



West and Central Africa

Beyond catastrophes

Religiously motivated violence, the Ebola epidemic and widespread poverty: West and Central Africa has repeatedly made negative headlines in recent years. By contrast, the trends and developments giving rise to hope remain largely unnoticed.

For international observers, the verdict often seems clear: Sub-Saharan Africa, particularly the countries in West and Central Africa, stand for civil war, crisis, disease and catastrophe. And there is plenty of evidence for this to be found in the BTI 2016. During this edition's review period, sectarian violence appears to have gained ground. Islamist terror raged in Nigeria and began to spill over into neighboring states, while bloody clashes between Christians and Muslims claimed numerous victims in the Central African Republic.

The Ebola epidemic periodically threatened large portions of West Africa and dominated headlines in the Western media. In most countries, poverty is widespread and structurally ingrained despite the presence of resource wealth. And finally, for many countries, the military remains a central

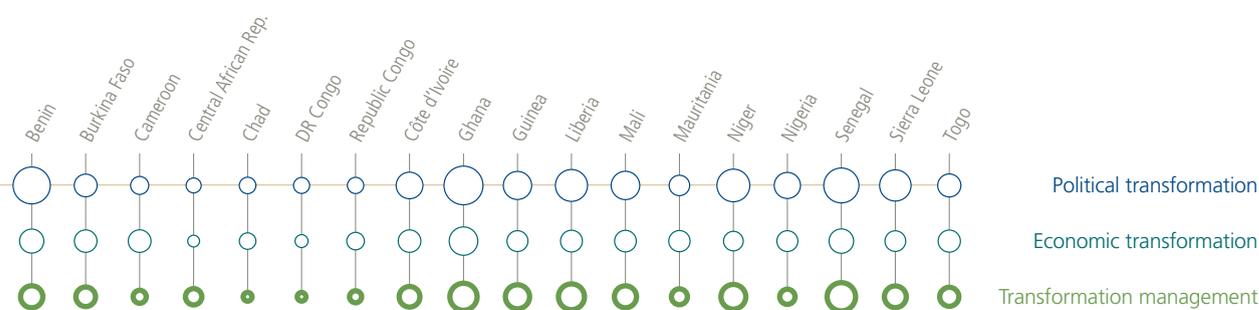
political force. In Mauritania, for example, the military consolidated its power from within the shadows of a façade democracy, while in Burkina Faso, the military overthrew longtime President Blaise Compaoré, whose plans to extend his rule had triggered unrest.

All of this is countered by positive developments and events, often unnoticed by the Western public, which give cause for hope. Classical assumptions about successful democratization that draw on modernization theory would not necessarily expect democratic governance to emerge from the challenging social and economic conditions found in the region. Given this difficult environment, it is quite remarkable that, despite their shortcomings (which are rather pronounced in some cases), more than half of the region's states can be regarded as

democracies. This is a first, as the BTI has never before classified a greater number of countries in West and Central Africa as being democratically governed. Peaceful transfers of power at the ballot box are happening more frequently.

There are also encouraging signs to be found in socioeconomic terms. An improvement in living standards is evident despite the persistence of poverty. Particularly since 2000, the region's Human Development Index (HDI) scores, as calculated by the United Nations, have substantially increased. From 2000 on, the gains have been greater than in most other BTI regions – interestingly, with the exception of South and East Africa.

Aside from these developments, the BTI 2016 reaffirms key findings from previous surveys: West Africa is fundamentally more advanced with regard to political and eco-



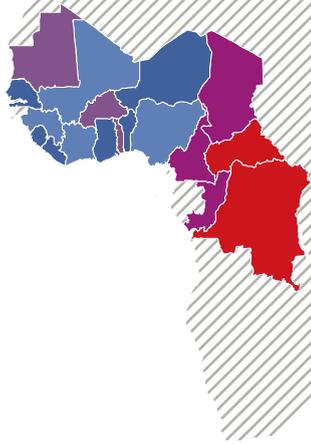
conomic transformation than is Central Africa. The state of political transformation is more advanced than the state of economic development, which, in turn, is lower than that observed in any other region. West and Central Africa's structural obstacles to good governance, which the BTI measures in terms of degree of difficulty, remain the highest in worldwide comparison. Many countries also score high with respect to international cooperation, though these encouraging findings must also be seen against the background of the region's dependence on development cooperation.

