



West and Central Africa

Persistent instability

As in years past, constraints on political and economic transformation in West and Central Africa remain stubbornly high. But if the region as a whole has shifted little, a closer look at individual countries shows profound changes for both better and worse, including a record-setting decline.

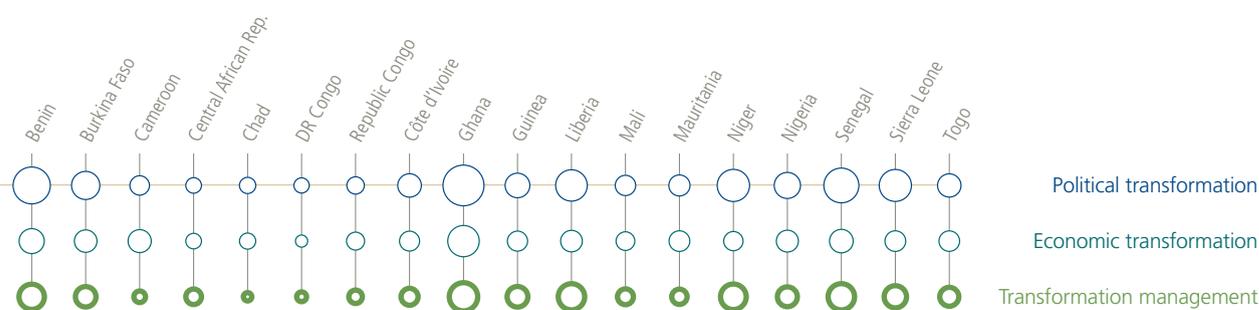
The BTI 2014's overall assessment of the West and Central Africa region echoes in broad strokes the findings of previous surveys. In the realm of political transformation, the region's 5.28 points places it in the middle ranks compared to other regions, although West Africa has fundamentally made more progress on the path toward democracy than has Central Africa. Once again, the region's political transformation performance is stronger than its record of economic transformation; indeed, an average of 4.31 points makes West and Central Africa the BTI's most economically backward region. The widespread lack of social protections and high poverty rates must be seen as particular causes for concern. This gulf between the political and economic states of transformation is also reflected in

the stark contrast of classifications: While nine of the 18 West and Central African countries are democracies, there is not a single fully developed or even functioning market economy among them.

Given the enormous structural problems throughout the region, and a recent past marked by violent upheavals and civil wars, it is hardly surprising that the BTI regards the governments of West and Central Africa as facing the highest average level of difficulty worldwide with respect to transformation governance. In particular, building consensus in the wake of bitter conflicts resembles in some cases an attempt to square the circle. The generally bleak situation relativizes the handful of very highly rated governance performances, particularly in the area of international

cooperation. Yet even the major structural challenges faced by most governments in the region cannot justify the nearly absolute failures in governance shown by the autocracies in the Central African Republic, Chad and the Democratic Republic of the Congo. These countries find themselves with unpleasant regularity at the bottom of the BTI rankings.

The deteriorating state of affairs in Mali – now ranked 90th among 129 countries in terms of democratic transformation – may well have been deemed impossible by well-meaning observers two years ago. But a closer look yields the acknowledgment that ominous signs of trouble within this “model” democracy were always present. In any case, the extent of the country's deterioration is unprecedented: Mali's



democratic transformation score declined by 2.90 points – more than any other country in the history of the BTI. In this sense, Mali is only the latest example of the extreme volatility of transformation processes in West and Central Africa as a whole.

This is true also of Côte d'Ivoire, if fortunately in the opposite direction. Still mired in civil war during the BTI 2012 review period, the country has since then experienced an encouraging period of positive, if modest development. A gain of 1.90 points reflects this heartening trend. Senegal and – with significant caveats – Nigeria have also shown progressive tendencies.

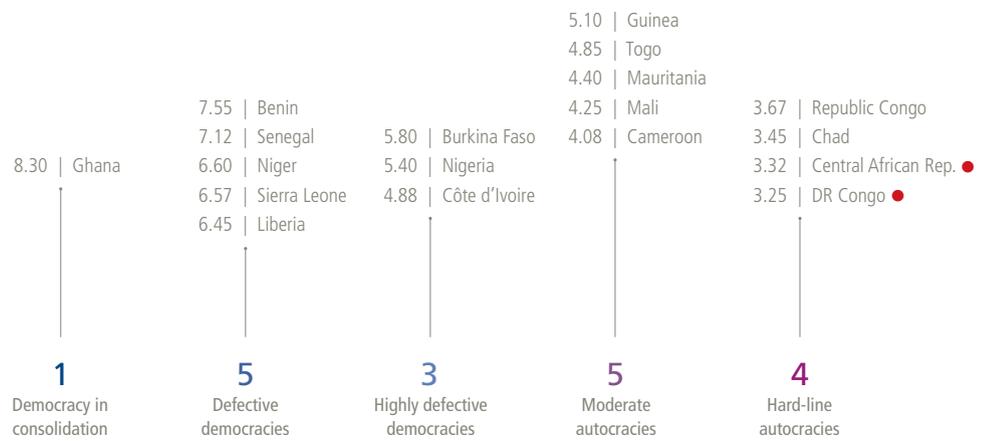
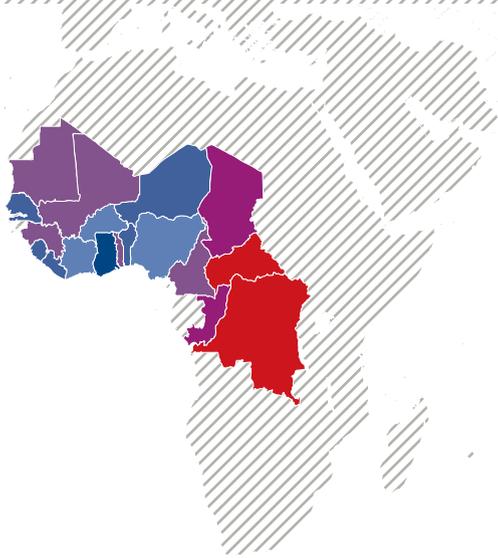
By contrast, a number of countries are simply treading water. Thus Guinea, Mauritania and Togo were unable to build further on the promising developments displayed

