



United Nations
Economic Commission for Africa

WEST AFRICA SOCIOECONOMIC PROFILE 2024



Fabien Ngendakuriyo, PhD
Carolina Rigotti Coutinho, PhD

ECA Sub Regional Office for West Africa

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Outline

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- International and regional challenges
- State of global and regional economies

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- Overview of the regional situation
- West Africa economic situation and outlook

4.

❖ Growth, inflation, trade and public finance

5.

- Review of selected social issues in West Africa

6.

❖ Health, Education, Employment, Poverty

- Conclusion and Policy recommendations

International and regional challenges

RECENT/ONGOING MULTIPLE CRISES:

- Covid-19 Pandemic, Climate change, resurgence of geopolitical uncertainty and instability (Ukraine-Russia conflict, renewed conflict in the Middle East, and other geopolitical tensions across the World).

GROWING INSECURITY AND POLITICAL CRISES IN THE REGION

- Mounting insecurity threats and political crises remains a key challenge for West African countries: Terrorists' attacks on military and civilian targets in Burkina Faso, Mali, and Niger
- Terrorism continued to spread southwards towards coastal countries
- Since 2020, the region registered a total of six military coups.

SOME CONSEQUENCES :

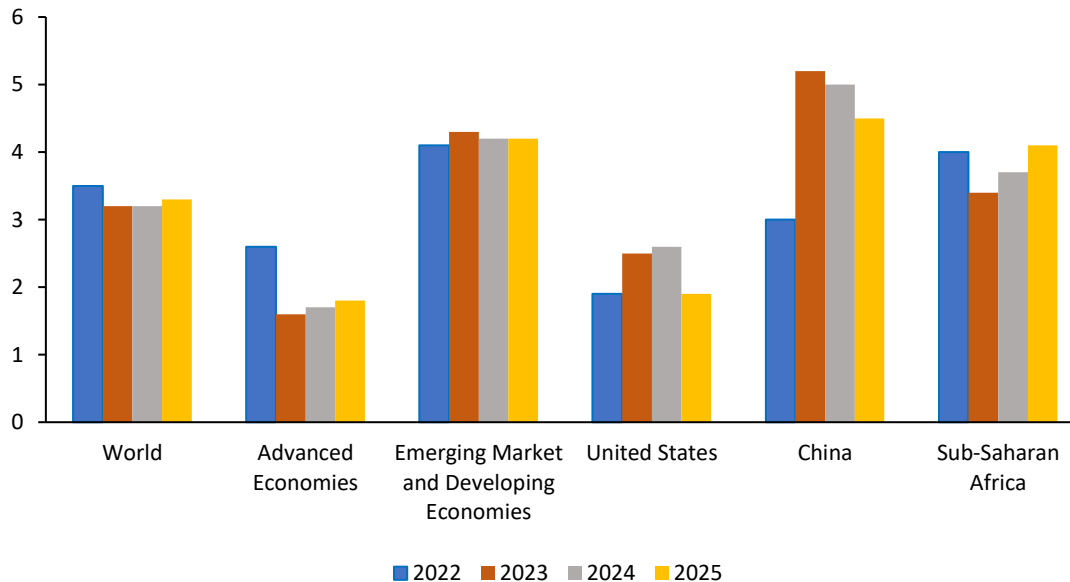
- Geoeconomic fragmentation, politics of global and regional economic integration reshaped on basis of strategic rather than economic or competitiveness considerations.
- Persistent inflationary pressures resulting in higher food and energy prices due to disruptions in supply chains

COST OF INSECURITY AND OTHER CONSEQUENCES

- Rising food insecurity and deteriorating humanitarian situation
- Rising number of Internal displaced people (IDPs) and refugees
- Loss of human lives and properties
- Reduction in job creation and in economic growth
- Uncertainties, lack of confidence for investments, etc.
- Governance deficit, exerting pervasive and detrimental effects on the nexus security-peace-

State of the global and regional economies (1/2)

- ❑ **World economy** is expected to continue growing at 3.2% in 2024 at the same pace as in 2023, will slightly increase to 3.3% in 2025.
- ❑ **Economic growth in the advanced economies** is expected to rise from 1.7% registered in 2023 and 2024 to 1.8% in 2025.
- ❑ **Emerging and developing economies** will experience a modest slowdown from 4.4 per cent in 2023 to 4.3 per cent in both 2024 and 2025



❑ Economic growth in the **European Union** will rise from 0.5 per cent in 2023 to 0.9 per cent in 2024.

❑ **Growth in China** is projected at 4.6 per cent in 2024, a decline from a growth of 5.2 per cent in 2023

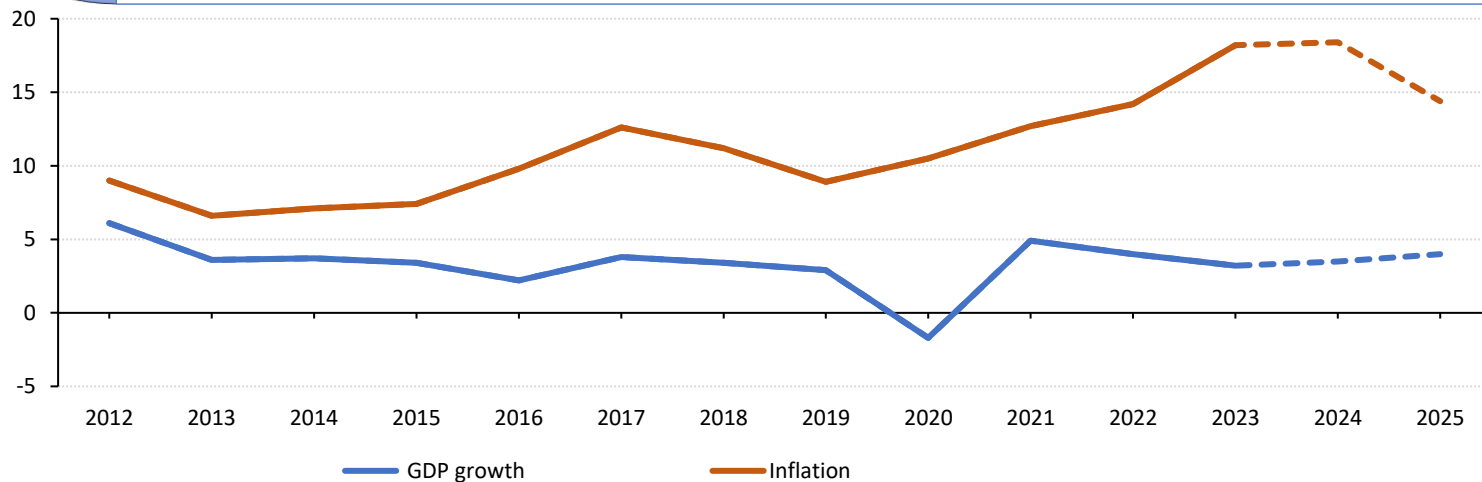
Source: IMF (July 2024). *World Economic Outlook Update: The Global Economy in a Sticky Spot*

