"The Broader Socio-politico and Economic Context of the Methodist Church of Southern Africa."

The Methodist Church of Southern Africa (MCSA) covers six countries in Southern Africa, being, the Republics of Botswana; Mozambique; Namibia; and South Africa; and the Kingdoms of Lesotho and Swaziland. However, the impact of the Church is felt in several additional countries, both within and outside of the Southern African Development Community (SADC), largely due to the movement of persons between countries, for various reasons. This paper seeks to address itself to issues affecting the SADC region on a holistic scale, but with a focus on the countries which comprise the MCSA.

Overview of the socio- political and economic situation in the SADC Region

Although the Region has been fairly peaceful and stable, it is worthy of note that there have been political and security challenges in the Democratic Republic of Congo (DRC), Lesotho and Madagascar. However, several initiatives have been established with a view to resolving the challenges – for example, an official Inclusive Dialogue was launched in the DRC, with a view towards holding peaceful elections. Successful elections were held in the Republic of Seychelles and the United Republic of Tanzania and while there are some pending legal issues to be settled pertaining to the elections that were held in the Republic of Zambia, those elections were also peacefully held. Among security issues is the very real and troubling security concern regarding humanitarian needs, specifically, pertaining to food security. According to "The State of Food Insecurity in the World 2015" report, by Food and Agricultural Organisation (FAO), 23.3% of the population in Sub-Saharan Africa was estimated to be undernourished between 2014 and 2016. A SADC Drought Disaster and Humanitarian Appeal was recently launched, requiring an amount of US$2.9 billion to cover the humanitarian needs (mainly food) of about 40million vulnerable people in the Region. Of this amount, US$393.7 million (approximately 14%) has been raised.

Although Government-Opposition political tensions are part of the landscape of every democracy, such tensions as are being experienced in Mozambique and Zimbabwe, have contributed to the overall decline in the socio-economic environment in the Region.

The Region recorded an average real GDP growth rate of 4.8% in 2014 and 3.5% in 2015, and a projected further slowdown to 1.6% in 2016. This slowdown has been attributed largely to low commodity prices, constraints in the energy sector and drought. Economic growth of the entire Region has been negatively affected by shortages of energy, and high food prices, as well as weak demand for commodities from Eurozone countries and China. The projection for 2017 is for improvement in commodity prices and a commensurate improvement in the economies of the region, perhaps to approximately, 3.3%. The DRC and Tanzania are the only SADC member states that recorded real GDP growth above 7%. Inflation rate averaged 5.7%, in 2015 for the Region and whereas, Angola, Malawi and Zambia recorded double-digit inflation, Zimbabwe continues to be in deflationary state, with -2.4% in 2015.

Although there are pockets of improvement in rates of new infection, HIV/AIDS continues to challenge the capacity of countries in the Region to provide health care services for its citizens. Commensurate with the HIV/AIDS challenge is an increase in infections of

Tuberculosis and Malaria. Concern has also been expressed regarding the increase in non-communicable diseases such as hypertension and kidney disease, both of which are putting significant strain on national and household budgets. There is also an upsurge in the usage of narcotic/mind altering drugs, in the Region, particularly among the members of the population designated as being "Youth" – between ages 15 to 35 years.

"Southern Africa could improve incomes per capita, reduce poverty and increase growth in **five** of its countries through generating jobs for its increasing number of young workers by 2050", according to a recently released World Bank Group report. The five countries mentioned in the report are: Botswana, Lesotho, Namibia, South Africa and Swaziland and shows that "more of the population in these five countries will be of working-age by 2050". Countries are encouraged to maximise on the demographic dividend afforded by having a majority young population and seek for ways of upskilling them. All member countries of the MCSA have Government Ministries that specifically address youth issues, but the level of commitment to development of young people varies between the countries. Along with increased emphasis on youth empowerment, the church must accept its reality and make deliberate and specific provisions for young people.

Between now and 2050, the working-age population in Botswana will increase by 29 percent, Lesotho by 36 percent, 53 percent in Namibia, and 43 percent in Swaziland. In South Africa the figure will be lower, 28 percent, yet representing an increase of almost 10 million people. By comparison, the report notes that the age structure in the rest of Sub-Saharan Africa is not expected to change.