In individual-country terms, Côte d'Ivoire and Mali, in particular, have shown clear gains in the Management Index. Both show significant progress being made in the wake of severely violent clashes. Positive trends are also evident in Senegal and – with

some significant qualifications – Guinea. Senegal has seen an upward trend since the 2012 electoral victory of Macky Sall, the new president, and the country's relatively successful fight against the Ebola crisis. In Guinea, parliamentary elections were held in September 2013 after long delays.

In most areas of transformation, as well as in many individual indicators, Ghana remains the region's leader. However, growing shortcomings are unmistakable here, for example, with regard to fiscal policy and the fight against corruption. A number of countries, such as Mauritania and Togo, have not been able to expand upon initially encouraging signs of better governance. Regimes such as the Central African Republic, Chad and the Democratic Republic of Congo are consistently found at the bottom of the political and economic transformation rankings.

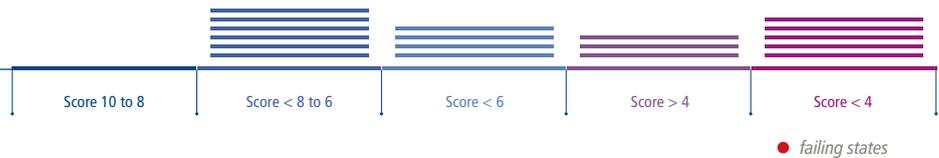
Nigeria, the region's largest country by far with more than 150 million residents, perhaps best embodies the ambivalent nature of current developments. The country is suffering under the violence of the Boko Haram terrorist group; however, shortly after the end of the BTI review period, it successfully organized elections that led to the first peaceful transfer of power in the country's history. The incumbent, Goodluck Jonathan, conceded defeat to his challenger, Muhammadu Buhari, in all likelihood preventing greater political turbulence.



7.90 Ghana	5.85 Mali	4.80 Togo	3.80 Cameroon
7.55 Benin	5.80 Guinea	4.73 Burkina Faso	3.50 Chad
7.15 Senegal	5.50 Côte d'Ivoire	4.27 Mauritania	3.45 Republic Congo
6.70 Niger	5.40 Nigeria		3.40 DR Congo ●
6.55 Liberia			3.20 Central African Rep. ●
6.42 Sierra Leone			

0 Democracies in consolidation
 6 Defective democracies
 4 Highly defective democracies
 3 Moderate autocracies
 5 Hard-line autocracies

Political transformation



Democracies confronted with terror

On the one hand, BTI findings point to more democratically governed countries in the region than ever before. On the other, in parts of West Africa, in particular, religiously motivated violence is increasingly common. So far, the political influence of fundamentalism remains limited.

From the perspective of the BTI, there is currently no democracy in West and Central Africa without major defects. Ghana, the regional leader, which just crossed out of this category threshold two years ago, has fallen back, particularly in the area of anti-corruption policy. Nevertheless, because Guinea and Mali have re-emerged from the group of autocracies, the BTI shows a majority of democratically governed states in the region for the first time.

However, the progress remains too tentative to speak of stable development. Mali, in particular, remains far from the transformation status achieved before the civil war – especially as the Islamist insurgents in the country’s north are not yet fully defeated. Côte d’Ivoire faces the challenge of achieving a genuine reconciliation with the van-

quished party in its civil war, the supporters of former President Laurent Gbagbo, who is currently awaiting trial before the International Criminal Court in The Hague.

Two autocracies have slipped further back. In Cameroon, longtime ruler Paul Biya, now more than 80 years old, remains in office and is one of the longest-serving “dinosaurs,” as the “presidents for life” are mockingly dubbed in sub-Saharan Africa. Democratization in the country has stalled, and the lack of resolution regarding the issue of succession bodes ill for the foreseeable end of Biya’s term in office.

In Burkina Faso, however, a different dinosaur has fallen. In late October 2014, Blaise Compaoré, who himself came to power through a coup in 1987, failed in his attempt to abolish the country’s constitutional

term limit following the eruption of popular discontent. As protests escalated, the military finally ousted Compaoré and installed a civilian transitional government.

