

West Africa: Continental engine or brake?

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»» West Africa (taken here to mean the 15 members of the Economic Community of West African States - ECOWAS) is a region in flux, and its future direction can influence that of the African continent. The region has important assets that could potentially make it an engine of African growth, innovation and collaboration. It is home to Africa's largest population, fastest-growing economies – with regional growth projected at an impressive 7.4 per cent in 2014 by AfricanEconomicOutlook.org – and the largest reserves of energy and some other natural resources. It also offers some of Africa's best examples of regional integration and peacebuilding.

However, West Africa also confronts some of Africa's most serious challenges. It remains one of the continent's poorest, least developed and most unstable regions, and some of its countries are experiencing profound governance, security, environmental and humanitarian crises. Unaddressed, these challenges could not only prevent West Africa from converting its assets into continental leadership, they could also ensure that the region remains a major source of insecurity and poverty and a brake on Africa's development.

THE NATURAL RESOURCE BOOM – AN ECONOMIC OPPORTUNITY?

West Africa is home to some of the world's poorest countries and its development indicators (such as poverty and literacy rates) are dire.

HIGHLIGHTS

- West Africa could become a powerful force for African growth and development if it is able to overcome its security, governance, population and climate challenges.
- The region's future will be shaped by its growing importance as a source of natural resources; its rapid population growth and increasing climate vulnerability; its continued political instability and fragility; and the direction of its regional integration project.
- Building a strong and coherent West Africa that can lead at continental level will require a more stable, better governed and more politically astute Nigeria that has a clear vision for its region.

»»»»» However, the ongoing discovery and increased exploitation of large natural resource deposits – particularly oil – has the potential to dramatically reshape the region’s economy. While Nigeria has sub-Saharan Africa’s largest oil reserves and is the world’s fourth-largest exporter of liquefied natural gas (LNG), other countries such as Ghana and Niger have more recently become oil producers. According to Ecobank analysis, around 90 per cent of Sub-Saharan Africa’s crude oil and gas exports will originate from West Africa and the Gulf of Guinea in the next decade, and recent research published in the *Journal of Energy and Natural Resources Law* suggests that the region’s oil production could more than double over the next three years. In addition to energy reserves, other commodities including iron, copper, tin, uranium, bauxite and gold continue to be discovered.

Thanks to this resource boom, West Africa has become the fastest growing region in the continent, with countries such as Ghana and Côte D’Ivoire averaging 8-9 per cent growth and Nigeria set to overtake South Africa as Africa’s largest economy. How West African governments manage the income and investments generated by their extractive industries will be critical in determining the region’s future. If harnessed for socio-economic development and poverty reduction, these could offer a unique opportunity to help build a stable and prosperous West Africa. However, the region has a history of severe mismanagement of extractive resources that has fuelled poor governance and conflict in the past (think Sierra Leone or Côte D’Ivoire).

So far, natural resource-based growth in West Africa – most notably Nigeria – has largely failed to produce opportunities for the broader population, fuelling inequality, regional grievances and violence, for example in the Niger Delta. Without a profound shift in economic policies and investment patterns, future growth from these industries may amplify this pattern across the region, with natural resources exacerbating social and political tensions rather than supporting socio-economic development. The jobless growth

associated with extractive industries is particularly problematic considering West Africa’s rapid population expansion. Likewise, while the foreign direct investment (FDI) accompanying this boom could help develop the region’s infrastructure, large inflows of foreign currencies can also undermine the competitiveness of local industries.

However, the potential political impacts of the resource boom are perhaps of greatest concern. Given the weakness of many West African states, there is a risk that the region’s resource boom could undermine its political and governance institutions, especially in fragile or corrupt countries such as Sierra Leone or Côte D’Ivoire. For example, as political elites compete for natural resource rents, political violence and coups may become more common. Moreover, these rents are likely to increase already-high levels of corruption within state institutions, while governments’ overreliance on resource rents rather than taxes for revenue may further erode state accountability and legitimacy to citizens.

Harnessing West Africa’s resource boom for economic development and political stability will require those governments to prioritise investment in infrastructure, education and skills; the development of local industries; and the redistribution of wealth in ways that reduce both income inequality among the general population and socio-economic inequalities between specific regions and groups. Critically, it also requires promoting transparency and tackling corruption related to extractive industries. While some countries, such as Ghana, demonstrate some political will to take on such an agenda, in others, such as Guinea, the weak, unaccountable and patrimonial nature of the state makes such policies very unlikely.

MORE PEOPLE, BIGGER CITIES AND GREATER ENVIRONMENTAL STRESS

West Africa is already the most populous sub-region in Africa and the Organisation for Economic Cooperation and Development

(OECD) predicts that this population will double by 2050 (from 290 million today). If this young population can be successfully integrated into the region's economy, it could be a powerful force for growth and development. Moreover, if West Africa could reduce its very high fertility rates this could create a valuable 'demographic dividend', as the labour force grows faster than the population dependent on it, which would enable increased investment and consumption. Combined with the region's resource-based economic growth, this could be a powerful driver of development.

