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Transformation Index BTI 2012: Regional Findings West and Central Africa

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BTI 2012 | Regional Findings

West and Central Africa

By Matthias Basedau*

An overview of development and transformation in Benin, Burkina Faso, Burundi, Cameroon, the Central African Republic (hereafter: CAR), Chad, Côte d'Ivoire, the Democratic Republic of Congo (hereafter: COD), Ghana, Guinea, Liberia, Mali, Mauritania, Niger, Nigeria, the Republic of Congo (hereafter: COG), Senegal, Sierra Leone and Togo.



This report presents the regional findings of the Bertelsmann Stiftung's Transformation Index (BTI) 2012 for West and Central Africa. More on the BTI at <http://www.bti-project.org>.

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West and Central Africa saw renewed political turbulence and change between February 2009 and January 2010, the review period of the Bertelsmann Stiftung's Transformation Index (BTI) 2012. Though these changes were less dramatic than those observed in the previous review period, West and Central Africa remains the region undergoing the most significant developments with regard to political transformation.

The starkest changes took place in the wake of military coups in Guinea and Mauritania. Both countries launched transition processes, though these have yet to achieve sustainable democratization. Nigeria managed to prevent a further deterioration of its political situation, but fell short of realizing its market economy goals.

After a disputed election in December 2010, Côte d'Ivoire spiraled into civil war. Since resolved, the crisis – which saw UN and French intervention – effectively relegated Côte d'Ivoire to the bottom of the table in the area of transformation management.

Compared with the previous review period, economic performance in the region did not decline. The impact of the global financial crisis, if it had any at all, was limited to 2009. Indeed, most economies in the region recovered by 2010.

Overall, the state of transformation in the region remains virtually unchanged in many areas, as several BTI 2010 findings continue to ring true. On the whole, the level of transformation can be described as low. Political deficits in the region fall within the range of the global average and are significantly less grave than shortcomings in economic transformation. In general, West Africa fared better than Central Africa. Management performance was slightly under-average, though one needs to bear in mind that the level of difficulty is higher in West and Central Africa than anywhere else in the world.

Ghana remains the region's clear frontrunner in all three areas – political transformation, economic transformation and management performance – while countries like Côte d'Ivoire, Chad or the Democratic Republic of Congo (hereafter: COD) regularly feature at the bottom of the table.

Political transformation

In early 2011, five regime types could be identified in West and Central Africa with regards to the development of constitutional democracy. As in the Transformation Index 2010, Ghana stands out as the only democracy in the region without any major deficits, (listed in the overview as a democracy in consolidation) that also enjoys a good record on political freedoms and participation rights.

The group of defective democracies comprises six countries in which democratic development is appreciably more limited. Benin and Mali top the list, followed by Niger, Liberia, Senegal and

Sierra Leone. Niger is an anomaly: Although its president was ousted in a military coup in February 2010, the country was able to maintain its status and even slightly improve it. This is because by the end of the review period it had already successfully implemented a re-democratization process.

The BTI 2012 ranks two of the region's countries as highly defective democracies: Burkina Faso and Guinea. Burkina Faso has fallen under this classification for many years. President Blaise Compaoré, who has been in power since 1987, may have since instituted a multiparty system, but his leadership has never been called into question. Guinea is a newcomer here, moving up from the group of autocracies after a relatively free and fair presidential election closed the chapter on a military coup and turbulent transition period.

Togo, Nigeria, Mauritania and Cameroon make up the group of moderate autocracies. Nigeria's marred 2007 elections have had lasting repercussions, without which the country undoubtedly would rank among defective democracies. Elections in April 2011 were far more credible than those in 2007, but cannot be taken into account since they did not fall within the review period.

Togo and Mauritania are regimes in transition which so far have failed to make it into the group of democracies. Togo did not build on the democratic progress achieved with earlier parliamentary elections. Its presidential election in March 2010 fell short of international democratic standards. In Mauritania too, elections held in July 2009 after the previous year's military coup failed to meet democratic standards.

Table 1: State of political transformation

Democracies in consolidation	Defective democracies	Highly defective democracies	Moderate autocracies	Hard-line autocracies
Score 10 to 8	Score < 8 to 6	Score < 6	Score > 4	Score < 4
Ghana	Benin	Burkina Faso	Togo	Central African Rep. ●
	Mali	Guinea ▲▲	Nigeria	DR Congo ●
	Niger		Mauritania ▲	Republic Congo
	Liberia		Cameroon	Chad
	Senegal			Côte d'Ivoire
	Sierra Leone			

The table is derived from the BTI 2012 index data for the "political transformation" dimension. Countries are listed in order of their democracy status scores. Arrows indicate a change in category relative to the BTI 2010, while dots indicate "failing states."

Once again the group of hard-line autocracies shrunk, though it still counts five countries. In COD and the Central African Republic (hereafter: CAR), deficits in stateness remain so severe that they must be classified as failing states. The Republic of Congo (hereafter: COG), Chad and Côte d'Ivoire on the other hand, are autocratic states. Deficits in stateness are also blatant in Chad and

Côte d'Ivoire. Both states narrowly escape being classified as failing states due to a barely adequate monopoly on the use of force and operational administrations in each.