❑ *Global economy is showing steady recovery, but uneven across the regions and major trading partners of West Africa.*

State of the global and regional economies (2/2)

- ❑ **GDP growth in Africa** reached 4.0% in 2022 before slowing to 3.2 % in 2023. It is expected to increase to 3.5 per cent in 2024 and 4.0 per cent in 2025 (AfDB, 2024);
- ❑ Still considerably below the Sustainable Development Goal target of 7.0% (SDG 8.1)

Average inflation in Africa stood at 18.2 per cent in 2023, 4.0 percentage points higher than in 2022. It is expected to rise slightly to 18.4 per cent in 2024 before declining to 14.4 per cent in 2025



Source: ECA calculations based on IMF (April 2024): *World Economic Outlook database*. Figures for 2024 and 2025 are projections.

- ❑ The global inflation rate stood at 6.8 per cent in 2023 but is forecasted to fall to 5.9 per cent in 2024

Overview of the Regional Situation (1/5)

HUMANITARIAN

2.8 M

people internally
displaced in **3**
countries
(as of June 2024)

32.5 M

people in need of
humanitarian
assistance in **8**
countries

583

armed incidents
with fatalities
between Jan-
Jul 2024

247.1 M

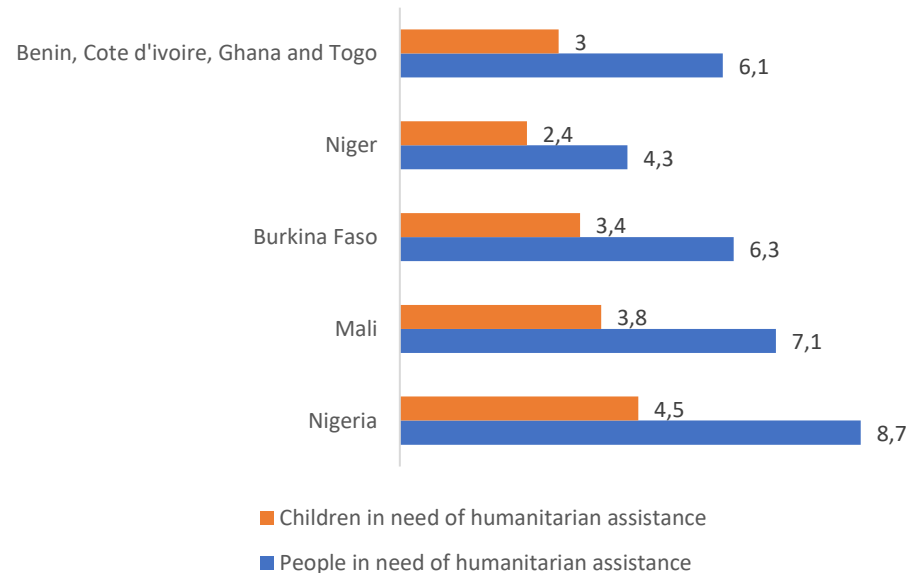
people
moderately or
severely food
insecure
(average 2021-2023)

West Africa is facing socio-political challenges that encompass issues related to governance, as well as political and security crises, leading to armed incidents with fatalities.

Alarming number of internally displaced people and people in need of humanitarian assistance, mostly children, in the region.

Food security is also a challenge, exacerbated by insecurity, instability, conflict, climate change, below-average cereal harvest, and inflation and macroeconomic situation.

Need for humanitarian assistance in selected West African countries, 2024
(Million)



Source: ECA based on UNICEF (2024, consulted in June 2024).

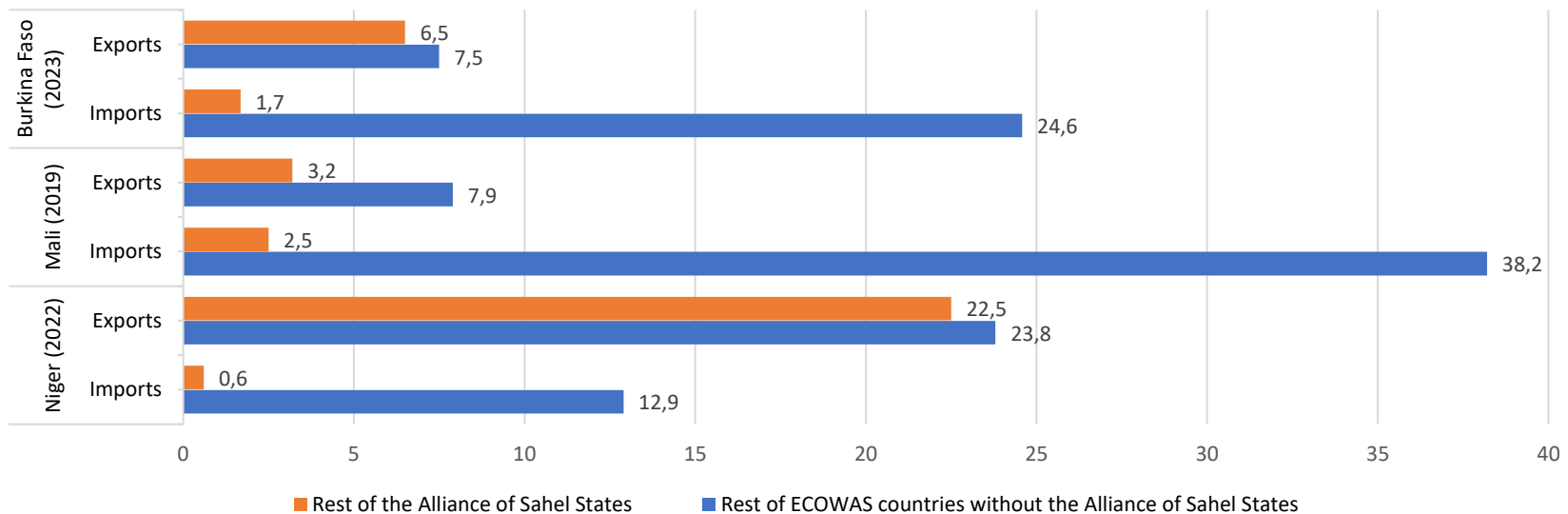
Overview of the Regional Situation (2/5)

