

## 2019 ISLAMICITY INDICES –SENEGAL

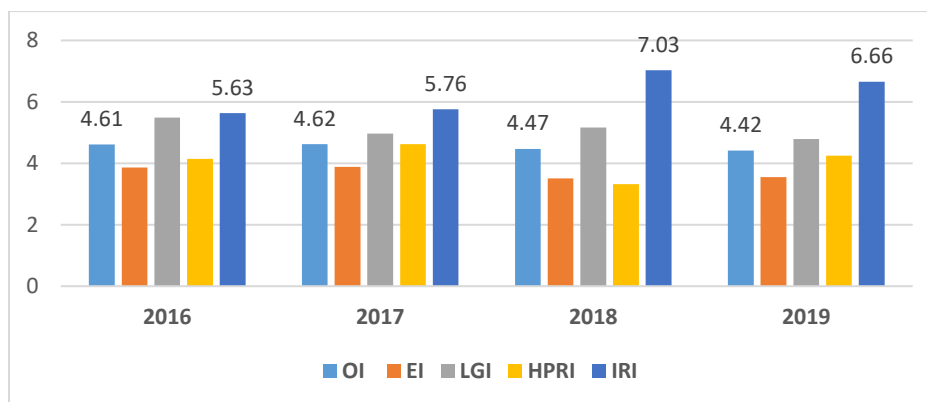
In the first section of this report, we analyze the evolution of the Senegal Islamicity Indices in 2019 relative to 2018. In the second section, taking into account the recent evolutions of the internal and external environment of Senegal hammered by the outbreak of the global pandemic Covid-19 with incalculable and equally unforeseeable consequences, the report presents the economic and social resilience program implemented by the Senegalese authorities to tackle these adverse dynamics.

### 1. Broad developments for Islamicity indices scores and ranks in 2019

#### 1.1. Overall Islamicity Index country score.

As evidenced in Figure 1, the Senegal Overall Index (OI) continued to deteriorate in 2019 relative to 2018, although to a lesser extent (0.9%). This pattern reflected mostly contraction in the Legal and Governance Index (LGI) and the International Relations Index (IRI), partly mitigated by improvement in the Human and Political Rights Index (HPRI) (2.8%). The Economic index remained relatively stable.

**Figure 1. Senegal Overall Index and its components**



From a regional perspective, Senegal’s Islamicity scores is compared below to group average scores for OIC countries (Table 1).

**Table 1. Senegal score compared to Group Average Islamicity Scores in 2019**

Score	OI	EI	LGI	HPRI	IRI
OIC Countries, average	3.39	3.62	3.11	3.10	3.91
Senegal	4.42	3.55	4.79	4.25	6.66

Table 1 evidences that Senegal Overall Index (OI) score was above the group average for OIC countries Group. Performances were noteworthy for all the sub-indices except the Economic Index (EI) lagging behind the OIC countries average.

**Table 2. Best group performers in 2019**

	OI	EI	LGI	HPRI	IRI
All Countries (153)	New Zealand	Denmark	Switzerland	Sweden	Iceland
OIC Countries	United Arab Emirates	United Arab Emirates 5	United Arab Emirates	Albania	Sierra Leone

**Figure 2. Senegal’s Islamicity score compared to the best Group performers in 2019**

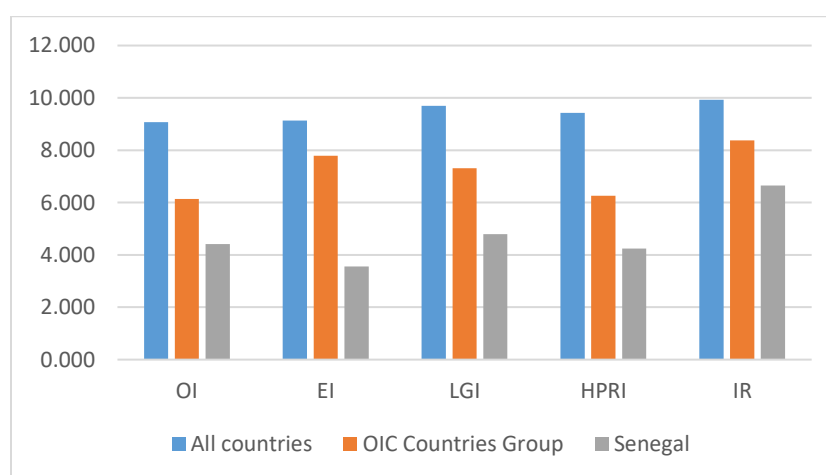


Figure 3 highlights the extent of Senegal's performances lag compared to those of Groups (All countries and OIC countries) best performers (Table 2). Evidence suggests the need for a steadfast implementation of a comprehensive institutional reform strategy to upgrade Senegal’s results toward the level of those of the best competitors, notably economic reforms and Human and Political Rights. Data analysis using quartiles as benchmarks (Table 3) confirms these findings.