Stateness

Many West African countries are far from embodying the ideal type of modern state as envisioned by Max Weber. Democratic deficits are often the result of stateness problems. Indeed, almost all of these nations grapple with deficits stemming from the state's weak monopoly on the use of force and administrative reach.

Even in the absence of violent conflict, none of the countries in this region exercise full control over their territory. Independent of armed uprisings in Niger, Mali and Chad – the largest nations by land area in the Sahel – these countries have expansive, essentially ungoverned (state-free) regions. The government's administrative reach often barely extends beyond the capital and larger cities. Post-conflict states such as Liberia and Sierra Leone remain dependent on foreign assistance for their state-building efforts.

The November 2010 presidential election in Côte d'Ivoire did not just dash hopes that the government would restore its full monopoly on the use of force. A dispute over which of the two leading candidates won pulled the country back into civil war. Senegal's secessionist conflict continues to smolder in the Casamance. And whereas violence continues to wrack COD, CAR and Nigeria, it has diminished in COG. The Sahel region has also seen a respite, brought about by a consolidation of many of its states' monopoly on the use of force. Rebels in Chad's volatile east, who nearly captured the capital in 2006 and 2008, suffered a string of military setbacks at the hands of government troops. The government also secured a pledge from Sudan that it would stop backing Chadian rebels. The most recent Tuareg uprising in Mali and Niger ended in 2009.

But the Sahel is under increasing threat from militants of Al-Qaeda in the Land of the Islamic Maghreb. The group was behind killings and kidnappings in Niger, Mali and Mauritania. Religious fundamentalism is also a major problem in Nigeria, where security forces clashed with extremists in the north of the country. In addition, repeated outbreaks of violence between Christians and Muslims in central Nigeria cost hundreds if not thousands of lives.

This should not conceal the fact that secular structures remain largely unchallenged, even in those states with large Muslim populations. In this respect, the generally moderate and syncretic character of African Islam as well as the laical traditions of the mostly French colonial powers have proven beneficial.

Generally, citizenship rights are not a source of friction in most of the region's states. Though discrimination is common, it results from shortcomings in the rule of law rather than a groups' right of citizenship being called into question. Even in Côte d'Ivoire, ethnic tension has eased over

the concept of “Ivoirité,” or Ivorian-ness, which no longer fuels discrimination against migrants from the north to the degree it did just a few years ago.

Political participation

With regard to political participation it is especially worth noting that democratic transitions in the wake of military coups in Guinea and Mauritania in 2008, and in Niger in 2010 culminated in elections. In this way, all of the examined countries in West and Central Africa have at least formally elected governments. But there were no peaceful transfers of power of the kind observed in Ghana and Sierra Leone during the review period of the BTI 2010. Still, in Niger the veteran opposition leader Mahamadou Issoufou won elections in February 2010 organized to end a year-long military junta.

The quality of elections remains a key indicator in establishing the state of democracy. Aside from pervasive administrative irregularities, only elections in Benin, Mali and Niger were deemed mostly free and fair. A second group of seven countries is characterized by more serious deficiencies, but their elections still meet minimum standards for democratic polls. Considerable irregularities in voter registration put Ghana, a frontrunner in other categories, at the top of this group. Apart from Mauritius, Ghana is the only state in sub-Saharan Africa to repeat the success of a peaceful power transfer through elections. Senegal fared significantly worse in terms of political participation, as did, in particular, Burkina Faso, COD and Guinea. The Democratic Republic of Congo falls out of the group of democracies due to deficits in the rule of law and stateness. The transfer of power has not been completed in Guinea, where parliamentary elections have so far failed to follow the presidential poll.

Elections in the remaining states lack democratic credibility. Hopes of a free and fair election in Togo were dashed during the review period, as they were for Mauritania, where international pressure led to elections that were nevertheless won by the leader of the military coup. The quality of elections in CAR has also deteriorated compared to previous elections, including the last one in 2005. Preferential treatment for ruling-party candidates and administrative irregularities prompted an opposition boycott of the second round. Notorious cases of flawed elections can once again be found in Cameroon, Chad and COG.

Nigeria and Côte d’Ivoire merit a special mention. Nigeria’s evaluation is still based on the – non-democratic – elections of 2007. The vote in spring 2011 took place outside the review period. But their improved character justifies the assumption that Nigeria in future will return to the group of (defective) democracies.

After repeated delays, Côte d’Ivoire’s elections in the fall of 2011 initially failed to pass the litmus test. The refusal of the incumbent Laurent Gbagbo to acknowledge defeat led to a protracted crisis and escalation of violence. Gbagbo’s subsequent arrest and the swearing-in of his rival Alassane

Ouattara at the end of the review period could herald the beginning of a return to normalcy in a country that was once a beacon of peace and prosperity in West Africa.

As a rule, there is a clear connection between the quality of the electoral regime and the realization of civil rights and liberties. Although basic democratic rights such as freedoms of assembly and speech are guaranteed on paper, the reality is frequently very different in practically all of the countries in the region. Deficits are particularly serious in Chad, COD and COG. However, the military coup in Niger served ironically to strengthen freedom of opinion: Unlike ousted leader Mamadou Tandja, the junta demonstrated respect for this fundamental right.