In the midst of this situation, we find a multiplicity of denominations springing up all over the Region, in keeping with the Word as given to us in 2 Timothy 4: 3 and 4 – "For the time will come when people will not put up with sound doctrine. Instead, to suit their own desires, they will gather around them a great number of teachers to say what their itching ears want to hear. They will turn their ears away from the truth and turn aside to myths." (NIV) In keeping with our Mission, Paul tells us in 2 Timothy 4: 2, that we are to "Preach the Word; be prepared in season and out of season; correct, rebuke and encourage – with great patience and careful instruction." He also encourages us in verse 5 that we are to "keep (our) head in all situations, endure hardship, do the work of an evangelist, discharge all the duties of (our) ministry." It is clear that our ministry must embody the Vision of the MCSA, of "a Christ-healed Africa for the healing of nations."

The second part of this paper looks at the socio-economic scenario in the six countries which comprise the MCSA. There is a Global Competitiveness Index produced by the World Economic Forum, which ranks countries according to Basic Requirements to do business; Efficiency Enhancers necessary for doing business and Innovation and sophistication factors of business, that prevail within the country. The 2016 results were based on surveys done in 138 countries. Each country review below, includes a short summary on the country's Global Competitiveness Index (GCI), as an indicator of the country's socio-economic status, in the world. A score of "1" is the highest score attainable.

Botswana

The slowdown in the demand for minerals, particularly, diamonds, has resulted in a slowdown of the pace of economic growth of Botswana. Further, subdued prices of commodities has resulted in reduced income from exports and loss of employment in such sectors. This scenario has contributed significantly to the urbanization being experienced in the country, which has led to strain being placed on employment opportunities and infrastructure. Nearly two-thirds of the country's total population lives in the urban centres of the country.

Although affected by the downturn of global economies in 2008, Botswana was able to bounce back and has maintained a stable economic outlook. However, the country continues to be negatively affected by persistent electricity and water supply problems, for which solutions are in progress. Although real GDP growth is estimated to have reduced in 2015, the prospects are that it will increase in 2016-17 due to expected improvement in diamond prices, with the gradual recovery in the diamond market and improvement in the energy supply.

Further, the government has implemented an "Economic Stimulus Programme" (ESP) which is generating increase in uptake of goods and services in the local economy. Under the ESP, the government is directing investment in infrastructure, as a way of stimulating the economy. The ESP focusses on Agriculture; Trade, Hotels & Restaurants; Manufacturing, and Construction sectors. It is entrusted to fast-tracking backlog of projects, which include: constructing classrooms, staff quarters and customary courts; upgrading of health facilities; as well as rural electrification and creation of jobs through the various projects initiated across the country. Government's intention is to reduce the level of unemployment in the country, especially among the youth. It is a reality that the economy is still largely dependent on government spending, even in terms of being the largest provider of employment. Inflows into church coffers are affected by this reality, as many members of the church are employed by the government.

With a population size of approximately 2.1 million people, Botswana's GDP in 2015 was US$ 12.9 billion and the GDP per capita was US$ 6041. Botswana ranked overall at 64 in the GCI, with 55 for Basic Requirements; 84 for Efficiency Enhancers and 90 for Innovation and sophistication factors.

Lesotho

The economy of Lesotho is linked the strength of the construction and manufacturing sectors. As a result of weakening in these sectors, growth reduced to around 3.4% in 2015 from 3.6% in 2014 and is expected to remain slow in 2016, at 2.6% and 2.9% in 2017. As is the case in Botswana, the economy of Lesotho is tied to government spending and therefore slower growth in these sectors due to reduced government spending, has contributed to the high (24%) level of unemployment in the country. Slower growth in the South African economy has also affected the Lesotho economy, in that many citizens of Lesotho are known to enjoy employment opportunities in South Africa. According to the

African Economic Outlook (a publication by the African Development Bank, the OECD Development Centre and the United Nations Development Programme), 2016, Lesotho's economic performance is not inclusive, which results in a large portion of the population (56.2%) earning US$1.25 per day. Further, Lesotho is highly dependent on receipts from the Southern African Customs Union (SACU), which finances 50% of the budget. This scenario is not favourable to the economic stability of Lesotho due to volatility of such receipts.

Low agricultural productivity has been attributed to climate change and this along with disjointed provision of services in favour of urban areas, has resulted in a huge influx of the population (22.8%) into the urban centres of the country. The influx is not sustainable, especially since urban population growth rate is at approximately 37% every 10 years. The demand on infrastructure and social services are not being met.

