



GOVERNANCE IN SWEDD COUNTRIES

Encouraging performances



SWEDD
(Sahel Women Empowerment & Demographic Dividend)

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Peace, security, democracy, respect for human rights and sound economic management are prerequisites for sustainable economic development. Indeed, it has been acknowledged that public and private investments are hampered by issues related to the democratic process, the multiplication of civil wars, ethnic conflicts, a climate of risk and uncertainty that reduces the profitability of investments or discourages them. In this context, the management of peace and security becomes an imperative necessity or prerequisites for attracting private capital.

African countries, led by international partners, have made considerable efforts in the area of good governance. Recognizing that good governance is essential to enhancing the effectiveness of government action and stimulating private investment and hence growth, the sub-Saharan economies, have, for the most part, backed their development strategies on the promotion of good governance.

In most SWEDD countries, the economy is based on a rent-based system with a predominance of the primary sector. Economic growth in the area is highly dependent on international commodity prices, making the economy weakly resilient to external shocks.

All SWEDD countries recorded vigorous growth fluctuating between 3.4% and 9.0%. This is driven by all sectors with varying magnitudes depending on the country. Mali has a growth in the primary sector (9.4%) firmer than that of Burkina (2.7%). The secondary and tertiary sectors performed well. In Chad, the recovery in 2014 comes after a 2013 (-5.9%) marked by the underperformance arising from the fall in the price of a barrel of oil and the security crisis that has impacted trade.

Public finances are characterized by deficit budget balances in Côte d'Ivoire (2.2% of GDP), Mali (4.7% of GDP in 2014), Mauritania (3.5% of GDP in 2014) and in Niger (2.9% of GDP) except in Burkina Faso (9% of GDP in 2014).

Regarding the trade balance, Côte d'Ivoire recorded a new surplus, unlike other countries, even though the deficit improved significantly, as in Burkina Faso, with an increase in exports of 5.6% in value and a drop in imports of goods. 5.3% in value compared to 2013. In Mali, the increase in imports could be explained by the increase in the import of petroleum and food products.

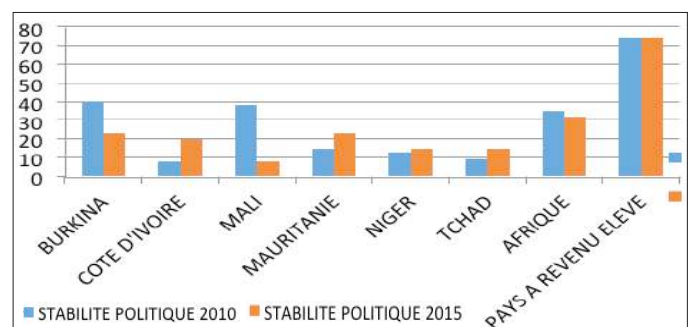
With respect to the monetary situation, there is an increase for the CIV of the money supply by 15.9%, an improvement in net foreign assets of 13.7% and an increase in domestic credit of 19.3% (UEMOA, 2014).

Achievements in good governance

The current global context makes good governance a prerogative for financing developing countries. For example, many African countries have integrated the aspect of good governance and political and social stability into their projects and programs. Burkina Faso is one of the first African States to formally adopt a National Plan of Good Governance (PNBG) over the period from 1998 to 2003. The delay in its implementation has introduced a partnership with UNDP (United Nations Development Program), the signature Program Supporting the National Plan of Good Governance on May 26, 1999, in order to carry out targeted activities in certain sectors.

The UNDP has also developed support programs in some countries, such as Niger and Côte d'Ivoire. The World Bank indicators show that political stability increased over the period 2010-2015 in four SWEDD countries. Ivory Coast for example, which was the last of the SWEDD zone in 2010, is now in second position in 2015.