Rule of law

Aside from weak stateness, problems with the rule of law remain a key cause of democratic deficits in the region. This also applies to countries like Ghana as well as, more pronouncedly, Benin or Mali, which place lower in the ranking.

On the whole, the separation of powers in most of the region's states is significantly limited. In the exclusively (semi-)presidential systems of government in the region, the executive branch tends to dominate the legislative branch. The informal mechanisms of clientelist power structures and dominant-party systems in Burkina Faso, Cameroon and Chad only exacerbate unequal relationships between constitutional bodies.

Judiciaries in several countries still fail to provide checks and balances on government powers. Poor pay and education standards, susceptibility to political influence and corruption – even on the part of judges – all serve to limit the judiciary's efficiency. Abuse of office remains a problem that plagues even countries like Ghana with relatively high rule of law scores.

In Côte d'Ivoire it was the Constitutional Court that rejected results announced by the independent electoral commission and declared incumbent Laurent Gbagbo the winner. Naturally the Court's judges had been previously appointed by Gbagbo himself. In Niger, then-president Mamadou Tandja disbanded the Constitutional Court after it ruled he had acted illegally by extending his term in office. It was the military and not the courts that intervened to stop both Gbagbo and Tandja.

Stability of democratic institutions

Only nine out of the 18 states in the region have what can be labeled (more or less defective) democratic institutions. Aside from Ghana, Benin and Mali were found to have relatively stable democratic institutions. To a lesser degree so too do Liberia, Senegal and Sierra Leone.

The bid by Niger's subsequently toppled president, Mamadou Tandja, to extend his presidency to a third term is proof that across the region, acceptance of democratic institutions is not a given. It is

notable that lawmakers in Nigeria succeeded in staving off a constitutional crisis after the sudden death of President Umaru Yar'Adua, and the transfer of power to his vice president, Goodluck Jonathan, passed off without incident.

On the whole, it remains true that the support of democratic institutions seems to be greater than their actual ability to perform. Key actors in defective democracies generally accept these institutions as the central forum for political debate. Even in the region's autocratic regimes, political actors are often prepared to use the (albeit) nominal democratic institutions for political activity. Only in Chad did opposition figures boycott the 2011 presidential election. Undoubtedly, incumbent Idriss Déby still would have won even if they had challenged him.

Political and social integration

The region's interest groups and NGOs are poorly developed. Trade unions and NGOs in particular remain dependent on outside help and fulfill little more than a monitoring function. Party systems likewise fall short of fulfilling their functions. The parties themselves frequently lack a programmatic profile, are poorly organized and characterized by personalism and ethno-regional electoral bases.

But the high degree of fragmentation is not the main obstacle hindering the party systems' ability to serve a democratic function. Long-held absolute majorities of ruling parties are often the hallmark of autocratic regimes – like those in Chad, Cameroon and, to a lesser extent, Nigeria – or of highly defective democracies, such as Burkina Faso. The democratic top-scorers, in particular Benin and Mali but also Liberia, all exhibit increased fragmentation. Still, this phenomenon should not be overvalued – the party systems in COD, Mauritania and CAR are also highly fragmented.

It remains unclear what shape the party system will take in Guinea, where elections have yet to be held. Sierra Leone and Ghana tend toward two-party systems, a development often cited by scientists as particularly expedient for democratic consolidation, since low fragmentation facilitates the formation of a government. Naturally low fragmentation does not automatically boost a country's democratic prospects. Low fragmentation in a more bipolar constellation (three major parties contesting elections as two blocs) also characterizes Côte d'Ivoire, where a peaceful transition of power nevertheless proved unattainable because of this polarization.

Relatively up-to-date Afrobarometer data on public acceptance of democracy in the region is only available for seven states. According to the latest results of Afrobarometer surveys from 2008 and 2009, acceptance of democracy is generally high: Above all in Benin (more than 90%), Ghana (79%) and Mali (almost 75%). But large majorities also favor this form of government in Liberia (72%) and Nigeria (also 72%), as well as Senegal (70%). Acceptance of democracy is lowest in Burkina Faso (58%).

Economic transformation

The BTI 2010 findings for economic transformation remain valid for this review period: Contrary to the mixed results on the region's political balance sheet, its economic situation is far more uniform – if also more negative. Once again, not a single country has come close to establishing a full-fledged market economy. Of all regions, West and Central Africa still have the lowest average scores with regard to economic development and social justice. Table 2 shows that not one country makes it into the top two categories of the index measuring transformation toward a market economic system with sociopolitical safeguards. Only three states, Ghana, Benin and Mali, appear in the middle category of market economies with functional flaws.

The lion's share of the region's countries – 14 in all – fall into the category of poorly functioning market economies. Benin and Mali managed to move out of this group into the middle category through rather nominal improvements, particularly with regard to combating inflation. Benin also made some headway, with improvements noted in its banking sector, in conditions for market competition and in the area of equal opportunities. In Mali it was above all the economic output indicators that improved. Nigeria, on the other hand, fell a category, dragged down primarily by lower scores for its anti-cartel policy and ability to protect private property. But macrostability data (growth, inflation) were also generally weaker. Problems in COD remain so serious that its implementation of a market economy can only be described as rudimentary.