POTENTIAL IMPLICATIONS OF WITHDRAWAL OF BURKINA FASO, MALI AND NIGER FROM ECOWAS

Trade trends show that Burkina Faso and Mali present a higher share of imports from the rest of ECOWAS countries while Niger's trade with the rest of ECOWAS countries is mainly focused on exports.

Nigeria, Senegal, Cote d'Ivoire, and Ghana are the main trading partners with Burkina Faso, Mali, and Niger.

Burkina Faso, Mali and Niger: Proportion of imports from and exports to the rest of ECOWAS countries (Percentage)



Source: ECA based on UN Comtrade analytics (2024).

Overview of the Regional Situation (3/5)

POTENTIAL IMPLICATIONS OF WITHDRAWAL OF BURKINA FASO, MALI AND NIGER FROM ECOWAS

Given the economic interdependence in West African economies, any trade restrictions that might emerge following the effective withdrawal of Burkina Faso, Mali and Niger from ECOWAS are expected to adversely affect:

Transportation and operational costs

Governments' revenues of both sides

Informal cross-border trade (with potential increase in the gender disparities, poverty and inequalities)

Intra-regional migration and free movement of people



The potential adverse effects of the exit of Burkina Faso, Mali and Niger from ECOWAS may be counter-balanced by a successful implementation of the AfCFTA : consolidation of the fragmented markets into a single African market



AfCFTA as a potential stabilizer: Effective implementation of the agreement establishing the AfCFTA is expected to boost intra-African Trade in the agrifoods, industrial and services sectors by 41%, 39% and 39%, respectively, by 2045 (ECA, 2021)

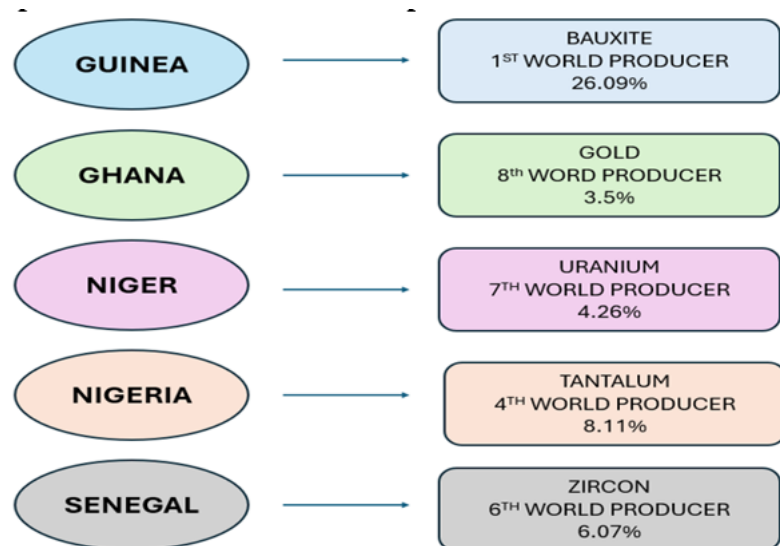
Overview of the Regional Situation (4/5)

WEST AFRICA: LAND OF HUGE ENDOWMENT OF RESOURCES

West Africa is endowed with mineral and human resources that need to be harnessed to promote sustainable development.

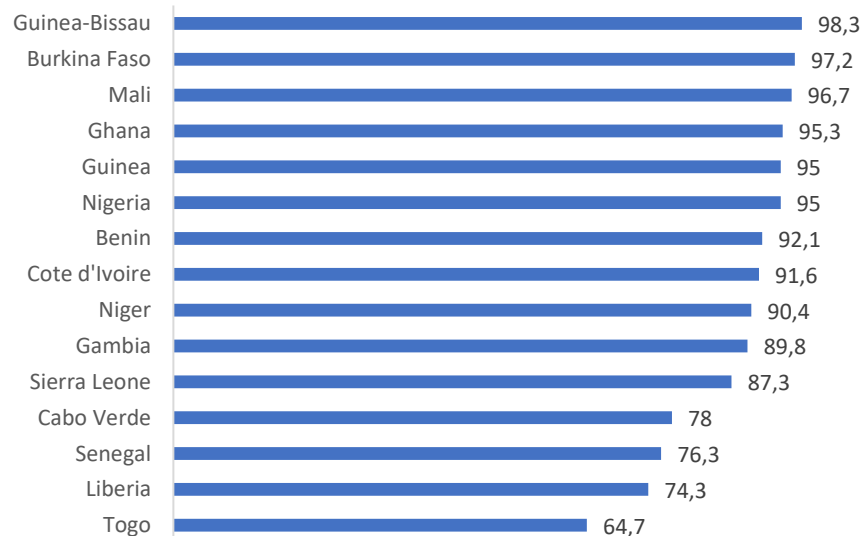
Natural resources can better serve development if the potential of regional value chains, in the context of AfCFTA, is harnessed, which can reduce the current commodity-dependence in terms of exports.