in previous years. Ghana, too, despite being the regional leader in virtually all indicators, has stagnated, albeit at a higher level. In Ghana's case, the most critical medium-term question is whether the country can successfully find a sustainable, socially inclusive use for the revenues from the oil production started in 2011 or whether, like so many other African countries, it will instead fall victim to the "resource curse."

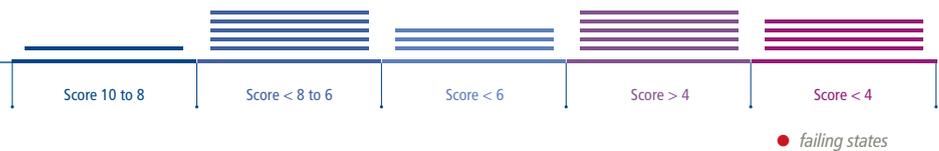
In the area of economic transformation, there is little overall movement to report. On the positive front, the international financial crisis had comparatively little impact on the region, and few aftereffects have appeared. However, the BTI 2014 makes it very clear that any allusions to "African lions" remain today far divorced from reality. Not even double-digit growth rates in some

countries can hide the fact that the region is quite far from establishing a stable market-economic order.

The additional destabilizing effects of religious fundamentalism must also be taken into consideration. Even the most cautious assessment must concede that militant Islamism has gained a foothold in parts of the region.



Political transformation



Radicals on the march?

West and Central Africa continues to be a region of extreme fluctuation. The significant improvement in Côte d'Ivoire contrasts with the historic democratic loss in Mali. On average, the region shows a middling degree of political transformation that, given the exceedingly difficult transformation conditions and low levels of socioeconomic development, is in itself remarkable.

Of the 18 countries comprising the BTI region of West and Central Africa, nine are classified as autocracies, and the other half as democracies. However, this latter label applies without caveat only to Ghana, which saw a constitutionally guided and largely peaceful governmental transition take place following the death of President Atta Mills in 2012. While the regional leader in terms of democracy failed to make any significant gains relative to past surveys, its 8.30 points are enough to place it in the BTI's overall top 20.

The region's top gainers present a somewhat more checkered picture. Côte d'Ivoire (+1.90 points) resembles the BTI 2014's second-largest increase with respect to political transformation; however, this success remains for the moment provisional.

At the beginning of 2011, when the BTI 2012 review period was drawing to a close, the country remained in a civil war triggered by incumbent Laurent Gbagbo's refusal to concede defeat to electoral challenger Alassane Ouattara. With the help of the United Nations, Ouattara's forces ultimately prevailed in this conflict, enabling the presumptive winner of the election to take office. The new president now faces the challenge of reconciling former wartime opponents.

Nigeria (+0.60 points) evinces similar challenges: The country's assessment benefited from the April 2011 elections, which showed a dramatic improvement in quality over previous ballots and, in fact, were considered to be the cleanest in the entire history of the country. However, Nigeria has

been suffering for years from violent conflicts between members of various religious groups. Whereas the conflict between Muslims and Christians in central Nigeria is at least partially driven by economic-political motives (i.e., a fight over land and power), a genuinely religious threat in the form of the Islamist zealots of the Boko Haram has been growing since at least 2009. Indeed the threat of extremist Islamism, no longer confined to the Sahel, is sparking increasing anxiety in West Africa.

The problematic influence of militant Islamists was much more evident in Mali. However, the militant Al-Qaeda in the Islamic Maghreb (AQIM) organization and related groups, whose religiously motivated violence is mixed with criminal activities, are also active in neighboring coun-



Population: 14.9 mn

Life expectancy: 51.4 years

GDP p.c. PPP: \$ 1,215



Political transformation BTI 2006 – BTI 2014

tries, such as Chad, Mauritania and Niger. To be sure, there is little to indicate that democracy and (moderate) Islam cannot be perfectly compatible. But there are growing signs that militant Islamism will be a ripening challenge for the region and its political transformation in the coming years – especially if security forces play into radicals' hands through the use of excessive force.

Aside from Mali, a number of other particularly interesting cases belong to the group of “moderate” autocracies. Cameroon, for example, with 4.08 points, continues to brush dangerously against the border of hard-line autocracy. The elderly President Paul Biya, at 80 years old one of the last “dinosaurs” among sub-Saharan Africa’s heads of state, has made no move to step down and no provisions for his eventual succession.