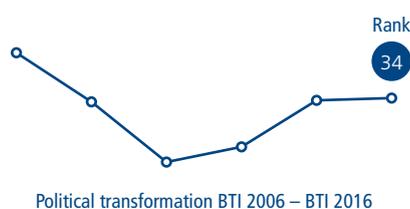
In broad overview, elections and other elements of political participation (e.g., such as the freedoms of expression, association and assembly) number among the region’s positive political transformation trends. Natural deaths, defeat in a civil war and military coups have increasingly ceased to be the main reasons for a change in power at the head-of-state level. In addition, there have been an increasing number of peaceful transfers of power through the ballot box, which would have been largely unthinkable before 1990. In Benin, Ghana, Senegal and Sierra Leone, governments have been replaced through largely free and fair elections.



Population: 14.7 mn

Life expectancy: 63.4 years

GDP p.c. PPP: \$2,292



Nigeria offers the most recent, and probably most notable, example of a peaceful and democratic transfer of power. Initially, the parliamentary and presidential elections were postponed to the end of March 2015 due to the poor security situation resulting from the conflict with the Boko Haram terrorist group, which had raised serious concerns. The inability of Goodluck Jonathan's regime to effectively stem the tide of violence contributed to the significant electoral victory of his challenger, Muhammadu Buhari.

How would the incumbent react? The tension was resolved after only a few hours, as Jonathan conceded his electoral defeat and congratulated the challenger on his victory. This was a historic moment that marked the first peaceful transfer of power in the country's history, and that avoided further bloodshed.

At the same time, the context of these elections points to a particular challenge beginning to spread through broad parts of sub-Saharan Africa: the organized violence of aggressive Islamism and all that is associated with it. While African Islam was long regarded as particularly moderate and less prone to extremist interpretations, fundamentalist Islamists are now gaining ground in Nigeria and beyond, as was the case a few years ago in Mali. The first such signs are already evident in Chad and Cameroon. In Niger, too, there were Islamist outbursts after the publication of cartoons critical of Islam in the French satirical magazine *Charlie Hebdo*. In January 2015, more than 40 churches in southern Niger were burned, and violent protests have also taken place in other predominantly Muslim countries, such as Senegal.

Religion has also played a role in the violent conflict in the Central African Republic, although in another form. Here, there were clashes between Christian militia groups that had initially fought against the Muslim government that emerged from the Séléka

rebels. After the fall of the rebel government, these militias continued their assaults on the Muslim minority population. The Central African Republic's transitional government and the U.N. peacekeepers had great difficulty preventing such attacks.

And yet at least thus far, the influence of religious dogma within the political sphere remains relatively weak. In more than two-thirds of all the region's countries, religious or ethnic diversity is not an inevitable problem despite the potential for conflict. A policy that alleviates or, better still, prevents radicalization is needed – and is possible. This should include the creation of economic prospects for young people, which could immunize them against the temptations of extremism.