Snapshot of the main West African produced of selected minerals in 2022



Source: ECA based on the World Mining Data (2024).

Commodity-dependence in terms of exports in West Africa between 2019-2021 (Percentage)



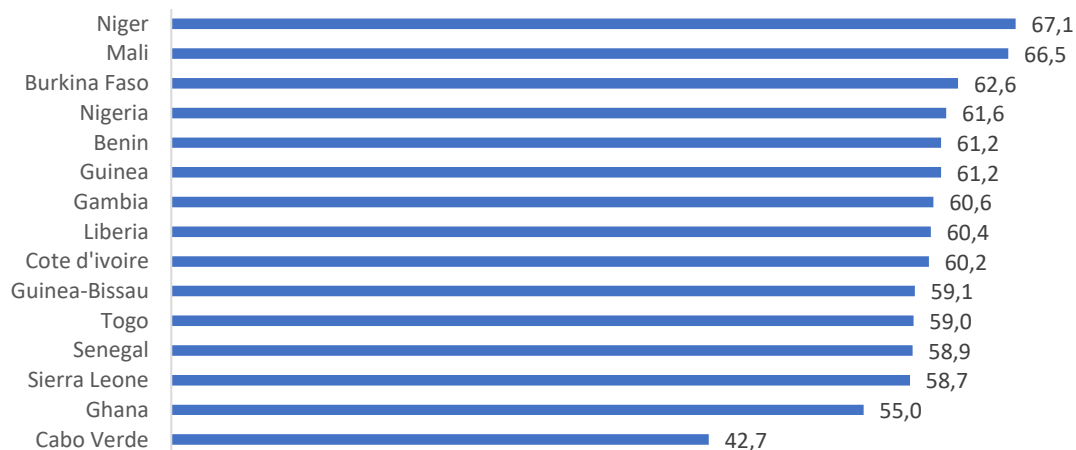
Source: ECA based on the UNCTAD (2023).

Overview of the Regional Situation (5/5)

WEST AFRICA: OPPORTUNITIES DERIVED FROM POPULATION DYNAMICS

Composed of a youthful population in rapid growth, the region can benefit from demographic dividend, which requires investments in health, education and job creation.

Projected proportion of population up to 24-years-old (medium variant) in West Africa, 2024 (Percentage)



61.4%

of the projected population in 2024 is under 25 years-old

8

countries have fertility rate above 4 live births per woman (2024)

Source: ECA based on UNDESA (2024).

West African Economy in 2024 and Outlook (1/2)

❑ Economic performance of West Africa remains steady but fragile, held back by the effects of recent multiple crises, and the subregion's enduring governance and terrorism issues.

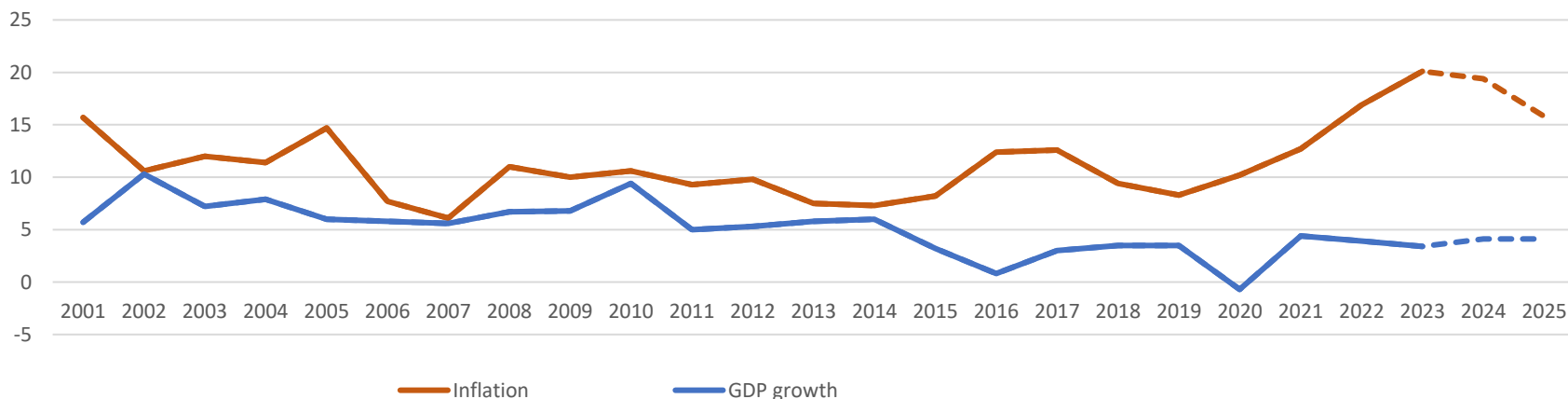


After a decline from 3.9% in 2022 to 3.4% in 2023, West Africa **GDP growth rate** is expected to slightly increase to 4.1% in both 2024 and 2025, *demonstrating the subregion's economic resilience.*



Despite the rising trend of inflation in the region between 2020 and 2023, it is expected to slightly decrease to 19.4 per cent in 2024 and fall to 15.8 per cent in 2025.

Gross domestic product growth and inflation in West Africa, 2001-2025
(Percentage)



Source: ECA calculations based on IMF (April 2024): *World Economic Outlook database*. Figures for 2024 and 2025 are projections.

