

Managing Paradoxes: The Political Economy of Côte D'Ivoire Crisis

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ABSTRACT This study addresses the protracted militaro-political crisis in Côte D'Ivoire that has adversely disarticulated the Ivorian economy which is now prostrate. The crisis and the economy slump are having corrosive effects on the land-locked countries in West Africa, especially Burkina-Faso. The identity crisis that engulfed the country subsequently resulted in "ethnic consciousness" and waves of xenophobia is inimical to the economic growth of the country. Thus, The study concludes that it is imperative for the Ivorian political elite to embrace genuine reconciliation that will pave the way for national rebirth in order to give the national economy the much needed new lease of life as well as a credible rehabilitation within the International Financial Institutions (IFIS).

INTRODUCTION

The cascade of crises that bedevil Côte d'Ivoire is a complex kaleidoscope that resulted from the political machinations and manipulation of ethnic and, to a lesser extent, religious sentiments that trailed the demise of Félix Houphouët-Boigny, the father of the Ivorian independence in March 1993. The crisis and intrigues of his succession opened the lid of an already explosive situation owing to the pervasive socio-economic malaise that had set in since the early 1980s. However, Côte d'Ivoire that had occupied the driver's seat in the consultative, advisory and mediation roles in Francophone affairs in sub-Saharan Africa (SSA) during the long reign of Houphouët-Boigny, has drawn the attention of the international community to address and proffer solutions to its own problems. The effort of the international community to resolve the Ivorian military and political logjam peacefully has been going on since the beginning of the crisis. Thus basic argument of this article is that Côte d'Ivoire is enmeshed in paradoxes that lead to the quasi paralysis of the country. The political *cul de sac* in tandem with the military stalemate as well as the socio-economic crisis give a full picture of the crisis that plunged Côte d'Ivoire into para-doxes.

CÔTE D'IVOIRE: THE NATURE OF THE POLITICAL ECONOMY OF THE WAR

The texture of the political economy of Côte

d'Ivoire is an off-shoot of the colonial policies probing into the genesis of the "Ivorian economic miracle" furnishes ample illustrations to understand the reasons why Côte d'Ivoire had leapfrogged in economic terms. In fact, at independence, Félix Houphouët-Boigny vowed to pursue tenaciously the economic policies of the former colonial overlord (Charléard 2000: 48). This meant economic liberalization (backed by occasional government interferences) with the attraction of Foreign Direct Investment (FDI) coupled with a solid agricultural base, which is the mainstay of the Ivorian economy. This openness attracted foreign expertise (mainly from France) as well as a multitude of foreigners from West Africa amid political stability and economic growth (Akindès, 2004: 8-10). The period also coincided with political authoritarianism that reduced the political space to a single party *parti démocratique de la Côte d'Ivoire* (PDCI) rule allegedly to stem the proliferation of ethnic political parties. The political acumen of Houphouët-Boigny in conjunction with favourable terms of trade, and the management of ethnic diversity gave a certain amount of leeway to the Ivorian state in order to pursue vigorously socio-economic policies that are people oriented. In addition, the policy of "peace and dialogue", the trademark of the houphouëtist philosophy held Côte d'Ivoire spellbound for 33 years (Ogunmola and Badmus, 2005: 181-183). There can be no doubt that Côte d'Ivoire took off in the economic sector with a promising future by recording economic successes and sustaining in

the 1980s one of the highest GDP in West Africa (David, 1986: 52). After this economic ascension, Côte d'Ivoire threaded the path of reversal with its attendant negative consequences. The combination of these factors has been complicating the chances of the survival of the state and compromising national rebirth (Cabrillac, 2000:42). The dictates of the new international order coincided with inimical international economic situation for Côte d'Ivoire. The malaise overburdened the domestic economy that was already on the verge of collapse. The 1980s heralded a negative accretion in the economic misfortunes of the country.

This affected markedly the socio-economic savvy of the Ivorian leaders. However, the 1990s proved indeed, a significant touchstone that really constrained the room for manoeuvre of the Ivorian state. Francis Akindès (2004:17) gives a succinct account of the economic paralysis:

"[T] here was a significant downturn in the domestic saving and investment rates, which fell from 25% of GNP in 1980 to 4% of GNP in 1990 and 8% in 1993. Furthermore, public finances were no longer balanced, and there was excessive borrowing in a context of excessive liquidity, hence the explosion of the public debt from 196% of GNP in 1990 to 243% in 1993. The Ivorian economy, based on cocoa and coffee, whose prices were low at the time, and strangled by domestic debt, struggled with a rise in bankruptcies and redundancies."

The speaker of the National Assembly Henri Konan Bédié who assumed the mantle of leadership after the demise of Houphouët-Boigny made economic headways with the benefit derived from the devaluation of the Francs (CFA) the currency used by Francophone African countries in 1994. The economic fortunes result from CFA devaluation were, however, mismanaged and corruption marred Bédié led government. The government became unpopular owing to its inability to give concrete and positive solutions to the yearnings of Ivorians whose purchasing power had nose dived (Cabrillac 2000:43). The economic crisis continued unabated until the overthrow of Henri Konan Bédié on 24 December 1999. Thus, Côte d'Ivoire recorded its first military coup d'état. The socio-economic problems daunted the army rule. In fact, the military even compounded the political crisis by trying to manipulate to its advantage the transition to democracy. It was at the conclusion of the controversial presidential election that Laurent

Gbagbo candidate of the *Front Populaire Ivoirien* (FPI) emerged victorious in 2000. The crisis deepened on the economic front with episodic breakdown of law and order as a prelude to the civil war that had ethnic colouration.