Senegal's litmus test is still to come

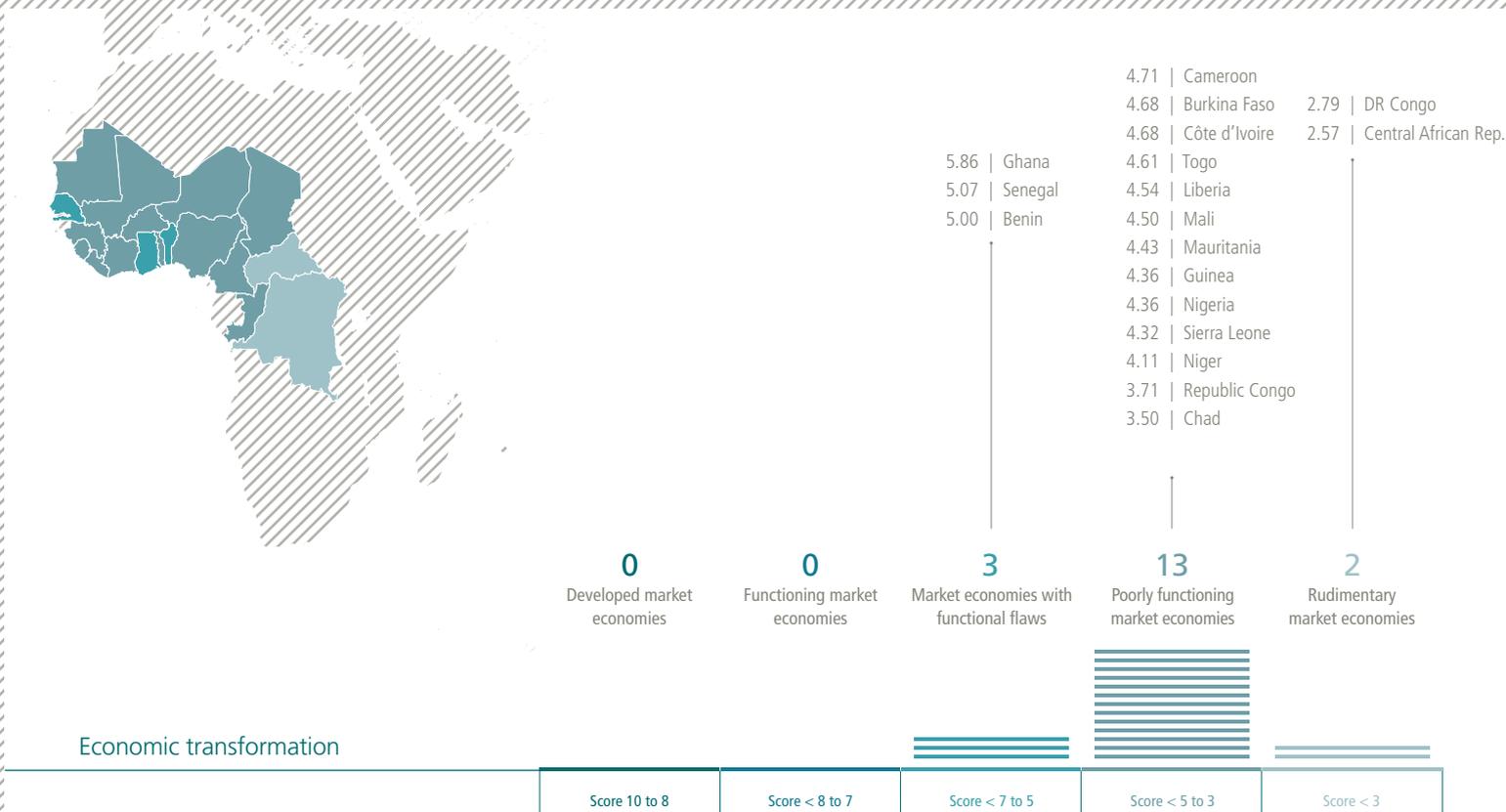
It's not all that long ago that a country regarded as one of the most stable democracies in West and Central Africa seemed to be at a tipping point: Before the elections in March 2012, Senegal's long-serving president, Abdoulaye Wade, had the Constitutional Court declare his exemption from the country's two-term limit. When he duly announced that he was running for office for a third time, the opposition took to the streets. Then they took to the ballot box, and the Senegalese people's struggle for democracy and the rule of law proved successful, with Wade's opponent, Macky Sall, winning the election.

In the fall of 2014, the government mastered one particular challenge better than most of its West African neighbors. The country's rapid, well-coordinated response to the Ebola outbreak was seen throughout the world as a shining example of how to contain the virus.

Now the country is in the midst of the next decisive point in its history. Sall is still feeding off the goodwill proffered to him in advance, his more inclusive governance style is attracting praise, and his cabinet's efforts to reduce poverty levels and reform the political system are winning respect. Among the items on the government's agenda is improving the separation of powers, with the prime minister and parliament expected to assume some of the president's present authority. But the real litmus test is still to come: Until the next elections, in 2017, Sall has to curb the overblown expectations of his supporters and keep a fragile coalition together while also eliminating at least some of the classic implementation deficits.



The full country report is available at
www.bti-project.org/sen



Economic transformation

It takes more than stable prices for sustainable development

From an economic perspective, West and Central Africa is the most weakly developed BTI region. Poverty and social exclusion are widespread. However, living conditions have improved in recent years.

The BTI examines the current degree of poverty, inequality and exclusion through the socioeconomic development-level criterion. The response from experts in West and Central Africa in this regard remains as clear as it is depressing: In the BTI 2016, nine of the region's 18 countries continue to show the lowest possible score, while five others achieve only the second-lowest score. The remaining countries, too – Ghana (4 points), Cameroon, the Republic of Congo and Mauritania (all 3 points) – lie below the global average of all countries surveyed.