The threats West Africa faces – from climate change to organised crime – are cross-border in nature and require an effective regional response

However, without improved economic opportunities, population growth will be a major brake on future development. It will be a huge challenge for this poor and unstable region to provide housing, jobs, food and basic services for this population, as well as to mitigate the environmental and security threats associated with rapid population growth. Critically, providing opportunities for

the region's expanding youth population would require extensive investment in education. West Africa has the world's highest illiteracy rates (40 per cent of the adult population) and, according to the United Nations Educational Scientific and Cultural Organisation (UNESCO), Nigeria has the largest number of children out of school in the world.

West Africa is also experiencing rapid urbanisation. This will continue in the coming decades, with the highest levels in coastal countries, although the OECD predicts that the urban population will ultimately level out at

around 50 per cent of the regional total. This urbanisation will require massive public investments in infrastructure and social services that will be difficult for many West African governments to deliver. Supporting opportunities for intra-regional migration will also be important to manage the region's population dynamics, as many West Africans move south to escape poverty, conflict and land degradation, seeking opportunities on the more prosperous coast.

In addition to its population pressures, West Africa faces major climate change and environmental challenges that will escalate in coming years. The United Nations Environment Programme has identified 19 climate hotspots in West Africa that will be increasingly affected by flooding, temperature rises and drought, including capital cities Accra, Niamey and Ouagadougou. The Sahel is particularly affected by droughts, deforestation, land degradation and food shortages, which are expected to intensify, and are already producing increasingly severe humanitarian crises and population displacement. Moreover, food security may become an increasing challenge as population growth will increase demand for food, while urbanisation will reduce the ratio of food suppliers to consumers.

Population growth, urbanisation and climate vulnerability are common challenges across Africa. However, the particular intensity of these processes within West Africa means the region's response could provide important lessons for the rest of the continent. If West Africa can use its natural resource-based growth to invest in education and job creation, fertility reduction, improvements to agriculture and climate adaptation it could offer a positive model for Africa. Likewise, an educated and economically productive West African youth population could be an important source of innovation and growth for the continent. However, much will depend on national and regional political institutions and their ability to cope with these challenges.

»»»»» **COPING WITH CONFLICTS,
TERRORISTS AND CRIMINALS**

West Africa has historically been politically unstable, coup-prone and characterised by weak, corrupt and unaccountable governments. Different trends are emerging in this regard. Some countries, such as Senegal, Sierra Leone and Liberia are currently consolidating democracy, while others, including Côte D'Ivoire, Guinea Bissau and Mali, are experiencing political instability which is undermining democratic institutions. Meanwhile, others, such as Gambia, remain firmly authoritarian.

West Africa is a highly conflict-prone region. While the number of conflicts has declined in recent years, some countries such as Mali, Nigeria and Niger face renewed violence. Conflicts in the region have been driven by a range of factors, including ethnic and regional rivalries, poor governance, mismanaged natural resources and profound inequality. Likely flashpoints for future conflict are the extremely insecure Sahel; Nigeria (the north and Niger delta); the Mano River Basin (Liberia, Sierra Leone, Guinea and Côte D'Ivoire), where any renewed tensions can easily cross borders; and along national boundaries in oil-rich areas, for example between Nigeria and Equatorial Guinea.

In addition to more traditional drivers of fragility, West Africa faces relatively new security threats in the form of Islamist militancy and organised crime (most notably drug smuggling, but also piracy, human trafficking, illegal extraction of natural resources and internet fraud). Islamist militant groups, including Boko Haram, the Movement for Unity and Jihad in West Africa (known by its French acronym MUJAO) and Al-Qaeda in the Maghreb (AQIM), are expanding their presence in West Africa, with their activities strengthened by the fallout from upheavals in North Africa. The UN Office on Drugs and Crime (UNODC) estimates that 50 tonnes of cocaine pass through West Africa annually on the way to Europe, while opiates for the US market also transit there. Another emerging security

threat is piracy in the Gulf of Guinea, with more than 100 attacks recorded since 2010. According to UNODC, this piracy is a by-product of the disorder that surrounds the regional oil industry, with many attacks aimed at stealing petroleum products being transported by sea for resale on the black market.

Following the intensification of the insurgency in Mali during 2012, there is growing concern about the nexus between Islamist militants, drug trafficking networks and political insurgents, particularly in the Sahel. So far these appear to be largely transactional relationships based on common interests, although security experts suggest there is a risk that these groups could form closer links in future. Breaking this nexus would require a strategic, concerted and long-term regional response at the political, economic and security level, with significant international support. Given the close relationship between some illicit actors and political elites, the weakness of national political and security institutions, and the political obstacles to collective regional action, developing effective regional responses will be difficult.