With a population size of approximately 1.9 million people, Lesotho's GDP in 2015 was US$ 2.0 billion and the GDP per capita was US$ 1051.6. Lesotho ranked overall at 120 out of 138 in the GCI, with 109 for Basic Requirements; 133 for Efficiency Enhancers and 112 for Innovation and sophistication factors.

Mozambique

The continued decline in commodity prices for key Mozambican exports, and the effects of the ongoing drought on agricultural production, resulted in a decline in GDP growth in 2015, to 6.3%. However GDP is expected to expand to 6.5% in 2016 and to 7.5% in 2017. In addition, whereas in the past, Mozambique was a recipient of large amounts in foreign direct investment (FDI), it is noted that FDI fell by 24% in 2015. This reduced inflow of hard currency led to devaluation of the metical against the US dollar and rising levels of debt. Fortunately, the situation was alleviated by a US$282.9 million standby credit facility agreement with the International Monetary Fund, in December 2015, which positively impacted on the balance of payments. There could still be a negative impact on inflation, which would affect living conditions for the population. Debt sustainability will continue to be a challenge faced by the country, for many years.

Lower oil and gas prices are a concern for the conclusion of new projects for liquefied natural gas (LNG). However, large investment flows from the LNG sector are expected between 2017 and 2020.

Unlike the scenario in Botswana and Lesotho, the rural population of Mozambique is growing bigger in absolute terms, as compared with urban population, but urban population is also showing growth as people seek for sources of employment in urban areas, largely due to the underdevelopment of rural areas.

With a population size of approximately 28 million people, Mozambique's GDP in 2015 was US$ 15.0 billion and the GDP per capita was US$ 534.9. Mozambique ranked overall at 133 out of 138 in the GCI, with 133 for Basic Requirements; 131 for Efficiency Enhancers and 124 for Innovation and sophistication factors.

Namibia

As is the case with other countries in the Region, Namibia has also been affected by the persistent drought and poor prices for commodities. Namibia's economy is tied to mining, tourism, livestock and meat production, and fisheries. Although Namibia has been affected by contractions in diamond sales, positive contributions are forecast for sales in metal ores and uranium, going forward into 2017. The economy is expected to grow by 4.4% in 2016, as compared to 5.7% in 2015. The Namibian is also affected by reductions in inflows due from SACU receipts, largely due to state of the South African economy. The economies of Namibia and South Africa are closely tied with the Namibian dollar trading on par with the South African Rand. This relationship has worked more in Namibia's favour than against as the country has benefitted from South African investments.

Namibia is also experiencing a high level of urbanization due to job seekers. Urban population increased from 28% of national population in 1991 to 43% in 2011. This has placed a strain on infrastructure, particularly in the area of housing and access to serviced land and several small communities have established themselves, without proper sanitation facilities. If left unabated, such a situation will have serious implications for health of the people concerned. In its 2015, Namibia country report, the World Bank recorded that "42.9% of Namibians lived below the $3.10 per day poverty line, compared to 45.1% in 2010" and that "Namibia remains one of the most unequal countries in the world."

However, Namibia enjoys political stability and has sound economic policies and systems in place and these factors should augur well for her growth and further development.

With a population size of approximately 2.2 million people, Namibia's GDP in 2015 was US$ 12.8 billion and the GDP per capita was US$ 5776.9. Namibia ranked overall at 84 out of 138 in the GCI, with 75 for Basic Requirements; 94 for Efficiency Enhancers and 77 for Innovation and sophistication factors.

South Africa

South Africa is undoubtedly the largest economy and the country with the largest population in the Region. However, like other emerging economies, South Africa has also suffered from reduced prices for commodities and like other Southern African countries, from the prolonged drought situation. Whereas other Regional countries have felt the full brunt of reduced demand for their exports and rising food prices, South Africa has fared better, as it is an exporter of many goods and services (such as motor vehicles, electrical machinery, food and beverages and financial and business services) to the rest of Southern Africa. Challenges being faced by its major trading partner, China, has impacted badly on the South African economy. Be that as it may, South Africa has its own challenges.

GDP forecast for South Africa is at 0.8% in 2016 and 1.1% in 2017. In 2015, GDP was 1.3% and in 2014, it was 1.5%. The projected average growth rate for Sub-Saharan Africa for 2016 – 2017 is 4.5%.

Widespread poverty and socio-economic inequalities have resulted in several instances of social unrest and civil disturbances, which have affected service delivery and have produced uncertainty throughout the country.