The structure of the economies also shows fundamental shortcomings, ranging from competition regulations to banking

systems to private-property protections. A specific problem is the fact of so many economies' dependence on the export of raw materials, such as oil, diamonds, uranium, copper or cocoa. Particularly weak social and educational systems exacerbate these deficiencies still further.

And yet there are bright spots that most Western media largely overlook. Thus, a look at long-term development indicates that essential elements of human development have improved over the course of decades despite persistent problems. Direct economic output has increased in at least some countries. In general, economic performance is among the better elements of economic

development. With the exception of the Central African Republic, the region's countries achieve middling scores of between 5 and 7 on this measure. Prices and currencies are also adequately stable in many countries. This is particularly important for the poorest of the poor, as they are most directly threatened by inflation.

Within the CFA franc currency union, which is pegged to the euro, independent central banks set monetary and exchange-rate policies respectively within West and Central Africa. The Central Bank of the West African States is more efficient than the Bank of the Central African States. In return for limiting their national monetary

sovereignty, the members of the currency union (Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Mali, Niger, Senegal) have maintained rather low inflation rates. Recently, a discussion has arisen as to whether the euro peg may not in fact hold significant disadvantages given the turbulence in the European single currency. This may certainly be the case; however, for the present and recent past, this peg seems to have provided more advantages than disadvantages.

Long-term U.N. data confirms the ambivalent nature of West and Central African economic transformation attested to by the BTI. On the one hand, the Human Development Index (HDI) rose more sharply here between 2000 and 2013 (the last available data) than in any other BTI region aside from South and East Africa – a significant indication that living conditions are on the upswing. On the other hand, sub-Saharan Africa is the only region worldwide in which

the U.N. Millennium Development Goals for combating extreme poverty were missed. In 1990, 57 percent of people here lived in extreme poverty, according to the United Nations; in 2015, this figure was still 41 percent, meaning the goal of halving the poverty rate remains a considerable way off.

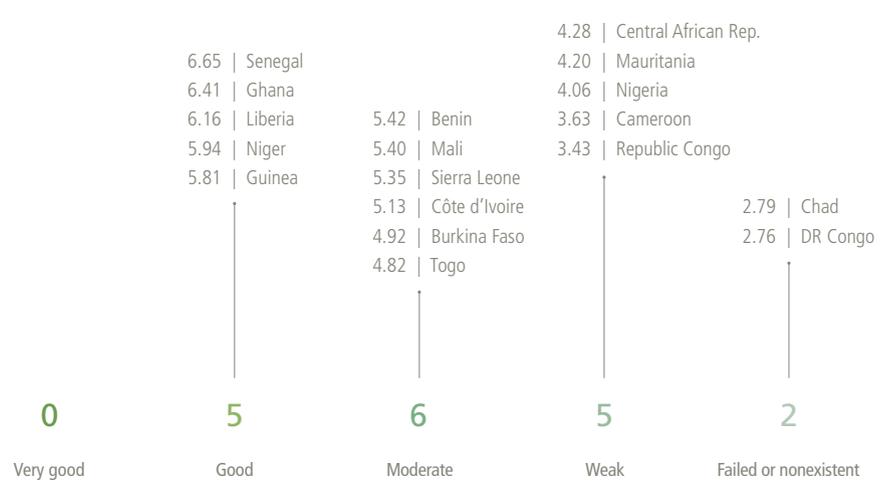
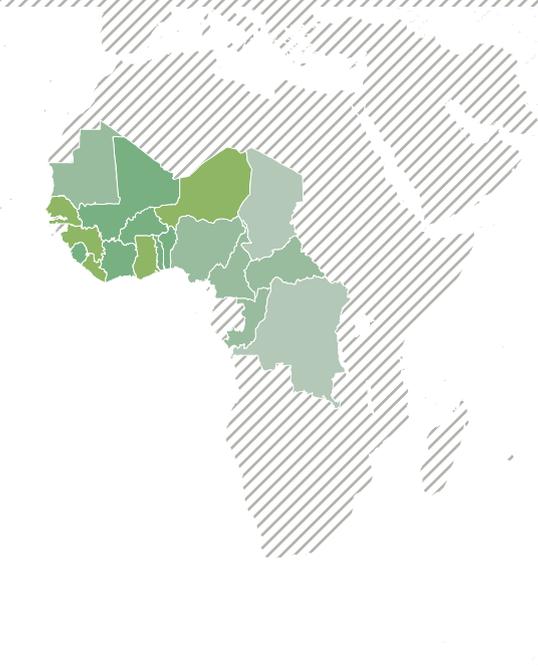
With regard to short-term changes, the clear improvements in Côte d'Ivoire and Mali come as little surprise given the beginning of re-democratization in each. The economies of these countries have also benefited from the end of the violent clashes. However, this must be qualified: In general, post-war economies have a higher growth potential because they are starting from a lower level. Senegal's rise, too, from the status of poorly functioning market economy to market economy with functional flaws, should not be overestimated. Only a slight improvement was sufficient to enable this leap into a higher BTI category.