The end result of this Ivorian economic slump was a passive surrender to the policies of the Bretton Woods institutions. The pauperisation of the most vulnerable levels of the population deepened the schisms between the social stratum. The obsolescence of the Houphouëtist political economy led irreversibly to a vacuum that was filled by the concept of *Ivoirité*, which translated into the adjustment of the notion of citizenship (Akindès: 2003: 18-20). In a critique of the Ivorian economic "miracle" and "model of development", Dumont and Charlotte Paquet (1991: 187-188) reached the conclusion that the dividends of the "miracle" were not, in actual fact, evenly distributed. The most vulnerable denizens who, in most cases, migrated from the rural areas became the casualties of the socio-economic progress. The authors emphasised that those Ivorians left on the scrap heap harbour a feeling of revolt. Ultimately, this would explain why the fervour the doctrine and concept of *Ivoirité* finds its flavour and favour with the urban poor, who are a ready pool of recruitment. The concept also gets its ferment from the political discourse in the presidential elections. *L'ivoirité* is a social hydra and vote-getter that fosters ethnic conflicts and social disharmony rather than peaceful coexistence and integration. Furthermore, *l'ivoirité* challenges the Houphouëtist social contract that is premised on the liberalization of immigration policy of Côte d'Ivoire. This policy gave a sense of belonging to the immigrants who were accorded voting rights. This policy helped in a long way to supplement the effort of local farmers and sustain agriculture through immigrant farmers and labourers from the riparian states (Zongo, 2003: 59). The war that broke out in September 2002 in a social tense atmosphere is the sum-total of the intermittent crises heralded unequivocally by the end of economic *El Dorado*. The spectre of a protracted crisis loomed large with the military and political imbroglio.

Complicating the Impasse: The War and Its Corollaries

The civil war and the crises that ensued had easily a corrosive and ripple effects on the economy of the land-locked neighbouring

countries of Côte d'Ivoire. For example, "Burkina Faso derives its economic and maritime outlet through Côte d'Ivoire" (Chauprade, 2001: 188). Expectedly, the civil strife restrained the activities of some multinational companies (since Côte d'Ivoire had lost its slogan as a stable country in a turbulent and politically unstable West Africa) that were compelled to relocate their activities to other countries. One of the most striking examples is the transfer of the headquarters of the African Development Bank (ADB) to Tunis. The average inflation rate is now 30% while economic growth has shrunk from 2.4% to 1.4% in 2004 and worst still, the Bank has suspended most of its on-going projects in Côte d'Ivoire (Jeune Afrique, 2004: 33). This transfer of business activities has surely social costs to the Ivorian society. Similarly, the situation will also translate into a serious decline in earnings for the government. This is so because the agricultural campaigns were jeopardised by insecurity, mass exodus of immigrant farmers and labourers to safe heavens. The war has led to the scission of Côte d'Ivoire into two zones. Apparently, the *credo* of the Ivorian political class is "divided we stand, united we fall". In the sector under the control of the *Forces Armées des forces Nouvelles (FAFN)* [the Armed forces of the ex-rebellion], economic activities are struck down by the paralysis of the banking sector. The bulk of social services is carried out by Non Governmental Organizations (NGOs) in Bouaké, the capital of the ex-rebellion (that control the North and some parts of centre of the country (Jeune Afrique, 2004: 32). As for the central government, president Laurent Gbagbo presides over the southern part of Côte d'Ivoire and the remaining central geographical area. Obviously, this split has ugly snowballing effects on Côte d'Ivoire in particular and the sub-region in general. This is especially felt by the economy of the land-locked northern neighbouring countries of Côte d'Ivoire, namely, Burkina-Faso and Mali. These interplays show the linkages between the political life of Côte d'Ivoire and its international dimension. Moreover, there is also the fact that Côte d'Ivoire is a major player in the *Union Economique et Monétaire Ouest Africaine (UEMOA)*.

CONCLUSION

From the foregoing discussions, it is apparent that, the Ivorian civil war has distorted enormously the economy and has sent the economy on its knees and the political map of

Côte d'Ivoire. The major thrust of this paper is that president Gbagbo is presiding over a divided country. The protracted crises are gradually crippling the economy and has bent the economy on its knees [On the political scene, the complex web of intrigues, mutual suspicion, and distrust within the political class in addition to the difficulty in implementing the various accords erode the confidence of the major international political and economic stakeholders and sponsors in bailing out the Ivorian economy. The Government of National Unity (GNU) has only succeeded in keeping the appearances while the social malaise persists. The nefarious activities of ethnic militias and some uncontrolled elements of the *Forces Nouvelles* that have become clogs in the wheel of the peace process and as such constitute major impediments in finding a lasting solution to the conflict. There is the need to reverse urgently this trend in order to revive the economy through the collective political will of the political actors before this ugly situation that is gradually bringing Côte d'Ivoire on its knees and metamorphosed the country into a failed state. The international community as the driver of the peace process can not achieve any tangible success if the engine of the peace process (the Ivorian political class) refuses to implement the agreement they have signed.

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