Table 2: State of economic transformation

Developed market economies	Functioning market economies	Market economies with functional flaws	Poorly functioning market economies	Rudimentary market economies
Score 10 to 8	Score < 8 to 7	Score < 7 to 5	Score < 5 to 3	Score < 3
		Ghana	Senegal	DR Congo
		Benin ▲	Cameroon	
		Mali ▲	Nigeria ▼	
			Burkina Faso	
			Mauritania	
			Niger	
			Sierra Leone	
			Liberia	
			Togo	
			Côte d'Ivoire	
			Republic Congo	
			Central African Rep.	
			Chad	
			Guinea	

The table is derived from the BTI 2012 index data for the "economic transformation" dimension. Countries are listed in order of their market economy status scores. Arrows indicate a change in category relative to the BTI 2010.

Once again, for the BTI 2012, on average, the region scores poorly in the following areas of economic transformation: socioeconomic development (1.9 points), welfare regimes (3.4) and sustainability (3.2). The region fared slightly better with regard to organization of the market (4.8 points) and protection of private property (4.9), but these scores are still below average compared to other regions. It is worth noting, however, that despite the deterioration in economic performance (i.e., growth and price stability) recorded by the BTI 2010 and fears of the global financial crisis exacerbating this trend, market economies in the region have recovered quite well from 2009's economic downturn.

Level of socioeconomic development

The low level of development in West and Central Africa is emphatically supported by the Human Development Index (HDI) 2010. Of the countries in the region, COG scored highest in the HDI category of “medium human development,” ranked 126 out of 169. All of the others states are listed under “low human development” – though Ghana, Mauritania, Cameroon and Togo owe their placement here to adjustments in category threshold values. In earlier HDI editions, these countries only barely made it into the middle category. Chad, Niger and COD demonstrate a particularly low level of human development and rank worldwide among the ten countries at the very bottom of the HDI index.

Although comparative data on poverty is only available for some countries, it seems safe to say that social exclusion stemming from widespread poverty is a severe and structurally embedded problem. In 16 of 18 cases, the majority of the population has no more than \$2 to live on a day. These figures are particularly drastic in Liberia (almost 95%), Nigeria, Chad, CAR and Burkina Faso (each more than 80%). Only Mauritania (44%) and Côte d'Ivoire (47%) were the numbers somewhat lower, though still at an alarmingly high level.

Organization of the market and competition

The low level of socioeconomic development goes hand-in-hand with the region's weak market economies. Ghana and, to a lesser extent, Benin, were the only countries in the Transformation Index 2012 to achieve above-average scores in this area (i.e., values above 6.0, the average of all 128 countries examined in the Transformation Index). Competition policy is particularly deficient in CAR, Mauritania and COD and COG, the latter two bringing up the rear.

This assessment is confirmed by the ratings of the Heritage Foundation's Index of Economic Freedom. The 2011 Index listed just one country as “moderately free” (Burkina Faso, at place 85), which is only the third-best category. All of the other market economies were classified as mostly unfree or even repressed.

Currency and price stability

In previous editions of the Transformation Index, the high degree of price stability in many West and Central African countries was one of the bright spots in the area of economic transformation. Within the context of the currency union using the CFA franc, which is pegged to the euro, two independent central banks (one for West and one for Central Africa) determine monetary and currency policies for each. The Central Bank of West African states (BCEAO) performs considerably better compared to its counterpart. Generally, low inflation rates make up for the lack of control that members of the monetary union (Benin, Burkina Faso, Cameroon, the CAR, Chad, Côte d'Ivoire, Mali, Niger, Senegal and Togo) have over their national economies.

In the previous Transformation Index, average inflation rates had risen considerably, and this applied to members of the CFA franc as well. This trend continued in 2009, driven more by higher world market prices for commodities and agricultural products than the international financial crisis. Afterwards, most members of the currency union recorded moderate to low inflation rates. Inflation in non-member states remained significantly higher, and in Nigeria (more than 13%) or COD (more than 25%) it reached double digit figures.

Other macroeconomic indicators of stability such as budget balance and debt level remain problematic. Chad, COD and Côte d'Ivoire are still struggling to ensure macroeconomic stability.

Private property

The protection of private property in West and Central Africa is mired in difficulties. Deficits are particularly apparent in Chad, CAR, COD and COG. Somewhat better scores were achieved only by Ghana and Senegal and, to a lesser degree, Mali. Nigeria's score on the protection of private property slipped considerably in the Transformation Index 2012. With ownership of all land vested in the state, individuals are merely granted the right of land use. This causes problems whenever natural resources are found or in cases of inheritance, often leading to protracted lawsuits with uncertain outcomes.

In principle, private property is well-defined and protected by law in West and Central Africa, but corruption and administrative failures hinder the effective protection of private property rights. Securing formal land titles can also be difficult because of discrepancies in traditional and modern legal systems. There is often confusion as to which legislation actually applies.

