of famine, which is more than 10% of the population. The situation is particularly critical in the northwest and southwest regions, as well as in the Adamawa region. In 2022, inflation reached a historic level of 6.3%, compared to 2.3% in 2021, mainly due to a 12% increase in food prices. In 2022, subsidies for petroleum products for farmers cost the Cameroonian government approximately 775 billion African CFA francs, compared to 120 billion in 2021.

Zimbabwe

In December 2022, President Emmerson Mnangagwa stated that the country would not need to import food in the coming year. However, as of August 2023, several regions of Zimbabwe were in a food risk zone, especially in the provinces of Manicaland, northern Matabeleland, and western Mashonaland.

East Africa

East Africa was among the regions most affected by the food crisis. The food situation exacerbated existing problems caused by security instability, economic stagnation due to the pandemic, and unfavorable climatic conditions such as droughts and locust invasions, which destroyed the crops of local farmers.

East Africa is also entirely dependent on fertilizer exports, the rising prices of which are reflected in the increased cost of local products. On average, prices in the region have risen by 23%.

African Horn

According to the World Food Programme (WFP), the Horn of Africa was the most affected zone by grain supply disruptions caused by war. Somalia bought 92% of its grain from Russia and Ukraine combined, Ethiopia 40%, and Eritrea 37%.

The situation in Somalia remains the most critical in the last 20 years, marked by rising prices of food, fuel, and fertilizers, along with security challenges, weak economic development, and unfavorable climatic conditions.

Food basket prices have risen by 49%, with children being the most vulnerable. International aid and free grain from Ukraine do not fully resolve the situation. Ethiopia is recovering from the economic consequences of the civil war (2020-2022), including slowed economic growth, inflation, and decreased currency reserves. The rising prices of fertilizers, food, and fuel exert additional pressure on the economy.

The most affected sectors in Ethiopia are services (due to fuel price increases), industry, and agriculture (fertilizers and fuel). The decline in services and agriculture, two crucial sectors, leads to a drop in GDP and an increase in unemployment.

For Djibouti, the main consequences include slowed economic growth, increased inflation, and external debt due to rising prices of food and fuel.

Kenya

Due to the food crisis, the number of people on the brink of starvation in Kenya increased to 3.5 million. The critical issue for Kenya is the export of fertilizers, the prices of which have risen by 70%, potentially leading to a reduction in the number of farms. The government has tried to address the issues by distributing fertilizers to farmers at a low cost and providing free food distribution.

Kenya also exported grain and oil from Ukraine and Russia – 30-50% and 45%, respectively. The shortage of these products resulted in the increase of wheat prices from 168 to 202 Kenyan shillings.

Rwanda

Rwanda exported grain, fertilizers, and sunflower oil from Ukraine and Russia (64%, 14%, 10%). Since the start of the war, the country has seen a 35% increase in wheat prices. The population living below the poverty line increased by 3.8%.

One consequence of the food crisis for Rwanda is the slowing of economic development: the country's GDP decreased by 2.5%, unemployment increased by 3.1% due to decreased production, and inflation reached 17.7%.

Malawi

War, rising global market prices, and the food crisis affected Malawi's economy in several ways: increased inflationary pressure, decreased economic development rates, increased poverty levels, and complications for farming.

Malawi's GDP decreased by 1.9% in 2022, largely due to the slowing of agricultural growth caused by rising fertilizer prices. Malawi was one of the first African countries to receive donated fertilizers through the World Food Programme, part of the 260,000 tons of fertilizers from a Russian company that were seized in several European ports.

Another significant consequence was the devaluation of the national currency – the Reserve Bank of Malawi devalued the Malawian kwacha by 25% in 2022, leading to a subsequent increase in prices.

Maghreb (North Africa)

Countries of North Africa – Egypt, Libya, Tunisia – were heavily dependent on grain from Ukraine even before the beginning of the full-scale invasion. In 2023, this region faced a threat of drought. The significance of grain exports to the Maghreb is confirmed by the numbers: Ukrainian wheat accounted for 50% in Libya, 32% in Tunisia, and 15% in Morocco.