South Africa's main sources of income are manufacturing, agriculture, forestry, fishing, tourism, mining, and financial and business services. Higher borrowing costs, diminished business confidence (largely due to mixed messages on accountability and the rule of law), currency instability and uncertainty in national policy and the implementation, have negatively affected South Africa's growth potential. Persistent shortages in electricity have hampered economic growth, but discussions with independent power producers in gas and coal, should provide some relief in energy supply. The knock-on effect of improved power supply is the overall improvement of the economy. Public sector infrastructure spending amounted to R865.4 billion in the medium term (over the next three years).

According to the economic overview by the South African Treasury, "moderate household consumption growth, weaker disposable income growth and high indebtedness are expected to reduce growth in services in 2016, particularly in financial and business services, and transport and communications. Tourism, boosted by rand weakness and amended visa regulations, is expected to support growth. Manufacturing stagnated in 2015, although performance was mixed across industries. Growth was concentrated in subsectors that increased exports, such as dairy, grains and beverages, electrical machinery and motor vehicles. Output in steel and other basic metals, however, which constitute 19.6 per cent of total manufacturing production, fell sharply, reducing total sector growth by 0.6 percentage points." There is a large number of jobless South Africans, particularly in the low-skilled category. The government of South Africa has several initiatives being developed to alleviate the joblessness by upskilling its citizens and providing support for the sectors in which they may be employed.

With a population size of approximately 55 million people, South Africa's GDP in 2015 was US$ 313 billion and the GDP per capita was US$ 5694.6, which is lower than Namibia and Botswana. However, in terms of ease of doing business, South Africa ranked overall at 47 out of 138 in the GCI, two points below Mauritius, with 84 for Basic Requirements; 35 for Efficiency Enhancers and 31 for Innovation and sophistication factors.

Swaziland

Swaziland's major trading partner is South Africa and therefore any economic factors that affect South Africa, also affect Swaziland. The persistent drought that pervades throughout the Region has not spared Swaziland's agricultural production. That, combined with a weaker mining sector, loss of eligibility under the African Growth and Opportunity Act (AGOA) and dependence on the unstable receipts from SACU, have led to a slowdown in GDP growth from 2.5% in 2014 to 1.7% in 2015, and economic growth is expected to remain below 2% for 2016 and 2017.

HIV incidence rate has been declining (3.1% in 2010 to 2.23% in 2013 and 1.94% in 2015) but prevalence continues to rise, with the latest figure being 26% among the productive age group of 15 to 45 years – among the highest in the world. This situation

has no doubt contributed to low productivity and high cost for health care, provision for child-headed households and others left economically exposed.

With approximately 63% of the population living below the poverty line and 78% living in in rural areas, Swaziland stands out from the rest of the Region is a negative sense. Further, unplanned urbanization has led to stress on infrastructure (transportation, sanitation, water, power and housing being the most affected). However, there is an Urban Development Programme, which should provide some relief to the situation.

With a population size of approximately 1.3 million people, Swaziland's GDP in 2015 was US$4 billion and the GDP per capita was US$3139.66. Swaziland did not participate in the Global Competitiveness survey for 2016, but in 2015, it ranked 128 of 140 countries that were surveyed.

Zimbabwe

Policy instability, poor access to financing and high levels of corruption, are the main challenges faced by Zimbabwe. Once again, the country is facing serious shortages of cash, which has led to the President using his presidential powers to amend the Reserve Bank of Zimbabwe Act, by designating so-called "bond notes", which will be legal tender and equivalent to the United State dollar.

Similarly to other countries in the Region, Zimbabwe was hit by devastating drought conditions, which threaten food security, as well as low prices for commodities. Formal unemployment is approximately 80%.

With a population size of approximately 13.4 million people, Zimbabwe's GDP in 2015 was US$14.3 billion and GDP per capita was US$1064.3. However, in terms of ease of doing business, Zimbabwe ranked overall at 126 out of 138 in the GCI, six points below Lesotho, with 120 for Basic Requirements; 132 for Efficiency Enhancers and 129 for Innovation and sophistication factors.

Conclusion

Three countries in our Connexion stand out in terms of needing the most work in terms of our Vision – Lesotho, Mozambique and Swaziland. Zimbabwe is not part of our Connexion, but is in dire need of any ministry that may be availed to them. For as long as the situation remains as it is in Zimbabwe, the MCSA will be continue to be affected, economically, politically and spiritually – if not by extension, then certainly by the impact of immigration of desperate Zimbabweans, who will be living and working within the Connexion, but whose hearts will remain in Zimbabwe.

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