Graph 1: Political stability in SWEDD countries



Sources: World Bank

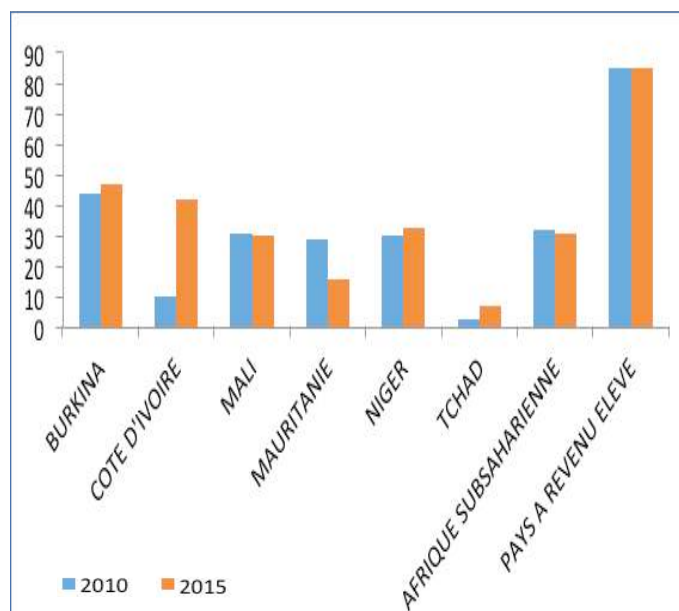
Constraints in good governance

In recent decades, the rise of religious extremism, political instability, excessive corruption and the violation of human rights condemned in different parts of the continent have been major constraints to the implementation of good governance principles in SWEDD countries. Crises have punctuated the political life of SWEDD countries. One can mention the popular uprising in Burkina Faso in 2015, the political-military crisis in Côte d'Ivoire from 2000 to 2011, the political crisis in Mali since 2011 and coups in Niger in 2012 and in Mauritania.

In addition to political Stability, one of the obstacles to good governance and the most present in Africa is corruption.

Defined as «violating intentionally and in the greatest secrecy of politicians (and / or other parties or corrupting parties) the rules of moral behavior in a given political community» (Robben, 1998, 220). It constitutes a great obstacle to economic and social development. It includes misappropriation of public funds, political patronage and patronage, which are crimes set out in the United Nations Convention against Corruption and the African Union Convention on Preventing and Combating Corruption. Despite the efforts of struggle undertaken in many African countries corruption remains on the agenda.

Graph 2: Corruption Control

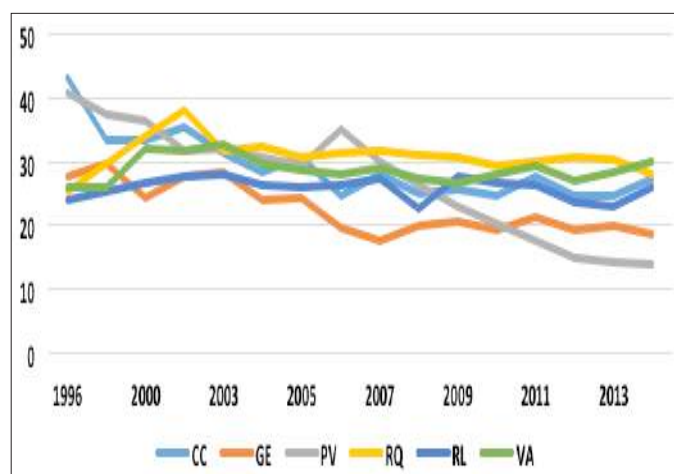


Sources: World Bank

In this section, a description of the evolution of the various selected governance indicators will first be made in the SWEDD zone. It will be followed by a brief analysis of the correlation of these indicators with GDP per capita, and finally by an analysis and interpretation of the results of the regression.

Percentile ranks of Governance dimensions: between 13 and 45

Graph 3: Evolution of the percentile ranks of the governance dimensions of the SWEDD zone, 1996-2015



Source: CREG / CREFAT, 2017, from World Bank database

In the analysis, it appears for all the dimensions of Governance that the percentile rank is always between 13 and 45 with a relatively homogeneous distribution of the different dimensions. These experienced little fluctuation over the entire period under review and remained relatively stable. A more refined analysis divides the study period (1996-2014) into four sub-periods. In each of them, descriptive statistics (mean, standard deviation, minimum and maximum) on percentile rank were calculated for each governance indicator. The results are shown in the following table.