Donors' privatization demands have boosted role of private enterprise, but the backbone of these countries' national economies is frequently made up to a much greater extent by the large informal sector rather than the formal sector. There are not enough robust, mid-sized businesses, and the privatization of large state-owned companies has proceeded slowly – for example in Chad and Niger – in part due to a lack of investors. In many places, state-owned companies and multi-national corporations dominate the commodities market. The role of private companies is

particularly problematic in Central Africa, especially in COD, COG and CAR. Only in Ghana, Senegal and Sierre Leone is the situation for private enterprise improving. Ghana, for example, is today reaping the benefits of free-market reforms by the previous government that simplified private sector licensing and tax laws.

Welfare regime

Poverty is endemic in West and Central Africa, and national safety nets either do not exist or do so on a rudimentary level, as is the case in Ghana and Mali, which received relatively high scores for this indicator. Governments depend on external assistance to fight poverty, in particular on aid programs operated almost everywhere in the region by the IMF, the World Bank or other organizations. But they have had a limited effect on poverty reduction. Often informal or traditional clan- and family-based networks have to step in to mitigate poverty.

Equal opportunities are relatively well-established in Ghana, while the record in Chad, COG, COD and Sierre Leone is very poor. This applies above all to opportunities for women. While prompting by donors has led to quotas for women in public office, women's access to education and political life remains limited. Liberian President Ellen Johnson-Sirleaf, the 2011 Nobel Peace Prize laureate, remains Africa's first and only elected female head of state. Senegal takes the best place in the UN's Gender Equality Index (at 113). However, female genital mutilation is still widespread throughout the region.

In addition to gender, ethnicity is another factor responsible for the denial of equal opportunities. Some ethnic groups continue to face systematic discrimination. This applies, for instance, to the Mbenga in Cameroon. In countries such as COG or Chad, preferential treatment is awarded to individuals allied to the president's own ethnic group. In Mauritania and Niger, some groups continue to be treated informally as slaves. In 2008, the West African Court of Justice convicted Niger for allowing slavery. In an August 2010 report, the UNHCR also pointed to continued cases of slavery in Mauritania. The Haratin, descendents of African slaves, are the group most frequently subject to discrimination.

Economic performance

The economic performance of the market economies in West and Central Africa was less affected by the international financial crisis than initially feared. Like price stability, economic performance also declined in 2009, particularly in Chad, Niger, Mauritania and Guinea. In Niger, Mauritania and Guinea this was of course partly the result of political turbulence.

But the region largely saw a recovery in 2010. While the Economic Intelligence United predicted average annual growth of 1.8 percent in the 18 countries in 2009, that figure was back up to 2.7 percent for 2010.

The EIU forecast particularly strong growth in 2010 in the two oil states COG (more than 10%) and Nigeria (7.9%), as well as Niger (7.5%). Robust growth rates were also projected for Liberia (6%), Burkina Faso, Mali and Mauritania (all 5% or more). Only Benin and CAR languished under virtually stagnant growth (each less than 1%).

These moderately positive numbers should not hide the fact that economic growth alone will by no means suffice to rectify the region's structural problems. Given the problematic data on trade balance, public debt, tax revenues and unemployment, it is unlikely that these countries will make substantial progress in the fight against poverty anytime soon.

Sustainability

Despite the drastic toll that climate change is predicted to take on Africa, states in the region neglect environmental concerns. The driving factor here is evidently less urgent poverty issues than the ruthless exploitation of natural resources for maximum profit. Government policy is frequently designed to garner applause from Western donors, or is dictated by those donors. The country that does best in the region in the Environmental Performance Index 2010, Côte d'Ivoire, is ranked at place 102. All of the others come in lower, with Mauritania, CAR and Sierra Leone at the very bottom.

Education and research are still not receiving the necessary funding. Even in Ghana, once again at the top, there are numerous shortcomings. In one-third of the countries (Burkina Faso, CAR, Chad, COD, Guinea and COG), this area is so neglected that even primary school education suffers from major deficits. Although progress has been made by establishing new universities, like in Niger, the lack of resources is keeping standards low at institutions of higher education and research. Local scholars are dependent on Western development cooperation partners and given the chance, leave for Europe or the United States at the earliest opportunity.

Transformation management

The countries of West and Central Africa have mixed results for transformation management. None achieve top scores, and none can be classified in the highest category (i.e, successful management). Almost a third of the states are grouped in the category successful management with weaknesses. As in political and economic transformation, Ghana is the region's frontrunner, followed by Mali and Liberia. Benin and Niger are also grouped within this top category.

With eight states, the largest group is seen as having moderate success in transformation management. Three countries are newcomers in this group. Guinea and Mauritania moved up two and one category respectively, a reflection of the relatively successful transition to elections after

military coups in these countries – whereby Guinea managed the process significantly better than Mauritania. Senegal dropped down a category, a development that can be explained above all by President Abdoulaye Wade’s increasingly authoritarian rule. At the end of the review period, the capital Dakar witnessed large protests against his regime.

Three countries are classified as exhibiting weak management. The governments of Cameroon and COG appear to have little interest in pursuing reforms targeting the goals of democracy and a market economy. The Democratic Republic of Congo moved up into this category, though the gains are merely on account of improved relations with its neighbors.