In contrast, Guinea, Mauritania and Togo were demonstrating just a few years ago promising approaches to political transformation. However, this trio has made no significant progress since then. In Mauritania, the military is again calling the shots from behind the scenes. The president, Ould Abdel Aziz, is the general who led the last coup, in 2008. In Togo, power is held by long-time dictator Gnassingbé Eyadéma’s son Faure, who won presidential elections in 2010 that were neither free nor fair. Though the country is freer today than under the former dictatorship, its transition to democracy remains incomplete. In the last edition of the BTI, Guinea showed significant progress in political transformation. Relatively free and fair presidential elections produced the country’s first democratically legitimized president and ended a period of turbulence characterized by military rule and ethnic tensions. The situation has continued to improve since Alpha Condé’s inauguration, but only in part, as ethnic ten-

sions persist. Moreover, long-overdue parliamentary elections – which should have brought the phase of formal democratization to a close – were repeatedly postponed, leaving unfulfilled a necessary condition for classification as a democracy.

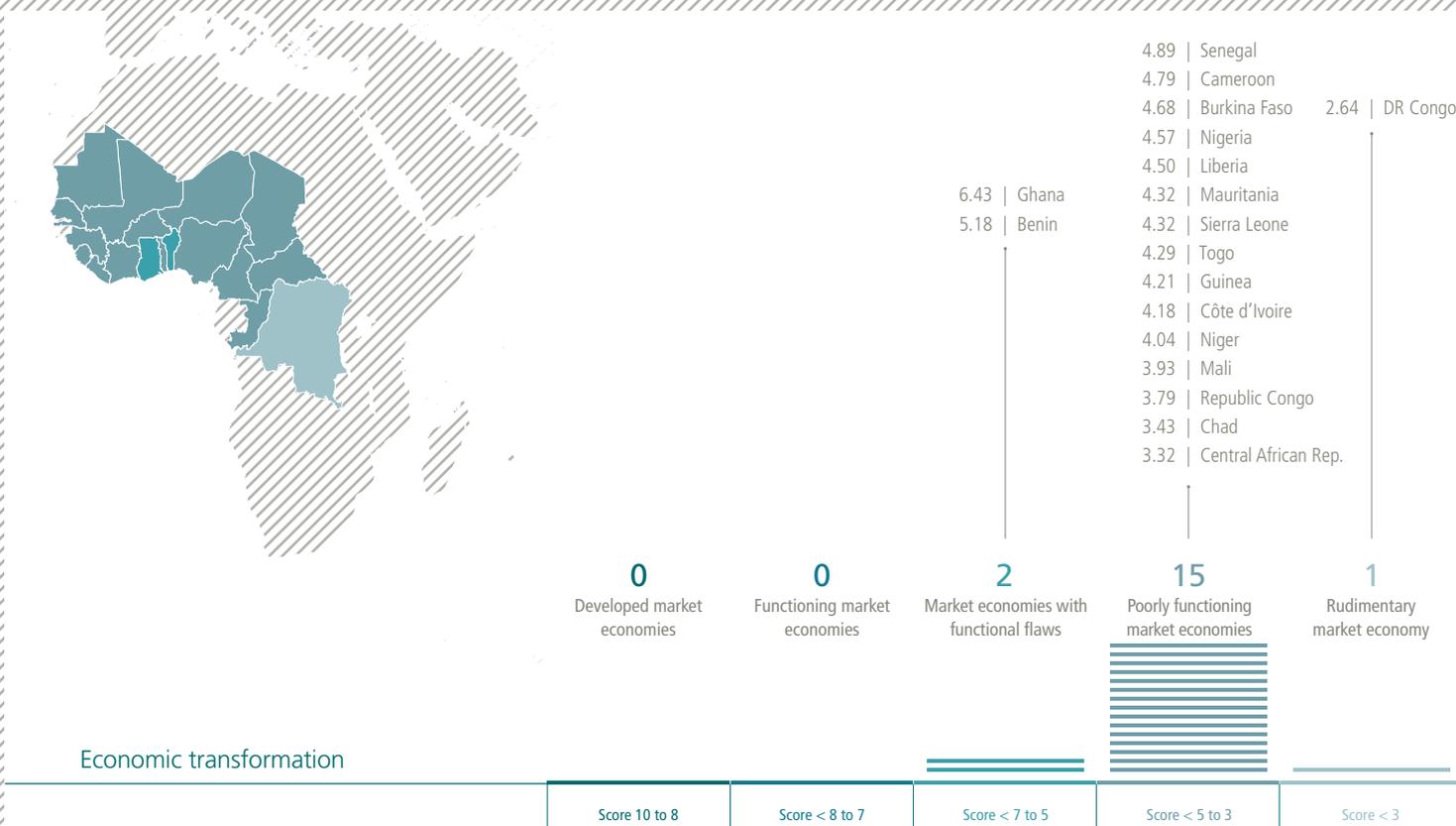
The markers of decline in Mali

Not long ago, Western politicians and experts were fond of calling Mali a “model of African democracy.” Likewise, the BTI country reports spoke of “one of the most successful transitions in sub-Saharan Africa.” At the same time, though, they identified persistent problem areas, such as the state’s inability to ensure its monopoly on the use of force throughout its territory even after the end of the latest open hostilities with the Tuareg in 2009. The BTI also pointed to a long-dysfunctional party system and a weak rule of law. Indeed, many of Mali’s notable achievements relied wholly on a consensus among the elites.