West African Economy in 2024 and Outlook (2/2)

- ❑ **Average current account deficit** in West Africa worsened from 2.8% of GDP in 2022 to 3% in 2023 and is expected to improve to 2.7% in 2024.
- ❑ *With the exception of Nigeria which recorded a current account surplus of 0.3% in 2023 (expected to increase to 0.6% in 2024), all other WA countries registered current accounts deficits in 2023 and 2024.*
- ❑ **Fiscal deficit** in WA on average slightly improved to 4.4% in 2024 compared to 4.5% in 2023 whereas **debt sustainability is still a challenge** as the debt-to-GDP ratio is expected to increase to 56.4% in 2024 from 55.2% in 2023.
- ❑ In 2024, Four countries shall not meet the debt-to-GDP ratio ECOWAS convergence criterion of 70%, though overall its magnitude improved as compared to 2023: **Cabo Verde (112.2%), Ghana (83.6%), Guinea-Bissau (76.5%), Senegal (72.5)**
- ❑ Fiscal space shrinking and debt distress cumulatively have significant socioeconomic adverse effects in terms of weak economic performance and inflationary pressures.

IMF (April 2024). *Regional Economic Outlook for Sub-Saharan Africa. A Tepid and Pricey recovery*

Review of selected social issues (Health)

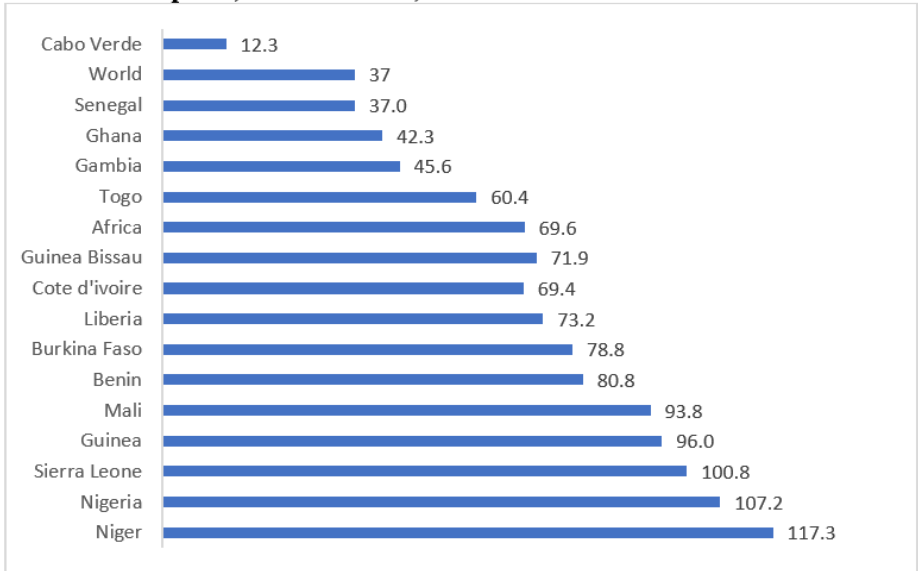
Under-5 mortality rate- Except for Cabo Verde, all countries of the subregion are far from achieving **SDG target 3.2**, reducing under-5 mortality to at least as low as 25 per 1,000 live births by 2030.

Consequences of the spiraling insecurity- In Niger, for example, the health situation involves the closure of 94 health centres due to attacks in 2022 and the difficulty in health access for displaced people due to costs or distance



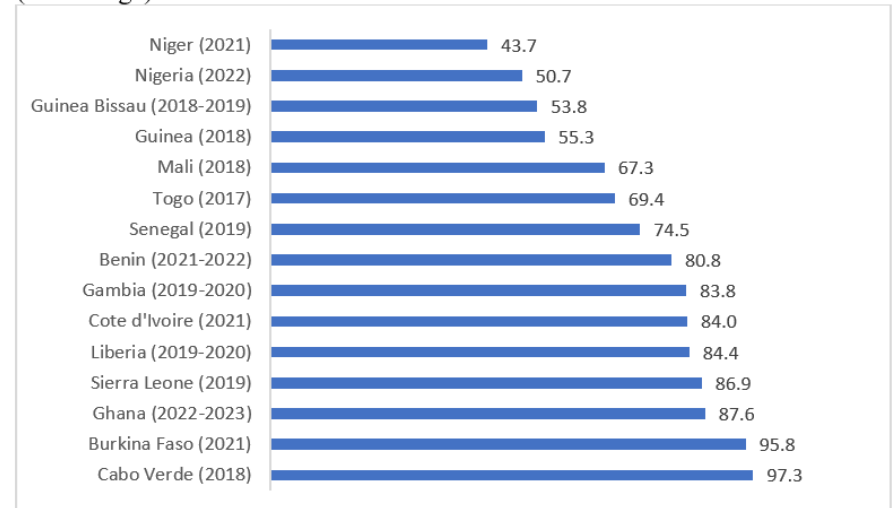
8 countries have more than 80% of the births attended by skilled health personnel

Under-5 mortalities per 1,000 live births, 2022



Source: ECA based on WHO (2024).

Births attended by skilled health personnel (Percentage)



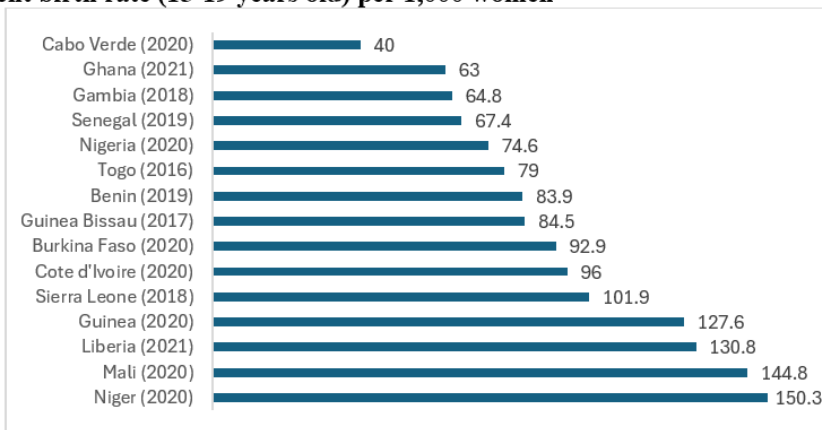
Source: ECA based on WHO (2024).