The BTI 2016 identifies the Central African Republic and Ghana as having lost economic ground. In the case of the Central African Republic, the violent conflict that has convulsed the country is primarily responsible for this fact. The negative development in Ghana is more surprising. In past BTI surveys, the country topped the region's rankings in this area, although tendencies toward stagnation were already evident. A lack of fiscal discipline is now particularly conspicuous. The country's debt and budget deficit have both risen significantly. Anti-corruption efforts also remain insufficient. It remains to be seen whether and how oil production will affect future political and economic development. And it is especially in the treatment of national resources that the art of good governance reveals itself, as a look at transformation management shows.

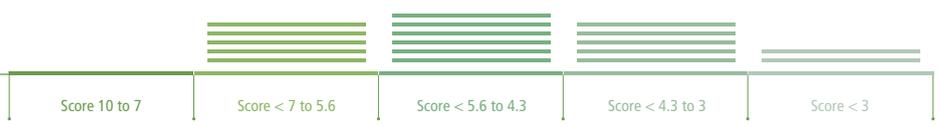
Lack of a social foundation



● Number of countries scoring 1-5 points ● Number of countries scoring 6-10 points



Transformation management



Dealing with epidemics and curses

West and Central African governments are struggling with numerous challenges simultaneously. Many problems are partly structural and require long-term responses. The dependence on income from commodity exports has profound implications for policy.

At a fundamental level, the state of political and economic transformation is inextricably linked with the underlying level of management quality – and the correlations between Status and Management Index outcomes are correspondingly high. However, this is no deterministic relationship. At least five countries in West and Central Africa demonstrate that good steering and implementation capabilities can succeed despite a low state of transformation and a high degree of difficulty. In this regard, there is a new regional leader in Senegal, which has relegated the last survey’s top placer, Ghana, to second place. A third of the region’s states show moderate transformation management. Cameroon, the Central African Republic, the Republic of Congo, Mauritania and Nigeria are weakly governed, while governments in Chad and the Democratic Republic of Congo have no aspirations to democracy or

a market economy, and thus do not engage in political management in the sense used by the BTI.

A particular feature of transformation management in West and Central Africa is the extremely high level of difficulty for good governance. In no other region of the world are the challenges greater. This is associated in various countries with the burdens of violent conflict or the need to deal with the legacies of war, despotism and tyranny. Few countries manage to address past injustices appropriately and sensitively. The lack of civil society traditions in many places hampers democratic development. Structural factors, such as desertification and rudimentary infrastructures, often contribute further to the impedance of socioeconomic development.

Beginning in early 2014, however, these challenges were overshadowed by the severe

threat posed by the Ebola epidemic. According to the Oxfam aid organization, this was the worst outbreak of this syndrome that has ever been recorded. By August 2015, more than 28,000 people had been infected, and more than 11,000 had died from the highly infectious disease, according to U.N. figures. Guinea, Liberia and Sierra Leone were particularly strongly affected. Although the epidemic has since been largely contained, a renewed escalation remains possible.

The disease has had an impact on the economy, increasing the poverty rate and weakening existing health care systems. At the same time, it has served as a measure of governments’ ability to deal with the situation. Seen in this manner, the many deaths in Guinea, Liberia and Sierra Leone are also an indicator of the backwardness of health care systems. In Guinea, medical

teams were even attacked. The fact that the epidemic was unable to gain a foothold in Côte d'Ivoire and Senegal was in large part because necessary precautionary measures were taken swiftly.

Another comparison underscores just how much depends on good transformation management. The issue here is the “resource curse,” a political-science theorem that is particularly relevant in West and Central Africa. All 18 of the region’s countries are dependent to an above-average degree on the export of commodities, while nine countries lie even over the sub-Saharan average. This dependence is particularly pronounced in the oil-producing countries of Chad, the Republic of Congo and Mauritania. In the Democratic Republic of Congo and Liberia, it is no less significant, but is distributed across various types of resources.