**Tableau 3. Senegalese indices compared to Data quartiles**

	rank	OI	rank	EI	Rank	LGI	rank	HRI	rank	IRI
Q1		3.434		3.365		2.956		3.078		3.593
Median		4.498		4.885		4.751		4.580		5.099
Q3		6.412		6.630		7.088		6.697		6.291
Senegal	82	4.416	108	3.554	75	4.790	85	4.249	36	6.656

## 1.2. Islamicity Indices Ranking

The overall index (OI) ranks improved slightly (1 spot), mainly due to positive evolutions in EI rankings (9 spots) and HPRI (18 spots), evolutions that attenuated the impact of the negative evolutions of EI and HPRI indices on the overall rank.

**Table 4. Ranking Islamicity Indices 2019**

	OI	EI	LGI	HPRI	IRI
<b>Senegal Rank</b>	82	108	75	85	36
<b>rank changes (spots) (2019/2018)</b>	<b>-1</b>	<b>-4</b>	<b>+8</b>	<b>-11</b>	<b>+9</b>

(-) improvement; (+) deterioration

## 1.3. Changes in the sub-Indices: some major developments

Recent official macroeconomic estimations, the real economic growth slowed down to 5.3% in 2019 while inflation remained low at 1.0% (annual average). However, the current account deficit widened in 2019 to 7.8% percent of GDP and the overall fiscal deficit to 5.5%. In addition, the steady rise in ratio of the total public debt to GDP to 64.5% in 2019 suggests a weak adherence to Islamic finance.

About social issues, the Human Development report (UNDP, 2019) estimated the Senegal's Human Development Index value for 2018 at 0.514, a data that put the country in the low human development category—positioning it at 166 out of 189 countries and territories.

## 2. Impact of the Covid 19 pandemic in Senegal. Policy responses and outlook

With the outbreak of the Covid-19, Senegal faced a severe economic and social disruption induced by the combined effects of shock to external demand and remittances and pandemic containment measures on domestic demand and supply inter alia inter regional travel and tourism restrictions, closing of markets, curfew.

The Covid-19 severely clouded the economic outlook. According to recent macroeconomic projections, the GDP growth rate would drop from 5.3% in 2019 to 1.1% in 2020, with high uncertainty and downside risks on the strength of the recovery..

To address the crisis, the Senegalese authorities adopted an Economic and Social Resilience Program, financed by a special Force COVID-19 (amounting 7 percent of GDP) with interventions organized around the following pillars:

1. Strengthen the health system.
2. Strengthen social protection including food kits, funds to support the diaspora, subsidy to pay utility bills vulnerable households for two months, implementation of

livestock safeguarding operations, and support for artisanal fisherman, women processors, fishmongers and aquaculturists.

3. Safeguard macroeconomic and financial stability, support the private sector and protect jobs.

4. Maintain regular supply of hydrocarbons, medical products, pharmaceuticals, and necessities.

The Economic and Social Resilience Program funding is provided by:

- the momentum of solidarity of the Senegalese citizens and businesses;
- the effort to reframe the 2020 budget; and
- the support of technical and financial partners (PTF) of Senegal.

Currently, the Senegalese Government is working on a National Economy Recovery Program, which will be based on strengthening the productive bases, including agriculture.

### **3. Conclusion**

Many analysts agree on the fact that the Covid -19 has mainly precipitated the economic and social crash of 2020. The coronavirus pandemic highlights the structural flaws in the mainstream economic system such as a high financial virality inducing a recurring instability; the hyper domination of the fixed-cost sectors of the Internet that produces behemoths that alter the competitive games, and hypermobility of productive factors which contradicts the environmental or security imperative.

For many developing countries such as Senegal the crisis opens new opportunities to adopt an alternative socio economic model to the dominant mainstream.

In the case of the Senegal, the analysis of the overall evolution of the indices of Islamicity still highlights the imperative need of more government governance and government effectiveness, an effective enforcement of anticorruption measures and rule of law, more transparency in the management of extractive industries and other natural resources. The fight against human inequality remains a high priority that could fully benefit from the distribution and redistribution mechanisms derived from the Quran and Sunnah.

The government may consider the increasing cost of public borrowing, and accordingly enhance its adherence to Islamic finance. Accordingly, to finance budget deficits, the government should use only non-debt creating flows by : (i) shifting away from interest-based systems towards enhanced risk-sharing systems and (ii) issuing macro market instruments to furnish the Treasury with a significant source of non-interest rate-based financing while promoting risk sharing.