Chapter 2

Free Media and Bank Reforms in West Africa:
Implications for Sustainable Development

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ABSTRACT

The growth of independent media has been observed globally to be a key factor in any nation's determination to create an enabling environment for sustainable development. In addition, it is believed that efficient banking institutions vividly illustrated by unhindered cash and credit flow are the linchpins of an unimpeded socio-economic development. This explains why Nigeria and some other countries in West Africa sub-region have quickly identified the critical roles free media could play in achieving the above tasks. This chapter, anchored under two normative theories of the media examined the strategic roles of independent media in banking sector reforms in West Africa sub-region. Besides, it appraised the degree of impacts which the interplay of media and bank reforms has produced in the development of the region. The study traced the origin of the media and banking industries in four countries and discovered the major trends that have occasioned the reforms. The challenges that constituted a drag in the wheel of effective communication of bank reforms and the implications for development were identified while recommendations were made to checkmate the trend.

INTRODUCTION

West Africa is the most populous of the six sub-regions that constitute the continent of Africa. It comprises 16 countries and about 300 million people (Abdullahi, 2013). In spite of the fact that its political history was characterised by civil wars, military coup and counter coup, the sub-region has remained the home to Africa's large economies such as Nigeria, Ghana, Cote d'Ivoire, Gambia, Sierra Leone and Cameroon among others. (Boahen, 1966). West Africa is strategically located due to its direct access to the Seaport that made it a centre of huge commercial activities and transnational trade. The economy of the region is largely dominated by farming, mining and manufacturing and distribution (wholesale

DOI: 10.4018/978-1-5225-3376-4.ch002

and retail). Its high population density, massive and diverse natural resources with dynamic business potentials have endeared the sub-region to most developed nations.

Nevertheless, despite the region's large deposits of human and material resources, it is still surprising that all the 16 countries that constitute the West Africa sub-region are included among the 50 countries of the world where poverty level is still unreasonably high (UNDP, 1998). UNCTAD report (2002) also reveals that over 250million people out of West Africa's 300million population translating to about 83% are living in poverty and this figure has risen to about 94% within the last ten years. On the average, most people in the region live on US$2 per day, consequently making West African countries to be amongst the 173 countries where human development index is below 25 percent (UNDP, 2011).

Globally, it is believed that for entrepreneurship and economic activities of any nation to engender sustainable development, there must be smooth and uninterrupted in and out-flow of cash and credit which are the primary responsibilities of the banking industry. This is the basis of Ajayi and Sosan's (2013) observation that for a nation's financial system to effectively function as the linchpins of its economic development, there must be constant reforms. Rioplus (2006, p.141) defines economic reforms as "a process of monitored transformation intended to guarantee a stable society where the economy and the population are managed to encourage sustainable growth and satisfy basic human needs such as housing, food, water, job, education and environmental sustenance".

Since early 1980s, the economy of Africa in general and West Africa region in particular had started to manifest systemic recession vividly illustrated by heightened inflationary trend, poverty, diseases, devaluation of currencies, unemployment, underdevelopment, uncontrollable external payment imbalances and political instability (Iyoha & Oriakhi, 2002). Surprisingly, in that condition the banking sector which is supposed to be an active player to breathe life into the economy is not spared. In many of these countries, there were reported cases of bank distress, liquidation and closure between 1980 and 2006 with about US$114 billion depositors' money gone down the drain (CBWA, 2008). This is apart from several thousands of direct and indirect job losses in the process. The general effect of this economic crisis according to Owolabi (2014) is mass rural-urban migration with its attendant social ills such as armed robbery, drug abuse, kidnapping, child trafficking, prostitution, teenage abortion, cyber fraud and terrorism among others vices which make life rusty and nasty for both the rich and the poor. Besides, this situation also provokes loss of confidence with her international creditors and trade partners. Against this background therefore, the quest for home- grown development strategies thus became a legitimate aspiration to bring back decades of heightened poverty among the rural population of the country (Imam & Kolerus, 2013).

According to the Central Bank of West Africa CBWA (2005, p.4), poverty alleviation programme is an economic blueprint derived from the year 2000 millennium development goals (MDGs) and 2015 sustainable development goals (SDG). Owolabi (2014) explains these were meant to create wealth, generate employment and reduce poverty rate globally. To achieve these goals, the ECOWAS through its Central Bank group, identified the strategic roles of the banking sector in providing institutional funding for the implementation of government's poverty alleviation program. Unfortunately, the banking industry at the time was observed to be lacking in its ability to effectively stand in the gap. This therefore necessitated the economic reforms by way of recapitalisation and consolidation of banking sector in order to make them financially healthy and strong to support sustainable development (Asekome, 2008).

Development communication authorities have observed that for any developmental programme to succeed, the sponsors (government, business group or individual) must see the mass media as their dependable partners (Banda, 2006; Adedokun et al, 2010). Access to information is pivotal to good

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