The resource curse states that strong revenues from the raw-materials sector generate inflationary effects and make other

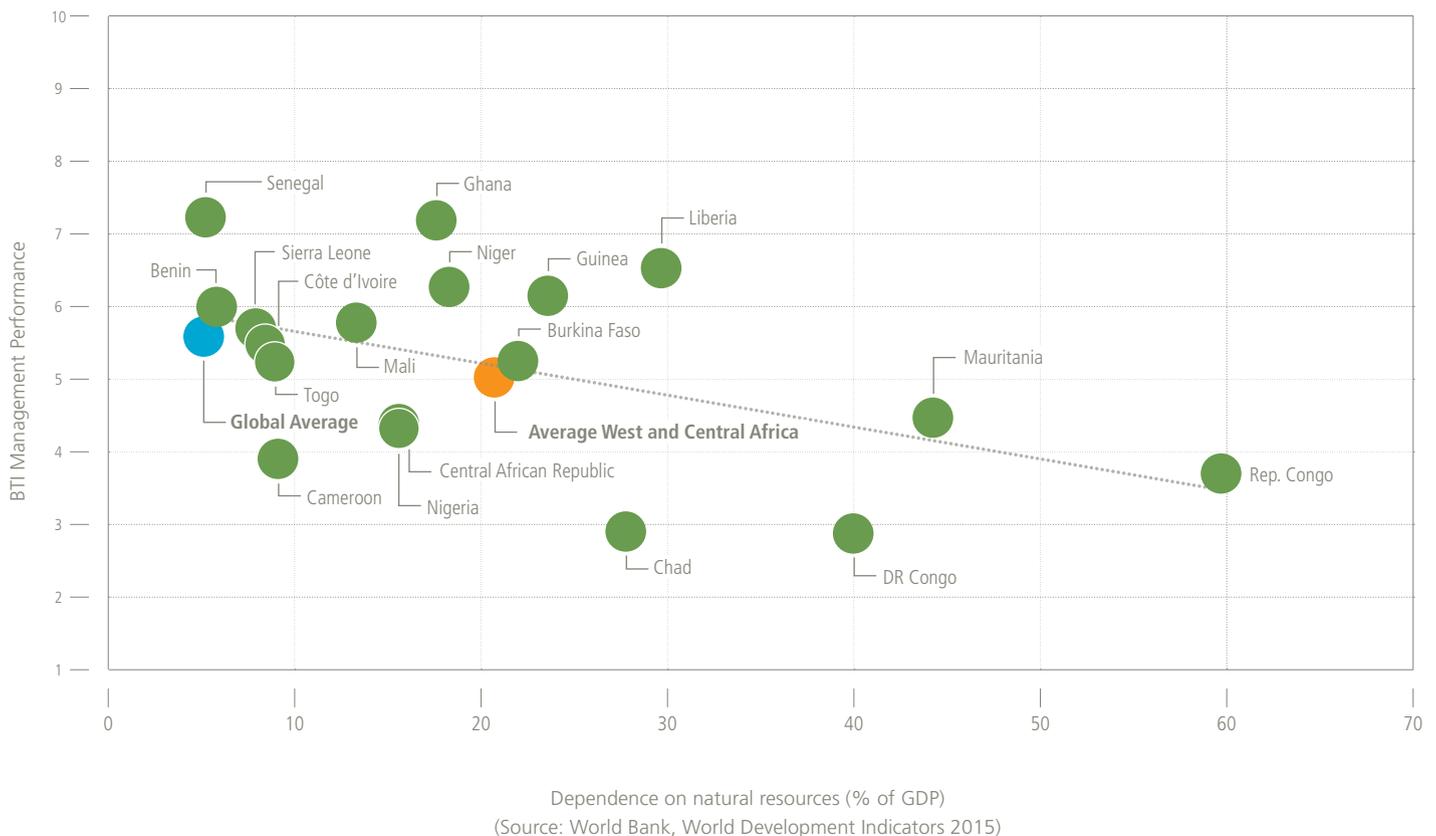
export sectors less competitive. This phenomenon, also known as the Dutch Disease, is further exacerbated by psychological effects. According to this hypothesis, the presence of apparent wealth leads governments to take on high levels of debt, engage in lavish and misguided spending, and neglect other economic sectors. When prices fall, the affected economies face intensified problems; ultimately, the negative effects can harm democracy, promote corruption and lead to conflicts.