Events since January 2012, when the Tuareg again rebelled in the north, have revealed how fragile this consensus was. The armed forces accused President Amadou Toumani Touré of incompetence in putting down the rebellion and, in March 2012, they ousted him. Only in January 2013 – and with French and African military aid – did government troops finally repress the rebels.

In July 2013, the presidential election originally slated for April 2012 finally took place, with Ibrahim Boubacar Keita emerging as the victor. Yet the election is little more than a promise so long as the gap between the rhetorical commitment to democracy and the actual behavior of the country’s elite persists.

Many challenges await the new government: the reintegration of 400,000 refugees; regaining control of the north, mainly through a more effective army; and, finally, socioeconomic reforms, which are unimaginable without international aid. However, all is not lost in the country showing the largest decline in political transformation for the BTI 2014: The crisis and its aftermath have also demonstrated that there are forces of reform and change in Mali.



Economies without safety nets

In no other BTI region are poverty rates so high. Virtually all countries are dependent on raw materials, and signs of sustainable growth are few and far between. There is currently little sign of an awakening of “African lions” in West and Central Africa.

The most notable finding in the area of economic transformation, and at the same time the grimmest, is clear at first glance: No market economy in West and Central Africa is fully developed or even functioning without shortcomings. Even Ghana, which is the regional leader in this dimension as well, faces a long road ahead in a number of areas, from the fight against inflation and monopolies to developing social safety nets.

This latter indicator in particular shows a distressing picture across the region. In all of the region’s 18 countries, social security systems are at best only rudimentary. Ghana is at the level of countries such as China, Jordan or Kosovo, while the regional

average of 3.17 lies below the scores achieved by countries such as Bangladesh or Iran. Moreover, this value has decreased slightly over the past eight years. Poverty rates are correspondingly dramatic. According to the World Bank, in 15 of the 18 countries, more than half the population lives on less than \$2 per day, while in almost two-thirds of the countries, the poverty rate is over 70 percent.

This means the population is dependent on families and clans to play the role of informal safety nets. In some cases, religious institutions also take over the task of providing social security. By contrast, the state has largely relinquished its role as a guarantor

of social compensation. In other words, in what remains the poorest region of the BTI, the market economy altogether lacks an anchoring in principles of social justice.

This does not mean there are no bright spots. The region shows a rather pronounced price and macroeconomic stability – in large part due to the two central banks that determine monetary and exchange-rate policy in the context of the CFA franc monetary union. In the case of a few countries, including Côte d’Ivoire and Guinea, growth rates also give cause for hope. In Guinea (+0.75 points in economic transformation), moreover, progress was made in the mining sector as a result of a recent legislative reform, while the

country’s macroeconomic framework has been significantly strengthened in areas such as property rights and conditions for private enterprise. The upward trend shown by Côte d’Ivoire (+0.54 points) following the end of the civil war is significant, even though cocoa production, the dominant factor in the Ivorian economy, functioned to an extent even during the war.

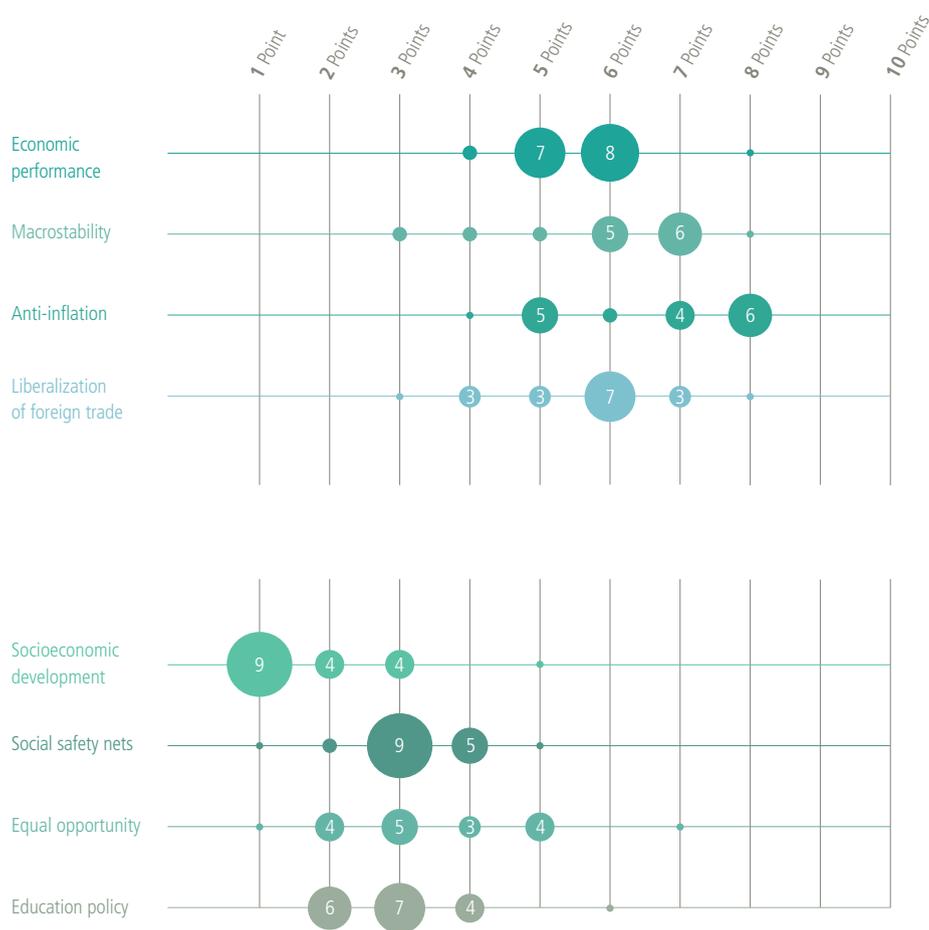
As the world’s largest cocoa producer, Côte d’Ivoire also offers an example of the continued dependence of nearly all the region’s countries on specific commodities. Crude oil is produced in Cameroon, the two Congos, Côte d’Ivoire, Ghana, Mauritania, Niger and Nigeria. With more than two million barrels produced per day, Nigeria numbers among the largest crude oil producers in the world. There are diamonds in the Central African Republic, Côte d’Ivoire, the Democratic Republic of the Congo and Sierra Leone. Togo has the largest phosphate reserves in the world, no country is as rich in bauxite (needed for the production of aluminum) as Guinea, and Niger is the primary source for uranium. Other countries, such as Burkina Faso and Mali, rely primarily on cotton.