Review of selected social issues (Health)

High levels of adolescent birth rate

A child in early age can reduce the years in school of girls and curtail their opportunities for socioeconomic improvement.

Adolescent birth rate (15-19 years old) per 1,000 women

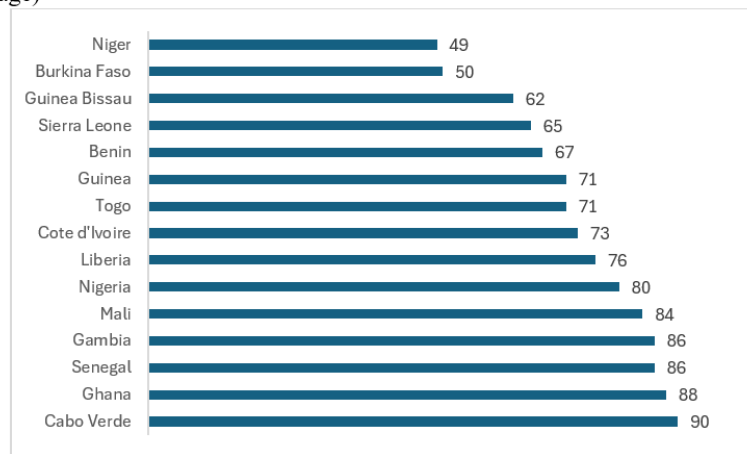


Source: ECA based on WHO (2024).



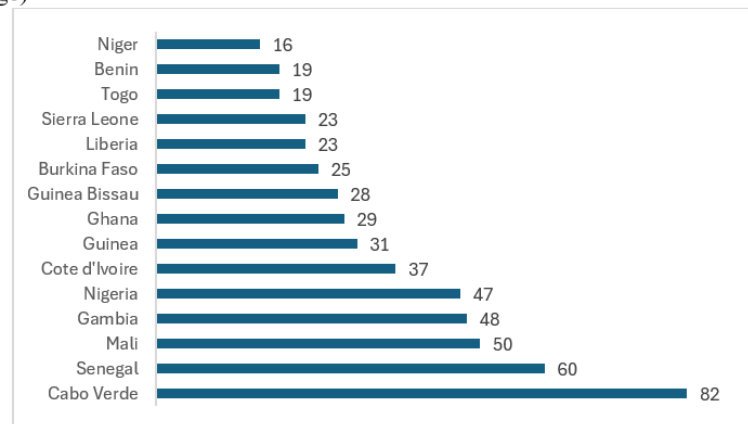
only 3 countries have 50% or more of the population with access to at least basic sanitation services

Proportion of population using at least basic drinking-water services, 2022 (Percentage)



Source: ECA based on WHO (2024).

Proportion of population using at least basic sanitation services, 2022 (Percentage)



Source: ECA based on WHO (2024).

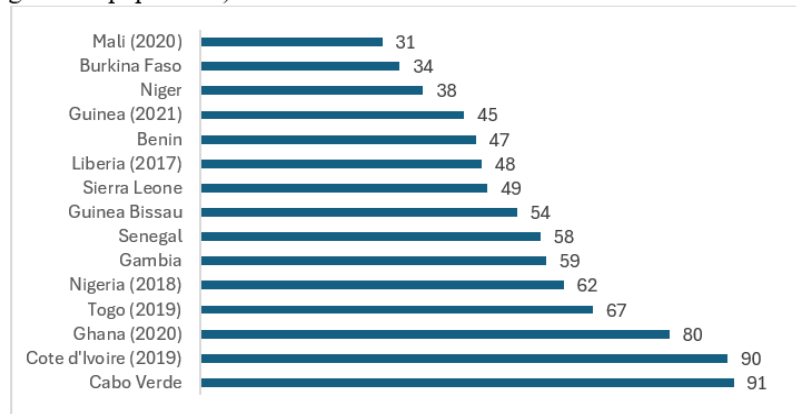
Review of selected social issues (Education)

Seven countries in the region have an adult literacy rate lower than 50 per cent

More effort to reach the SDG 4.6 to ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy by 2030.

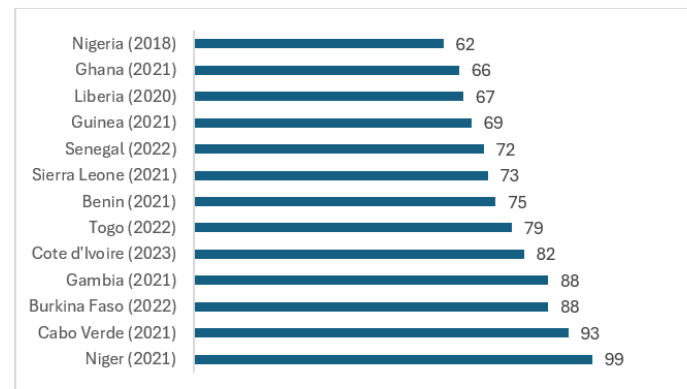
Deep impact of insecurity in education: In Mali, as of February 2024, at least half a million school-aged children do not have access to education as more than 1,700 schools have been closed due to insecurity, mainly in the north and central region. In Burkina Faso, as of June 2024, 5,319 schools were closed due to insecurity.

Adult literacy rate in West Africa, 2022
(Percentage of the population)



Source: ECA based on United Nations Educational, Scientific and Cultural Organization Institute for Statistics (2024).