Of course, no supernatural powers are necessary for this “curse.” As the example of West and Central Africa demonstrates, there is a clear negative correlation between the degree of dependence on natural resources and management performance. An extreme negative example from the region is Chad, where a management system that did not allow the use of oil revenues for military expenditures was abandoned by the government a number of years ago. Decision-mak-

ers in the Republic of Congo, too, are making no efforts to diversify the economy, although the finite nature of oil resources must be clear to all those in charge. Nigeria, as well, shows virtually all the symptoms of the resource curse. In particular, the theft of oil from tankers and tapped pipelines has become widespread. The management of the oil sector will pose a Herculean task for Buhari, the new president.

Ghana and Guinea are seeking to prove that it can be done differently. In Guinea, the Condé administration has reformed legislation in the resource sector and also acted to stem corruption. Ghana sought advice from foreign experts before starting oil production, giving Norwegian consultants a particularly welcome hearing. As yet, no trace of the resource curse has yet emerged there.

The “resource curse” – a burden, not a destiny





For an unobstructed view

Nearly all West and Central African states face an uncertain future. It will be interesting to see how Nigeria's new president, Buhari, responds to the tremendous challenges ahead, including the Islamist fighters of Boko Haram, poverty and corruption, and management of the oil sector. For post-conflict states, such as Côte d'Ivoire and Mali, it will be essential to continue on the new path in a determined and expeditious way. In Burkina Faso, it is open to question whether the first democratic elections in the country's history will indeed be held anytime soon, given the fresh coup and military-led ouster of the transitional regime in September 2015. The Central African Republic faces even greater challenges.

The difficult situation in many countries of West and Central Africa deserves attention. It is enough to recall the stream of refugees across the Mediterranean Sea and the threat of fundamentalist Islamism to recognize the links between the African continent and the countries of the West.

As deceptive as the clichés of a continent of crises, civil war, disease and catastrophe may be, it would be equally foolish to deny the reality of negative events and developments. It has been precisely the desire for positive examples, for "lighthouses" and "model countries," that has more than once in the past led to excessive optimism. Mali was one such example; now the case of Ghana shows how far the road to a self-supporting transformation really stretches.

The reality of the region is nuanced – and the possible advice for it is boundless, too. However, some approaches appear particu-

larly important. Political transformation must aim at creating a stable environment in order to be able to build viable democratic decision-making processes. Militaries must perceive their tasks in a professional manner. The balancing of ethnic and religious identity groups is a crucial element in deepening a political transformation.

However, anyone who wants to protect the young generations, in particular, from being led astray by religious and other extremists must demonstrate real prospects for a humane existence. This means jobs, effective health sectors and viable social-security systems. States dependent on commodity exports must promote the diversification of their economies, distribute the revenues in a socially acceptable way, and invest in infrastructure and education. Only in this way can young people's prospects be sustainably improved.

The region's elites remain called upon to serve the common welfare rather than placing their own retention of power above all else. The promotion of political and economic transformation is above all the task of citizens themselves. This lesson is taught in great part by the realization that development cooperation alleviates acute situations of need and supports positive developments, and in the best cases can even initiate such developments, but that a transformation from the outside is wholly impossible. Criticism of development cooperation is therefore often excessive, as expectations are simply too high. Moreover, a paternalistic attitude, particularly toward former European colonies, is neither appropriate nor effec-

tive. The role of international donors should focus on support, not on prescriptions.

This does not mean that values should play no role whatsoever. The residents of the West and Central Africa region, too, deserve support for democracy and human development. Efforts to prevent further violence are even more necessary. Western countries, in particular, should be conscious of the fact that conflicting objectives may arise from time to time. The priority of security interests with respect to the Islamist threat in the Sahel and West Africa often leads to the support of incumbents whose behavior is contrary to the long-term interests of international actors and the country's residents. Yet shortsighted policies can have disastrous consequences in this regard.



This summary is based on the West and Central Africa regional report by Matthias Basedau, available at www.bti-project.org/wca



Full reports for each country in the region available at www.bti-project.org/countryreports/wca



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.