The potential hazards associated with such undiversified economies are clear. Sudden wealth can destroy other export sectors and thus undermine overall economic performance (the “Dutch disease”). Resource-based income can create a rent-seeking mentality that promotes corruption and weakens institutions. Countries such as the Democratic Republic of the Congo, Nigeria and the Republic of the Congo, which have significant natural resources, confirm this thesis of a “resource curse” in practice.

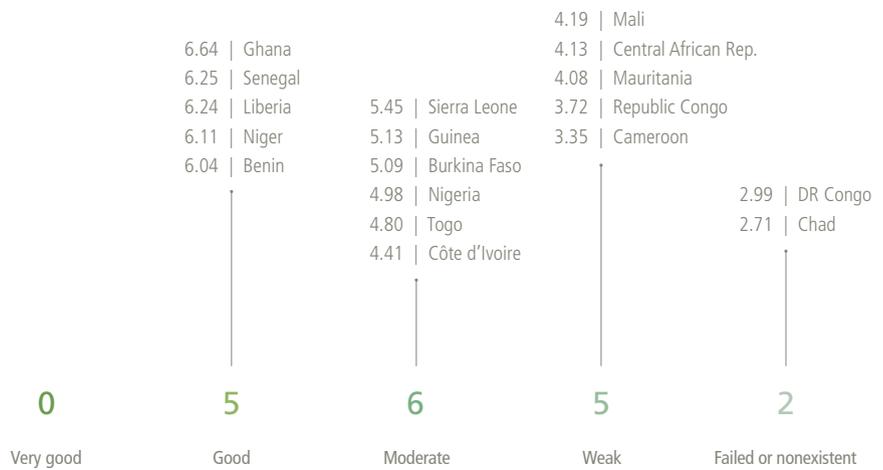
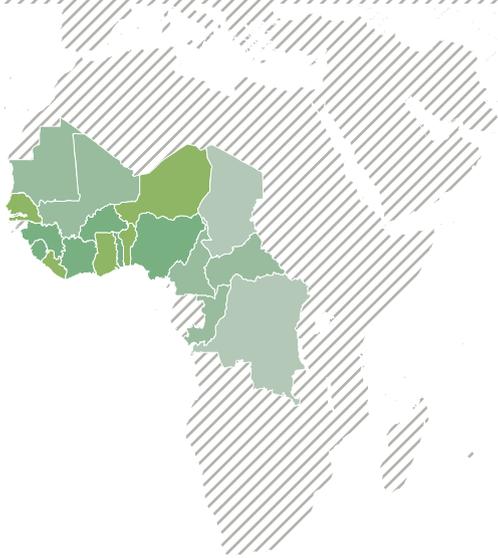
Overall, it remains clear that rich deposits of resources require competent, scrupu-

lous management. It is an encouraging sign in this context to see that Ghana, an oil producer only since 2011, has sought advice from Norway, the country respected worldwide as a role model for the intelligent management of resources. This potentially bodes well for the development of Ghana’s oil sector in the years to come and, with it, the entire economy.

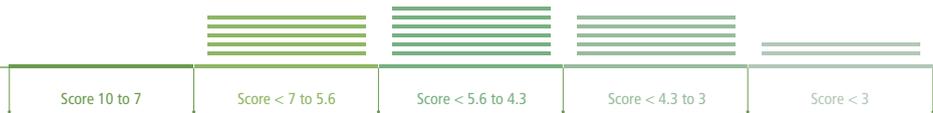
Despite some achievements in macroeconomic terms, social progress remains out of reach in many countries



Number of countries per score for selected market economy status indicators



Transformation management



Trying to square the circle

In no other region of the BTI is the burden of conflict as high as in West and Central Africa. However, reconciling embittered opponents is just one of the challenges faced by the region's governments. A frequent lack of steering capability and resource efficiency exacerbates difficulties.