Proportion of teachers with minimum required qualifications in primary school
(Percentage)



Source: ECA based on United Nations Educational, Scientific and Cultural Organization Institute for Statistics (2024).



only 2 countries have more than 90% of teacher with the minimum required qualifications in primary school

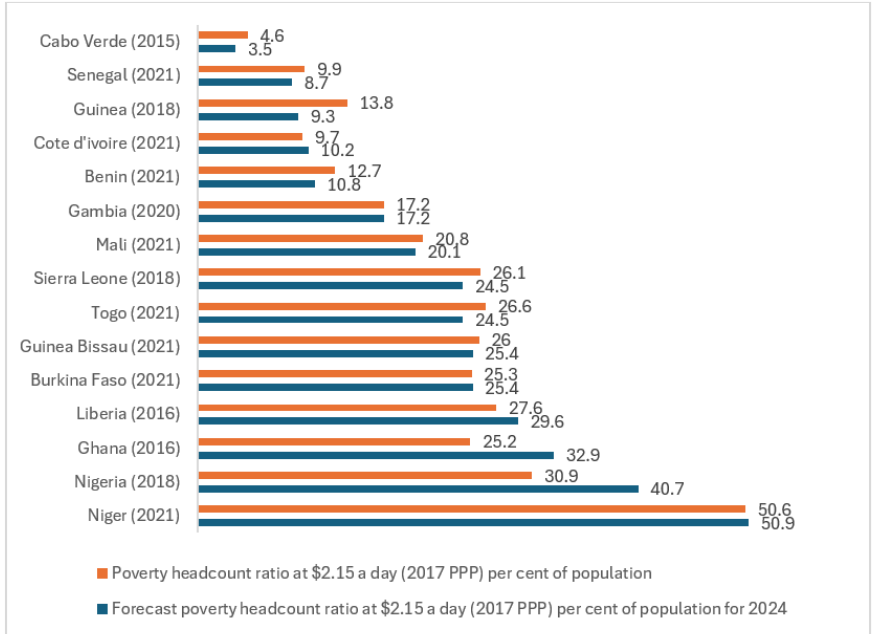
Review of selected social issues (Poverty)

West Africa presents great disparities in terms of extreme poverty and, despite the recent progress in human development, more effort is needed to improve people's lives.

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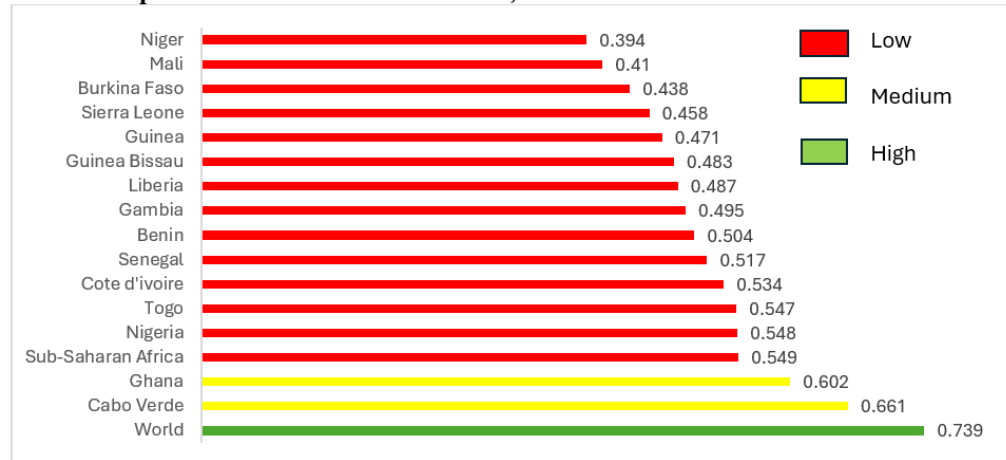
countries present extreme poverty higher than 20%

Percentage of the population living on less than \$2.15 a day (2017 purchasing power parity)



Source: ECA based on World Bank (2024a).

Human development index scores in West Africa, 2022



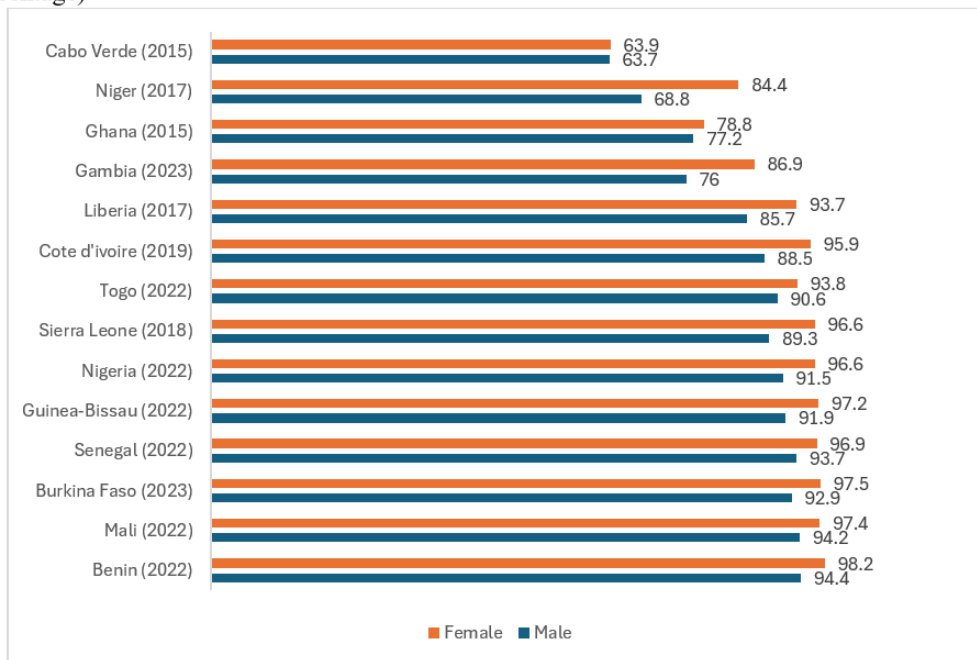
Source: ECA based on UNDP (2023).