Côte d’Ivoire and Chad showed lacking or failed attempts to move toward democracy and a market economy. The post-election power struggle in Côte d’Ivoire resulted in a significant drop in management performance. Chad managed to improve its score somewhat. But even after elections in spring 2011 – once again won by the incumbent – there is little hope of substantial improvements in the area of political (and economic) transformation management. President Idriss Déby has been successful in the fight against armed rebels and made overtures to the opposition with an offer of talks. But he has not signaled any intention of steering his country towards a democracy under the rule of law and a market economy with sociopolitical safeguards. Staying in power remains instead his strategic goal.

Table 3: Quality of transformation management

Very good	Good	Moderate	Weak	Failed or nonexistent
Score 10 to 7	Score < 7 to 5.6	Score < 5.6 to 4.3	Score < 4.3 to 3	Score < 3
	Ghana	Senegal ▼	Republic Congo	Chad
	Mali	Sierra Leone	Cameroon	Côte d’Ivoire
	Liberia	Nigeria	DR Congo ▲	
	Benin	Guinea ▲▲		
	Niger	Togo		
		Burkina Faso		
		Central African Rep.		
		Mauritania ▲		

The table is derived from the BTI 2012 index data for the “transformation management” dimension. Countries are listed in order of their democracy status scores. Arrows indicate a change in category relative to the BTI 2010.

Once again, the findings demonstrate that in no other region in the Transformation Index is transformation management as difficult as it is in West and Central Africa. On average, the level of difficulty is 6.7 on a scale from one to 10, if the quantitative indicators are left out of the equation (otherwise the average is 7.3). Consensus-building efforts were less in evidence (an average of 5.1). Governance capability scored even lower (an average of 4.4). Only resource efficiency received worse marks (4.0).

As seen in previous editions of the Transformation Index, there is a correlation between transformation status and management performance. Improving their scores on political transformation, Guinea and Mauritania also displayed improvements in the area of management. Naturally neither country could achieve a management score higher than “moderately successful.”

Level of difficulty

A combination of structural deficiencies, weak civil societies and pronounced social conflict makes it extremely difficult to achieve political and economic transformation in West and Central Africa. Only Benin and Ghana have a medium level of difficulty, primarily a result of their governments’ transformation achievements since 1990. The remaining countries all have to deal with a high or – as in the case of Côte d’Ivoire and CAR – even severe level of difficulty.

By far the greatest obstacle to transformation in West and Central Africa are structural problems, including extreme poverty, a lack of education, infrastructural deficiencies, natural catastrophes and disease. In seven of the countries in the region, these problems are massive, and they remain grave in seven others. Even in top regional performers such as Ghana and Cameroon, structural deficiencies remain high. Countries in the Sahel (e.g., Burkina Faso, Chad and Niger) also suffer from their landlocked locations and desertification, which also lead to serious problems in the supply of foodstuffs.

The picture is brightened somewhat by the rich mineral wealth in some areas. Still, without consistent and competent management, a country’s natural resources can easily lead to further problems (the “resource curse”). It remains to be seen whether oil production in Ghana leads to the kind of negative effects it has had in Nigeria.

Violent conflicts are often associated with the presence of raw materials such as oil or diamonds. In Nigeria, the connection between natural resources, distributional conflicts and environmental pollution is evident, even if a peace initiative in 2009 helped ease tensions in the Niger Delta to some degree. It remains to be seen whether peace efforts in CAR meet success.

The combination of resource allocation conflicts with ethnic or religious tensions makes for a particularly explosive mix. Violence in Nigeria was seen above all between Christians and Muslims in central states. The crisis in Côte d’Ivoire was also a result of deep division along religious and ethnic lines between the predominantly Muslim north and the mostly Christian south.

Almost all of the ethnically – and often also religiously – diverse societies in the region could be subject to these kinds of ethnic conflicts. However, in order for it to escalate into violence, ethnic or religious diversity always has to be mobilized by elites embroiled in power struggles. During the period under review, eight out of the 18 states in the region were free of violent conflict; in at least four cases, there was a significant de-escalation of violence (Chad, Mali, Niger, COG).

Steering capability

As defined by the Transformation Index, successful steering capability not only demands that elites are able to effectively implement policies, exhibit a certain degree of flexibility and demonstrate the ability to learn and innovate; they must also strive for the goals of a market economy and democracy. Considering the three indicators of the criterion together, only Ghana stands out in positive terms. By and large, this country has continued to successfully implement both political and economic reforms.

The steering capability in Liberia, Sierra Leone and Mali is limited. This is true even in Liberia, where President Ellen Johnson-Sirleaf has demonstrated her commitment to the process of post-civil war reconstruction, despite many challenges and obstacles.

This group is followed by five states (Benin, Niger, Guinea, Senegal and Togo) that have severe problems in prioritization, implementation and capacity for political learning. Benin is among the countries which dropped down into this category, while Guinea moved up. Guinea's transition to democracy was completed with the swearing-in of the presidential election winner, Alpha Condé, in December 2010. After the military coup, all signs had pointed to further turbulence, until the eccentric junta leader "Dadis" Camera was severely wounded by a body guard and replaced by the regime's second-in-command. Of course it remains to be seen whether Guinea can build a lasting democracy.