While the region's average transformation management scores have remained relatively constant, a look at the categories of transformation management reveals the underlying shifts: No fewer than six countries, a third of the region's total, have changed their classification in the BTI 2014. Along with Mali (-2.01 points), the Central African Republic, the Democratic Republic of the Congo and Mauritania all slipped by at least one category, while Senegal (+0.66 points) pulled itself up a category higher. With an improvement of 2.56 points, Côte d'Ivoire is the regional winner in the area of transformation management, improving by two categories.

While these ups and downs offer evidence of the fragility and volatility of regional transformation processes overall, a look at individual criteria offers insight into structural specifics. West and Central African governments demonstrate their best average

management performance in the criterion of international cooperation (6.72 points). However, it must be noted that few other alternatives remain to them other than accepting external help from the West – or, increasingly, from China. In contrast, steering capability (4.63 points) and the effective use of resources (4.11 points) are problem areas across the region.

Perhaps the most prominent feature here is the degree of difficulty. With an average value of 7.30, this is virtually unchanged in comparison to the BTI 2012 and higher than in any other region of the BTI. The burden of conflict is high or very high in 10 of the region's countries. To take but a few examples, tensions with the Tuareg in Niger and between the descendants of slaves and slaveholders in Mauritania create continuing difficulties. The experience of Mali with a similar constellation of problems gives rea-

son to fear a spillover of the Tuareg conflict. Islamist violence, mixed with ethnic tensions and criminal activities, was particularly pronounced in Mali and Nigeria during the period under review. However, the state of affairs in the Central African Republic and Côte d'Ivoire show that religion can serve as an element of ethnic identity without triggering conflict.

At the same, Côte d'Ivoire provides a sobering demonstration of the challenges of consensus-building, which in the BTI is a separate criterion in the assessment of good governance. Generating trust, advancing transformation goals and including all actors – while simultaneously dealing with the crimes of the past – demand sure instincts and are indeed nothing short of a Herculean task. The Ivorian government of Alassane Ouattara finds itself confronted with precisely this challenge. The war has

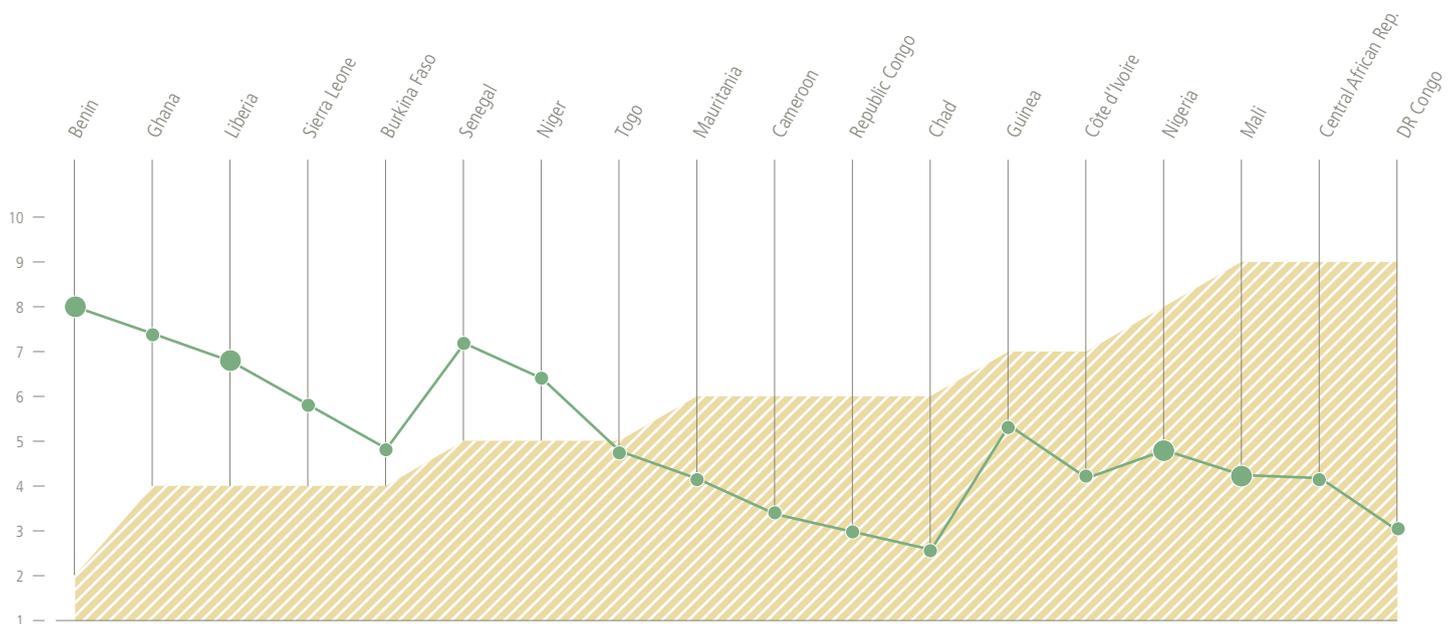
been won, but the wounds remain fresh. Ideally, crimes perpetrated by both sides should be addressed, but Côte d'Ivoire's practical constraints make this difficult. While former President Laurent Gbagbo and his commanders must answer to the international court in The Hague, the crimes committed by Ouattara's own forces are receiving less attention – though this is not solely the result of bad faith. The new president remains dependent on the support of his security forces, and any sustained examination of this subject could quickly cost him his office.