Table 1: Descriptive table of the evolution of the governance indicators

Period	Indicator	CC	GE	PV	RQ	RL	VA
1996-2000	MEAN	37,3	27,9	38,8	28,7	25,0	27,2
	SD	18,5	17,1	15,7	10,5	9,3	13,6
	MIN	11,7	8,3	10,1	9,3	12,0	2,9
	MAX	64,4	54,6	58,0	49,5	41,1	48,1
2001-2005	MEAN	31,8	25,7	32,2	33,3	26,8	31,1
	SD	19,1	13,7	19,7	12,7	14,4	15,5
	MIN	3,9	7,3	1,0	11,8	4,3	9,6
	MAX	62,9	57,6	62,8	62,3	52,2	58,7
2006-2010	MEAN	25,5	19,4	27,1	30,8	26,0	27,9
	SD	14,8	10,4	18,9	11,9	17,9	15,6
	MIN	2,9	2,4	3,9	12,1	2,4	8,7
	MAX	46,6	39,8	57,5	51,2	50,7	56,3
2011-2015	MEAN	26,7	20,2	15,6	29,2	24,7	29,2
	SD	11,9	9,0	6,7	10,3	12,0	12,1
	MIN	5,7	4,3	3,8	9,6	3,3	9,4
	MAX	47,1	37,0	28,4	47,9	44,6	54,9
Total	MEAN	30,3	23,3	28,4	30,5	25,6	28,8
	SD	16,8	13,3	18,0	11,4	13,6	14,2
	MIN	2,9	2,4	1,0	9,3	2,4	2,9
	MAX	64,4	57,6	62,8	62,3	52,2	58,7

Source: CREG / CREFAT, 2017

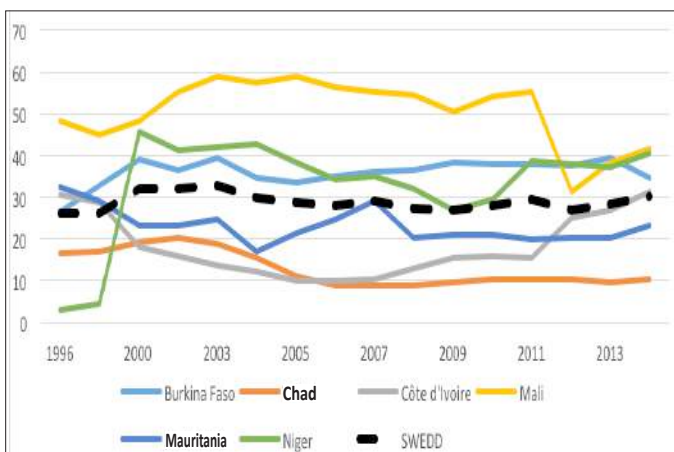


A comparative analysis of the different periods shows that the period 1996-2000 corresponds, in the SWEDD area, to many years, in terms of Corruption Control, Government Effectiveness and Political Stability. This period coincides with the first effects of structural adjustment policies. The latter, although not entirely conclusive for all countries, have made it possible to clean up government practice. As for the Authority of the Law and Citizenship and Responsibility, they were significantly noted between 2001 and 2005. Finally the Quality of the Regulation reaches its maximum over the period 2006-2010.

On the other hand, it is during the first period (1996-2000) that the SWEDD zone was rated the lowest on the dimensions Quality of Regulation and Citizenship and Responsibility. As for Corruption Control and Government Effectiveness, they reached their minimum rating between 2006 and 2010. For the rest, the worst performance is recorded over the recent period.

Corruption Control (CC)