The political elite in Burkina Faso, Nigeria, Mauritania and CAR display little steering capability. In COG, COD and Cameroon, steering capability is thwarted by an array of problems, though these countries still did better than Chad and Côte d'Ivoire. The latter are striving neither for democracy nor a market economy with sociopolitical safeguards. Political decision making is aimed solely at maintaining the grip on power.

Resource efficiency

As in previous editions of the Transformation Index, the countries of West and Central Africa receive their lowest transformation management scores in the category of resource efficiency. None of the governments in the region make optimal use of their resources. Only a scant few of the available resources are managed through programs that are well-conceived and sustainable.

Overall, the more democratic governments continue to use their resources more efficiently than do the autocratic ones. Ghana is once again the top scorer on this item. It is followed by a group including the highly defective democracies and Liberia, Mali, Benin, Senegal, Guinea and Niger, where there are some cases of moderate resource efficiency. In the autocratic states of Cameroon and COG, the efficient use of natural resources is very limited. Bloated cabinets made up of 60 and 35 members respectively are a clear indication of rampant political patronage in both countries. In

Chad, CRC and Côte d'Ivoire, the reliance on favoritism to maintain power plays an even greater role in hindering development-oriented efficiency.

In most cases, the fight against corruption is progressing slowly. The elite in COD, COG and Côte d'Ivoire have virtually no need to fear prosecution. In the Democratic Republic of Congo, high-ranking military officers were not punished even after embezzling the salaries of their subordinates. The government of Liberian President Ellen Johnson-Sirleaf continues to tackle corruption, also in cooperation with civil society organizations. Following a wave of scandals, she dismissed in November 2010 numerous ministers. Niger's military junta exposed cases of corruption in the political class. Embezzlement charges against former President Mamadou Tandja were only dropped after an appeals court ruled it was not possible to try a head of state after he had left office.

Consensus-building

The countries in the region have the most wide-ranging scores in the criteria of consensus-building. While not a single country has succeeded in forging a lasting social consensus, Benin and Ghana, followed successively by Mali, Liberia and Senegal, performed best in this criteria. A wide midfield led by Sierra Leone and ending with Mauritania encompasses eight states, whereby significant deficits were found in five cases. They include Cameroon, COD, COG and Chad, as well as, with a considerably lower score, Côte d'Ivoire. Moves to create social consensus do not necessarily indicate that a state is striving for a market economy and democracy. While the governments of Benin and Ghana in particular were more or less successful in their pursuit of these goals, Chad and Côte d'Ivoire aspired neither to democracy nor a market economy equipped with sociopolitical safeguards.

In countries like Cameroon, Chad or COG therefore, it's the rulers themselves who must be singled out as the principal anti-democratic veto actors. Apart from them, it's above all the military that is a key veto player. While the army's influence is slight or has dwindled in countries formerly infamous for military coups such as Benin or Nigeria, recent coups in Guinea, Mauritania and Niger show that security forces remain a political force to be reckoned with. There were furthermore attempted coups in Togo and Guinea, as well as army mutinies in Burkina Faso; the events in Guinea and Burkina Faso, however, took place after the conclusion of this edition's review period.

Army generals do not necessarily always work against democracy. In Niger and Guinea, as well as to a lesser extent in Mauritania, coup leaders introduced transition processes that culminated in relatively competitive elections. The coup in Niger in February 2010 put an end to President Mamadou Tandja's increasingly anti-democratic course and paved the way to a mostly incident-free transition phase. The process in Guinea was marked by more friction because of the original coup leader's hesitance to make good on a pledge to initiate a transition. A failed attempt by conservative soldiers to assassinate President Alpha Condé in an attack on his home showed that

the new democratically elected government could in no way rely on the security forces. In Mauritania, General Ould abdel Aziz won the elections he called after his coup.

There are big differences when it comes to conflict management. In countries like Benin, Liberia, Mali and Ghana, governments were able to contribute to the de-escalation of brewing conflicts. A temporary end to the Tuareg uprisings in Niger and Mali were brought about by military successes in the former, and negotiations in the latter. However the Algeria-based group Al-Qaeda in the Islamic Mahgreb (AQMI) continues to pose a threat.

Violence in Chad decreased significantly as a result of the government's military supremacy and a pledge by Sudan to stop supporting rebels. Nigeria's amnesty for militants in the Niger Delta helped defuse tensions somewhat, but the government appeared powerless to quell unrest in central and northern Nigeria. In fact, attacks by Islamist extremists in the north increased in the summer of 2011. Political dialogue was launched in CAR in late 2008, but whether it succeeds remains questionable.

While conflict management in these cases cannot always be clearly measured, Côte d'Ivoire is an almost paradigmatic example of how a country can be thrown into turmoil by a ruthless power struggle between its elite. The deep division and deliberate escalation of tension between the largely Christian south and Muslim north ultimately led to incumbent Laurent Gbagbo's refusal to recognize electoral defeat. On the whole, the Ivorian elite's scores for consensus-building dropped significantly. In the context of building greater societal consensus, it was only the courageous commitment of civil society groups in preparing the election that provided evidence of a stronger inclusion of civil society. Sworn into office in May 2011, President Alassane Outtara faces the difficult challenge of promoting national reconciliation.