President Alpha Condé faces a similar dilemma in Guinea. On the one hand, a reform of the security sector is urgently need-

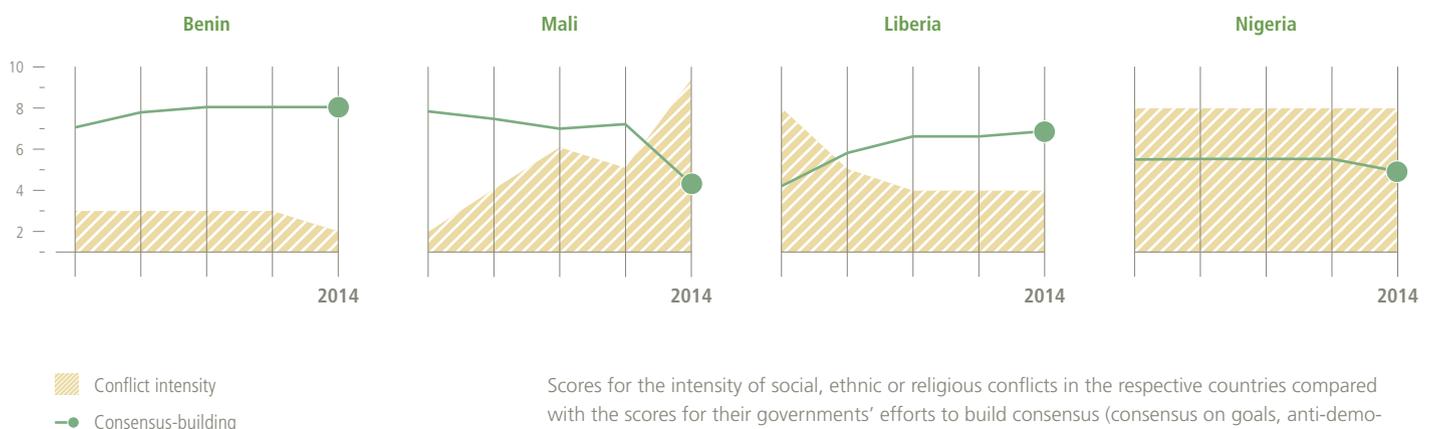
ed. The armed forces have for decades determined the outcome of political affairs and are loathe to accept the idea of a return to the barracks. On the other hand, any attempt to establish full civilian control over the military will be a delicate task, as a new military coup remains a very real danger. It is thus no accident that the government oscillates between attempts at discipline and appeasement. This explains why officers compromised by corruption and human rights violations remained in office even in the spring of 2013. Separately, Nigeria demonstrates the difficulties of finding the right policy mix with which to combat and reintegrate insurgents. In fact, an amnesty program in Nigeria for the former rebels in the Niger

Delta has contributed to a decline in violence, but initial efforts to meet the Boko Haram rebels with force yielded only limited success.

However, some governments fail to make even good-faith efforts to address this kind of dilemma. In a number of West and Central African states, rulers are not concerned with the long-term construction of either a consensus-oriented democracy or a sustainable market economy. Rather, their only goal is to retain power. The prime examples of this tendency can all be found at the bottom of the BTI rankings: Idriss Déby in Chad, Joseph Kabila in the Democratic Republic of the Congo, and Denis Sassou Nguesso in the Republic of the Congo.



A governance challenge of its own: building consensus in conflict-intense environments in regional perspective and over time (BTI 2006 – BTI 2014)



Scores for the intensity of social, ethnic or religious conflicts in the respective countries compared with the scores for their governments' efforts to build consensus (consensus on goals, anti-democratic actors, conflict management, civil society participation and reconciliation)



Lessons from Mali

While the West and Central Africa region as a whole appears in the BTI 2014 to be stuck at its previous levels, an examination of individual countries' experiences shows considerable turbulence. The fact that Côte d'Ivoire is back on the road to revival is one of the most gratifying results. Mali, by contrast, experienced a deeply disappointing collapse in its democratic prospects. There are, however, lessons to be derived from the troubling state of affairs in Mali.

First, the quality of democracies and economic systems in Africa must always be seen in the context of the difficult transformation conditions prevalent throughout the region. The case of Mali vividly shows that a democratic system lacking mechanisms for broad political and social integration as well as socioeconomic participation is inevitably fragile. A stable democracy requires a certain level of socioeconomic development and more than a (potentially brittle) elite consensus. Second, the military must always be regarded as a political actor in Africa. Military coups in Niger and Mauritania in recent years reaffirm this assessment.

Third, Mali's collapse demonstrates the corrosive effects of religious extremism. The case may seem to confirm those who hold Islam and democracy to be fundamentally incompatible, particularly because Mali was for decades considered to offer a convincing counterexample to this thesis. However, this assumption would mean equating Islam with its extremist variant and misjudging in Mali's specific case the strength of the influence from outside the country. Nevertheless, the growing significance of an

extreme Islamism in West Africa cannot be denied. It ranges across the entire Sahel and has appeared in Nigeria as well. Given the poverty and governance failures in many of the region's countries, a radical ideology can be attractive, particularly if combined with lucrative activities, such as smuggling and kidnapping.

The fourth lesson concerns development cooperation. In the long term, it serves to immunize against extremism only when sustainable well-being and social security can be successfully achieved. However, a measure of realism is needed. Decades of development cooperation show that a country's path cannot easily be shifted for the better from the outside. Intelligent development cooperation – in Africa and elsewhere – supports existing constructive approaches and provides emergency relief in humanitarian crises when necessary. Sometimes, for better or worse, this may even include military intervention, which appeared necessary in Mali's case.