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countries present Human Development Index (HDI) considered low

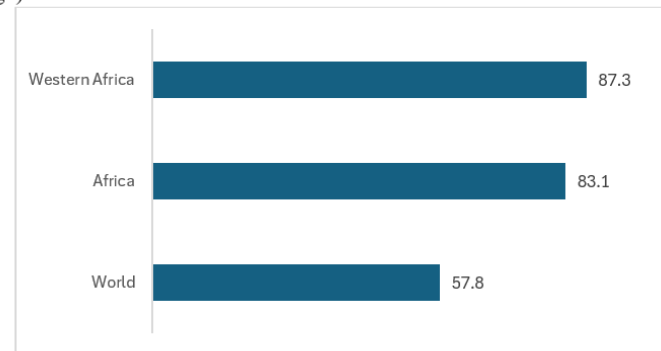
Review of selected social issues (Employment)

Informal employment rates in West Africa (Percentage)



Source: ECA based on ILO (2024b).

Estimated informal employment rates for selected regions, 2024 (Percentage)



Source: ECA based on ILO (2024b).

- The informal employment rate is high in West Africa and in all countries the rates are higher for women than for men
- Estimate informal employment rate in West Africa for 2024 amounts to 87.3 per cent, which is higher than the world and the African average, although the recent tendency is descendant

Review of selected social issues (Employment)

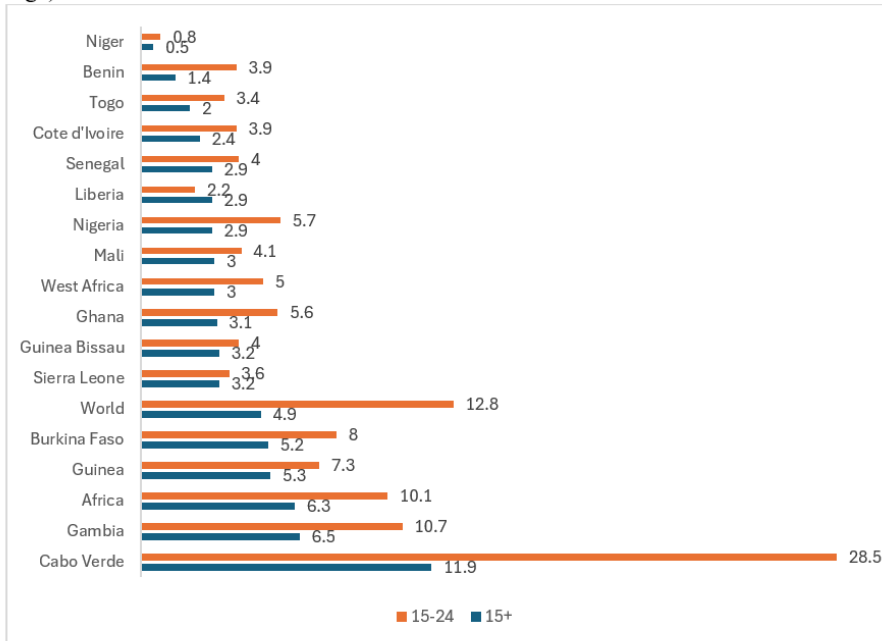
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countries present unemployment among the youth higher than for general population

29%

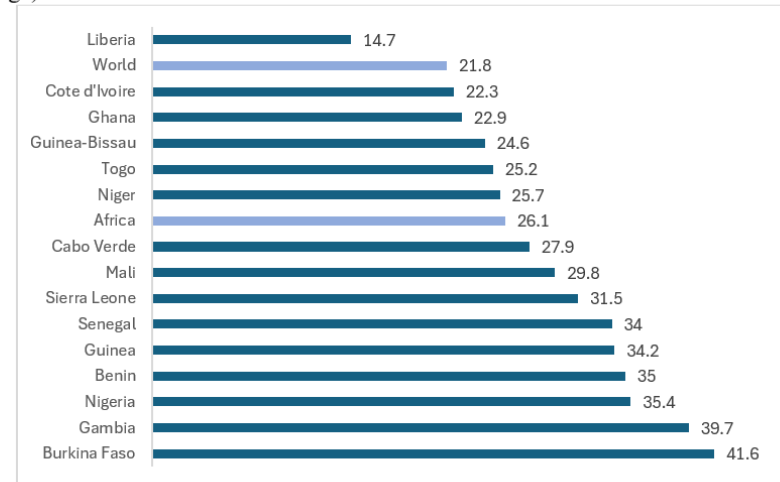
of youth not in employment, education, or training

Estimated unemployment rates in West Africa, 2024
(Percentage)



Source: ECA based on ILO (2024a).

Young people (aged between 15 and 24 years old) not in employment, education, or training in West Africa, 2024
(Percentage)



Source: ECA based on ILO (2024a).

Conclusion and Policy Recommendations (1/2)

- ❑ West Africa continues to suffer the consequences of multiple exogenous shocks: prolonged effects of the COVID-19 pandemic, climate change, regional and global geopolitical tensions and inflationary pressures.
- ❑ The effects of the shocks are compounded by the fragile political and security situation in the subregion, in particular in central Sahel.

- ❑ Despite these daunting challenges, the region is demonstrating its resilience by achieving a moderate economic growth (expected to stand at 4.1% in both 2024 and 2025).
- ❑ However, if the current trends continue, West African countries will face enormous challenges in achieving the sustainable development goals

Conclusion and Policy Recommendations (2/2)

□ On basis of analysis of the situation, West African Governments are advised:

(a) To implement sound macroeconomic policies, including appropriate reforms to curb inflation, to maintain fiscal sustainability and to promote stable and sustainable growth

(b) To capitalize on the opportunity offered by the AfCFTA to simultaneously reduce both commodity dependence and reliance on imports by fostering regional value chains, economic diversification and industrialization, in particular by harnessing the potential of the subregion's abundant natural resources

(c) To invest in healthcare and education to strengthen human capital development, harness the demographic dividend and accelerate progress towards achieving the Sustainable Development Goals.

(d) To invest in appropriate and targeted mechanisms to address extreme poverty, create decent jobs, establish social protection systems and foster social inclusion, for young people and women, also with a view to accelerating the attainment of the Sustainable Development Goals

(e) To address the root causes of structural challenges, strengthen good governance and promote synergistic, complementary, and integrated measures, in line with the peace-security-development nexus.



Thank you!

Merci!

Obrigado!

**Ideas
to
Action**