Russia's military actions against Ukraine largely blocked maritime trade, including to the countries of North Africa. Due to the sharp increase in prices, countries in the region often cannot afford debts and other expenses. Egypt, the world's largest grain importer, bought 85% (combined) of Ukrainian and Russian wheat and 73% of sunflower oil, spending \$3 billion annually.

Growing grains domestically in the desert countries of the region was also difficult because it required fertilizers, the prices of which also skyrocketed (mostly produced by Russia). Egypt had to subsidize bread for 60 million poor people, consuming twice as much bread as the world average, eating up 2% of the budget. As North African countries mostly neglected opportunities for developing their own agriculture, food self-sufficiency there is low and vulnerable to powerful security and humanitarian crises and rising prices.

North Africa needs to find ways to continue importing grains from Ukraine (through diplomatic, trade, and security negotiations) but also explore other sellers. If the situation does not improve soon (unfortunately, prospects for this are currently limited), social discontent, protests, and hunger riots can be expected.

States of the Sahel

80% of Sahel residents depend on agriculture for basic survival. When local fronts move or drought occurs, people are forced to migrate, leaving fields uncultivated. Currently, there are more than 3 million internally displaced persons and 1 million refugees.

The region is highly dependent not only on food imports but also on transit from East Africa (where there are problems with hunger in Ethiopia, Somalia, and Eritrea) and the north, as described above. The situation is often even more complicated than in North Africa. Countries are often seized by military juntas, wars, internal conflicts, and bloody terrorist attacks. In two years, the Sahel has experienced more than seven military coups, causing more violence against civilians and the destruction of traditional food cultivation methods.

21 million people are experiencing a serious food shortage. 10.5 million residents of Burkina Faso, Mauritania, Niger, and Mali are on the brink of famine. This is already taking into account the 5 million who are suffering from malnutrition due to the war against Ukraine (according to the UN). Specifically in Burkina Faso, there is also a constant crisis with access to drinking water due to the destruction of water collection sites.

The problem is also that the crumbs of grains are mostly received by countries friendly to Vladimir Putin's terrorist regime. For the Sahel, these are Mali, Burkina Faso, and the neighboring Central African Republic.

Conclusions and Recommendations

Noticeably, three destructive trends influenced Africa as a result of the Russian-Ukrainian war: rising fuel prices, disruptions in fertilizer supply, and a food crisis. While the disproportionate impact of fuel prices affected the transportation sector of food products, the second and third factors directly influenced the agricultural sector, the economy, and the internal politics of African countries.

The increase in fuel and fertilizer prices contributes to higher expenses in agricultural production and reduced productivity, indirectly leading to the growth of internal food prices. Elevated prices for wheat and edible oils have a significant direct impact on the cost and availability of food.

In countries with unstable internal situations and low regime legitimacy, these factors exacerbate public distrust in the government and the potential for external forces to support both military coups and anti-government movements in general.

African states are objectively interested in ending the Russian-Ukrainian war and restoring normal supply chains, as well as reducing prices for fertilizer, fuel, and grain. However, their ability to articulate this position on the international stage is limited due to partial dependence on Russia and China.

For African countries, the primary task is to diversify food supply routes. If Ukraine intends to remain a significant partner in food security for the continent, intensifying trade and diplomatic relations is crucial.

Additionally, Ukraine and African countries need to collaborate on addressing the food crisis and improving food security on the African continent. This can involve international efforts (coordinating within international organizations, advocating for food supply issues from Ukraine to African countries, involving African countries in the Peace Formula regarding food security) as well as developing initiatives of bilateral and regional nature.

Ukraine should also support any democratic movements opposing Russia and China, focusing on the restoration of traditional trade contacts in the food sector.

© Center for African Studies

Authors:

Yurii Oliinyk, Marta Oliinyk-D'omochko,
Anatolii Maksymov



The information and views set out in this study are those of the author and do not necessarily reflect the official opinion of the Konrad-Adenauer-Stiftung e.V. or the Ministry of Foreign Affairs of Ukraine.

Center for African Studies

E-mail: afryka.seminar@gmail.com

<http://african.com.ua>