However, West Africa is a continental leader on regional responses to insecurity. Among Africa's regional bodies ECOWAS has one of the strongest security architectures and has repeatedly intervened in conflicts within its region, including in Sierra Leone, Liberia, Guinea Bissau and most recently Mali. ECOWAS regional security collaboration (albeit limited in some respects) therefore offers an interesting model for regions such as East and Central Africa, which lag behind in this area. As one of the continent's strongest military powers and biggest contributors to peacekeeping, Nigeria has particular potential to lead on security issues in Africa. Moreover, Nigerians currently hold the posts of African Union (AU) Commissioner for Political Affairs and ECOWAS Commissioner for Political, Peace and Security, and it is likely that Nigeria will leverage these two portfolios to increase its continental profile on peace and security issues.

REGIONAL INTEGRATION AND THE ROLE OF NIGERIA

Whether West Africa can overcome its challenges and play a central role in African affairs depends in large part on the future of its regional integration project. This is because many of the threats West Africa faces – from climate change to organised crime – are cross-border in nature and require an effective regional response. It is also because (apart from Nigeria) West African countries are relatively small and can only hope to achieve continental influence by acting together.

West Africa stands out among Africa's regions as having one of the most advanced regional integration projects, with collaboration across economic, security and governance realms. The ECOWAS zone already permits free movement of goods and people and there are plans for a region-wide single currency, although steps towards this have been repeatedly delayed. Beyond economic integration, peace and security have been a central area of ECOWAS collaboration (as discussed in the previous section) and there is also an ECOWAS Community Court of Justice and regional mechanisms to address challenges to democratic governance. However, deeper progress on regional collaboration has been consistently blocked by conflicts of interest between states, the weakness of ECOWAS institutions and the significant division between English- and French-speaking countries.

As West Africa's regional power, Nigeria's political leadership is critical to both build a stronger ECOWAS and effectively represent the region on the African stage. However, this political leadership has been frequently lacking. While Nigeria dominates West Africa, using its natural resource wealth to project its power, fund security interventions and assist its neighbours, Abuja has long been criticised for lacking a strategic vision for ECOWAS.

At the continental level, Nigeria aspires to a leadership role and sees the AU as an important platform to project its power. Nigeria is one of the five countries (with Algeria, Egypt, Libya and

South Africa) that provide 75 per cent of the AU's operating budget. Plus, Nigeria and South Africa have been engaged in a longstanding competition for African leadership and to represent the continent at the global level. This competition has been significantly heightened in recent years, as the other competitors for African leadership – Egypt and Libya – are distracted by internal challenges, while Nigeria's economy is overtaking that of South Africa. In this context, the 2012 election of South Africa's Dlamini-Zuma as chair of the AU Commission (that body's main secretariat) was seen as a blow to Nigeria's ambitions.

For Nigeria to achieve its aspirations of African leadership it must deal with the severe internal problems that damage its credibility and absorb its political energy. These include terrorism, poor governance, extreme inequality and poverty (with 61 per cent of the population living on less than a dollar a day), weak rule of law and rampant corruption. Indeed, Nigeria's claim to both ECOWAS and African leadership is frequently challenged by other states on the grounds of its poor internal performance. Critically, Nigeria's political life is characterised by transactional politics resulting in ineffective power-sharing between elites and weak institutions. Until Nigeria's political leaders develop a more long-term and institutionally-focused vision for their country, it will be difficult for Nigeria to become a more stable and credible leader on the African stage.

CONCLUSION

West Africa is changing, as is its role within Africa – as a natural resource hub, an economic and demographic force, a locus of terrorism and organised crime, and a region critically affected by climate change. As home to Africa's largest and best performing economies, one of its strongest militaries and one of its most advanced regional integration projects, the region has the potential for continental leadership.

West Africa's relationship with the world is also changing. As an important source of energy and



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»»»»» natural resources, the region is of growing interest to emerging powers. China has overtaken the European Union (EU) to become Africa's largest trading partner and is investing heavily in a number of resource-rich West African countries, such as Ghana, Guinea and Sierra Leone. Meanwhile, Brazil and India are also strengthening economic and political ties with the region. These new relationships, together with West Africa's strong economic growth, mean that traditional aid relations with Western donors will play an increasingly marginal role in the region's future.

However, that does not mean that Western actors should cease to be concerned about West Africa. Instead, international actors should recognise the importance of West Africa in shaping the continent's future and help the region to channel its assets for development and stability. This could include assisting West African states to align foreign investments and natural resource income with national development priorities; building an educated and skilled labour force that can maximise opportunities presented by the resource boom; or strengthening regulatory and oversight

mechanisms related to extractive industries. International actors should also support West African states to develop effective national and regional responses to the multiple threats they face in terms of security, governance, population and climate change. Indeed, some of West Africa's most fragile states, such as Niger and Mali, will continue to require extensive international support in the years to come. As West Africa's largest donor and an important trade partner, the EU has a central role to play in supporting the region, building on the existing EU-ECOWAS partnership.

There is no doubt that West Africa will continue to experience enormous challenges. However, it also faces some new opportunities that – with effective regional leadership and appropriate external support – could allow it to become an engine of African development.

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