Graph 4: Evolution of the percentile rank of the CC dimension in the SWEDD Zone

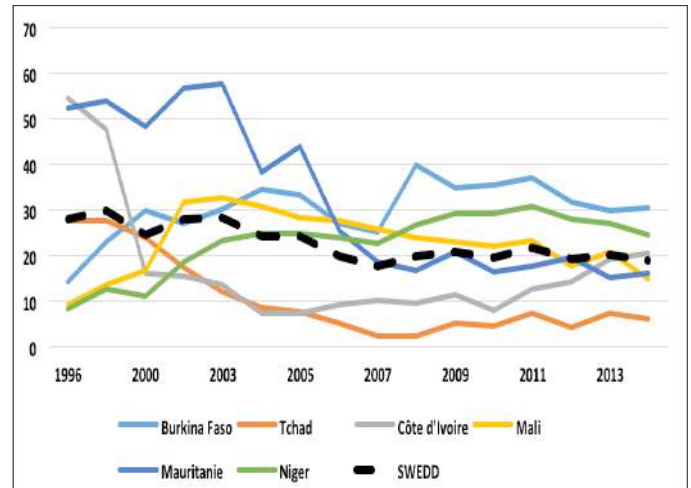


Source: CREG / CREFAT, 2017

For the CC dimension, Mali is highly rated. After him, Burkina Faso and Niger are the only ones to be above the SWEDD average. It should be noted that Niger has had very poor performance in the period 1996-98 in the area of corruption. However, it has made significant progress since then. In addition, Côte d'Ivoire, Chad and Mauritania are below the SWEDD average.

Government Effectiveness (GE)

Graph 5: Evolution of the percentile rank of the GE dimension in the SWEDD zone

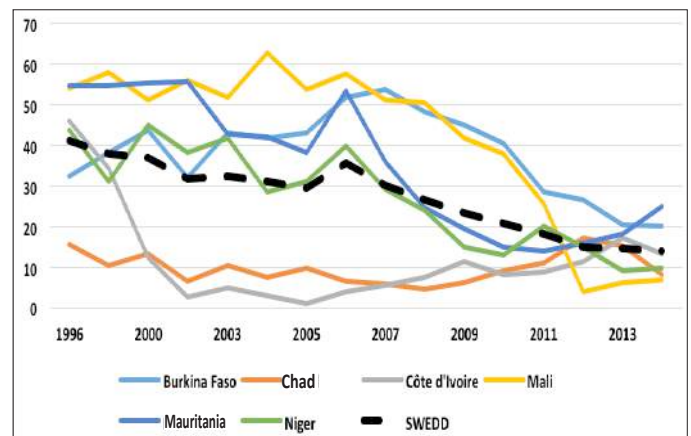


Source: CREG / CREFAT, 2017

Mauritania is the best rated country for the Government Efficiency dimension. Côte d'Ivoire, which in 1996 had recorded the best performance in the SWEDD zone, saw its profile deteriorate over the years. Niger and Chad are also below the SWEDD average for the GE indicator.

Political Stability (PV)

Graph 6: Evolution of the percentile rank of the PV dimension in the SWEDD zone

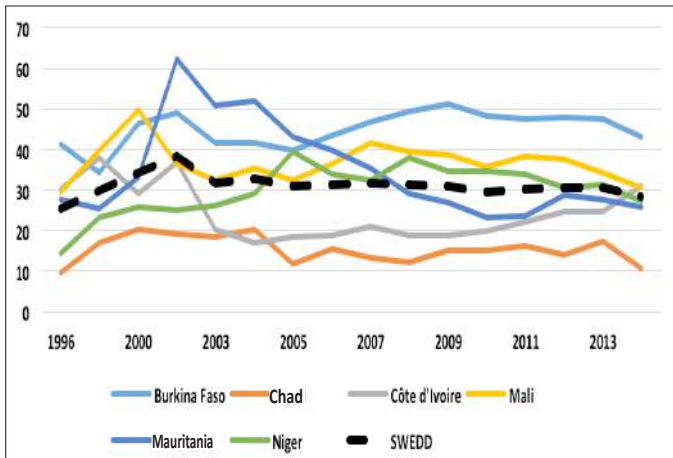


Source: CREG / CREFAT, 2017

In terms of political stability, Côte d'Ivoire and Chad recorded the largest underperformance in the SWEDD zone, with percentile ranks averaging sometimes nullity. Indeed, these two countries experienced significant political crises over the period.

Regulations of Quality (RQ)