Finally, the case of Mali pleads for caution in dealing with current and future "model countries." In troubled regions, such as West and Central Africa, the desire for role models and model countries is strong. This poses the risk that shortcomings will be too readily overlooked. Mali's democracy was never perfect, and the BTI was not the only source to repeatedly point out significant shortcomings in stateness, the rule of law and the party system. Moreover, in recent years, the government's ability to implement its policies effectively, produce a popular consensus or successfully

manage the existing conflicts, especially in the country's north, had declined precipitously. The danger of seeing through rose-colored glasses also applies to former model countries, such as Côte d'Ivoire and Liberia, and above all to Ghana today. Undoubtedly, Ghana has achieved much in the past years, and this success should be given due recognition. However, in many areas, such as the fight against corruption, more remains to be done. Supporting Ghana on its path forward is an important task, perhaps paradoxically so in light of the recently discovered oil reserves. Yet too many examples from West and Central Africa have already shown how difficult it can be for transformation countries to settle upon a use of resource wealth that benefits the well-being of a nation's overall population rather than of a select few.



Peter Esele has been President of the Trade Union Congress of Nigeria since 2007. He is also the labor unions' representative on Nigeria's National Stakeholders Working Group (NSWG), a Member of the Board of the Nigeria Extractive Industries Transparency Initiative (NEITI) and a member of the NEITI-CSO Steering Committee. He has been a member of the Transformation Thinkers network since 2012.



Interview

“We must get it right this time”

Peter Esele on encouraging developments in Nigeria, strategies for battling radical ideologies – and the threat of social unrest

According to the BTI, Nigeria's general elections in 2011 are considered “the most credible” in the country's history. To what do you attribute this?

The success was a result of renewed awareness among the people to take their destiny in their own hands. Overall, the candidates connected very well with the electorate. Also, the winning candidate enjoyed much credibility on the basis of his past actions. Many people associated positive things with his name, “Goodluck,” believing he would in fact bring good luck to the country. There was a widespread feeling that we must get it right this time. There were massive efforts to educate the public on the process and the need for everyone to act with integrity, with civil society organizations and other groups rising to the occasion. I hope we can build on this in 2015.

Despite this success, the political situation at the end of 2012 remained mixed. Worrisome are the acts of terror carried out by the Islamist group Boko Haram and the military's strong reaction. In May 2013, President Jonathan declared a state of emergency in three northeastern states. What do you make of this situation?

The declaration of a state of emergency received broad support in the country, as most believe the Islamists went too far in attacking Christians and bombing their churches. During these attacks, Boko Haram also killed several Islamic followers, leading some to suspect political motivations. I don't believe that a military approach will solve all the problems. We need to have civilian institutions move into the northwestern regions, which is where Boko Haram is based, and make life in that part of the country easier. The northwest has a very low literacy rate and is the poorest area in Nigeria. All levels of government – federal, state and local councils – must target poverty reduction by providing basic amenities and infrastructure. The government must win over the hearts and minds of the people; this can't happen through the barrel of a gun. The government's soundbites so far seem encouraging; time will tell how effective it is.

The example of Mali shows that Islamist movements are gaining traction in West Africa. In both Niger and Senegal, religious dogmas are growing in influence. How do you explain such a development, and how should the influence of militants and radical ideologues be countered?

There are two interrelated problems that these countries share: poverty and illiteracy. Education is key to countering the influence of militants.

Democratic institutions need to be strengthened. The rule of law – not the rule of man – must hold sway. Corruption and nepotism must also be made a thing of the past. The state and religion must be separated. Religion must be restricted to where it truly belongs: the heart.

As president of Nigeria's largest union, self-defined as interethnic and not affiliated with any specific confession, what are your experiences in bridge-building and conflict management aimed at overcoming societal cleavages?

The biggest pillar for maintaining our neutrality is our constitution, which clearly states our role and responsibilities to our members in particular and the country at large. The leadership also ensures that offices are evenly spread among the various sectors of the economy and regions of the country. Doing so gives all a sense of belonging and allows us to mobilize effectively across the country to achieve a particular goal or objective.

In terms of economic development, the BTI country report recommends the deregulation of key sectors, such as electric power and refineries. As a unionist, what are your thoughts on this?

Our leadership has never been against deregulation. Our position is that government must explain what they intend to do with the revenues. They can't tell us to tighten “our belts” as they loosen theirs. The unions are demanding value for money. Nigerians need to know the extent to which subsidy payments have gone into private pockets, and the guilty should be prosecuted. Our major concerns include:

The government should introduce a mechanism that ensures products are exported directly from the refinery, thereby doing away with spot markets controlled by middlemen. Jetties need to be dredged to allow for larger vessels, which would reduce the unit cost of landed product. Pipeline and depot integrity must be fully restored to reduce, if not eliminate, the need to transport product across the country by road, which has resulted in considerable road damage and the loss of lives.

The Petroleum Product Pricing Regulatory Agency template needs to be empirically reviewed so that consumer-friendly standards are set. The unions' fear is that if these and many other inefficiencies are not attended to before deregulation is carried out, we will face a socioeconomic disaster, and unimaginable social unrest may follow.