Graph 7: Evolution of the percentile rank of the RQ dimension in the SWEDD zone

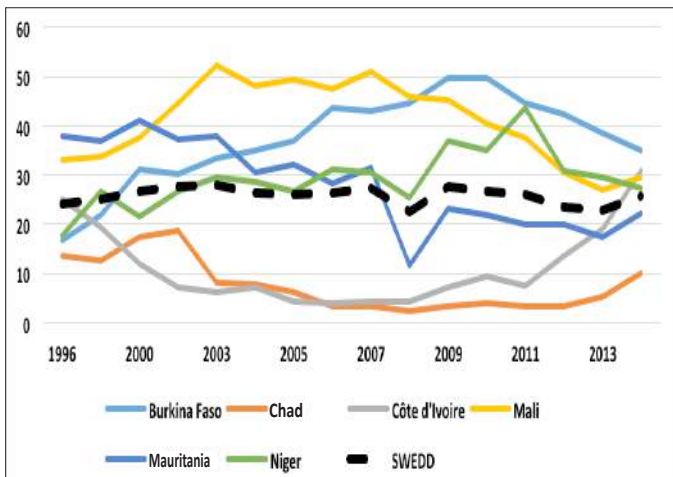


Source: CREG / CREFAT, 2017

Regarding the RQ dimension, the SWEDD area is rated very stable over the study period. Its percentile rank is pulled up by the relative performances of Mauritania, Burkina and Mali. On the other hand, its profile is pulled down by the underperformance of Côte d'Ivoire, Chad and Niger

Rule of Law (RL)

Graph 8: Evolution of the percentile rank of the RL dimension in the SWEDD zone

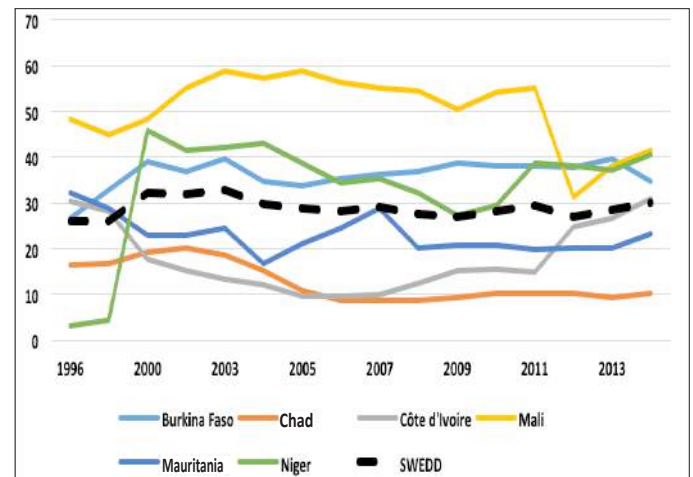


Source: CREG / CREFAT, 2017

For the dimension Authority of Law, Côte d'Ivoire and Chad are far away from the SWEDD average and are performing very poorly in terms of their percentile ranks, all other countries in the zone listed in the table above average. It should be noted, however, Mauritania's decreasing speed from 2007, with a real underperformance in 2008.

Voice and Citizenship (VA)

Graph 9: Evolution of the percentile rank of the VA dimension in the SWEDD zone



Source: CREG / CREFAT, 2017

With regard to the Voice and citizenship dimension, Mali differs from other countries in the zone and is relatively well-rated over the period. But following major crises he has suffered, his profile knows an inflection starting from 2011. Mauritania, Chad and Ivory Coast have accomplished, in addition, performance below the SWEDD average.



Recommandations

Improving governance is essential for long-term growth. While some of the emerging countries have performed well, the SWEDD zone is still performing weakly and sometimes relatively low. And despite the many initiatives undertaken in each of these countries, the descriptive results showed no significant change in the quality of governance, and bearing the result of

some benchmark countries shows that it is possible to make significant progress in governance in a relatively short period of time.

This goal of good governance is not only sought for itself. Its impact should be reflected in an improvement in the living conditions of the population. Improving

governance should, in this context, make it possible to raise countries' levels of production, thereby helping to fight poverty and raise living standards.

However, it transpired from the results of this study that most governance indicators have a neutral effect on the growth of the SWEDD zone and that only the quality of regulation and the control of corruption can affect the level of GDP per capita. And even for this last dimension, the effect is negative.

Despite such results, it seems imperative to make the various governance indicators evolve positively in order to put all SWEDD countries on the path of emergence. It would be necessary for this purpose:

- Design diagnostic tools to identify institutional bottlenecks and adopt relevant policy responses;
- Promote the adoption of relevant mechanisms for the capacity building of all public and private actors on good governance practices;
- Improve integrated resource management;
- Support the promotion of integrity while situating potential corruption risks and share national and local experiences to fight against corruption;
- Implement transparent budget processes.



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