International cooperation

As in previous editions of the Transformation Index, international cooperation is the criterion for which West and Central Africa achieves its best scores. However, it must again be underlined that the region's massive dependence on external assistance is still one of the main reasons for its relatively successful transformation management in terms of international cooperation. Two-thirds of the states in the region continue to attain above-average scores, with Ghana, Mali, Benin and Niger taking the lead.

All of the region's governments depend on outside support and readily fall back on this source of aid. Nevertheless, democracy and a market economy are rarely the real objectives, and there is little external pressure for democratic reform. The French government is still intent on maintaining its zone of influence, and continues to support authoritarian regimes as in Chad. In Côte d'Ivoire, France joined UN military action aimed at forcing Laurent Gbagbo to hand over power after his stubborn refusal to accept defeat.

The United States has integrated the Sahel states of Chad, Mali, Mauritania and Niger into its Trans-Sahara Counterterrorism Initiative (TSCI). This move makes sense in light of the growing threat posed by AQMI in the Sahel, even if critics suspect it is motivated by strategic interests. The discovery of oil in the region means it increasingly functions as an oil supplier to the United States. The region's raw materials also account for the People's Republic of China's increasing involvement across the region (e.g., in Chad, Ghana, Guinea, Niger and Nigeria).

A large majority of the states in the region have an international reputation for being reliable partners. The international community was virtually united in supporting Alassane Outtara, the man recognized by the United Nations as the winner of Côte d'Ivoire's election. Now that Outtara has led a successful military campaign and taken office, the country's will likely restore its international reputation. International cooperation was suspended in the wake of the military coup in Niger, but it was quickly reinstated after the launch of a transition process.

Even if regional integration in West and Central Africa has not made any noteworthy progress, a clear asset to transformation management can be found in the participation of several of the region's states in international regional organizations, such as the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (WAEMU), the Central African Economic and Monetary Union (CEMAC), the Economic Community of Central African States (CEEAC) and the African Union (AU). Not otherwise renowned as a reliable international partner, COD made lasting improvements in its relations with former war adversaries Uganda and Rwanda, re-opening diplomatic missions there in 2009 and 2010.

Outlook

Once again, transformation toward democracy and a market economy in West and Central Africa made little progress. Though it seems to be improving slightly, the gain is slim. The score for political transformation increased by 0.34 points, while economic transformation was up a negligible 0.07 points and transformation management improved by 0.19 points.

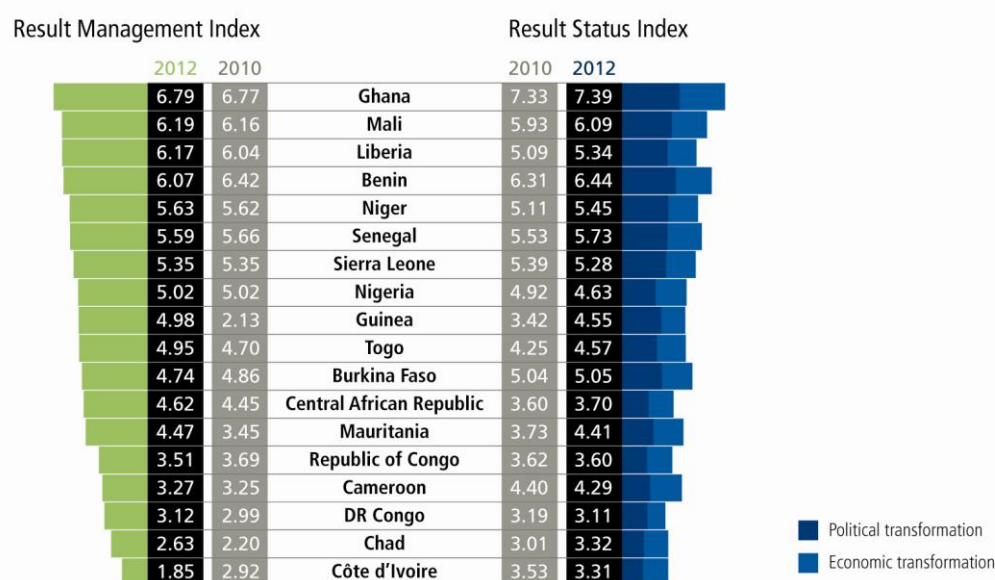
Overall improvements in political transformation and transformation management are largely due to progress in Guinea and Mauritania, as well as to a lesser extent in Togo and Niger. These either moved up from a very low ranking (Togo and Guinea) and/or saw elections at least partially correct authoritarian setbacks resulting from military coups (Guinea, Mauritania and Niger).

Even top-scorers, such as Benin, Ghana and Mali, do not come close to the Transformation Index's goals of a democracy under the rule of law and a market economy with sociopolitical safeguards. Deficits in stateness and the rule of law as well as social integration must be addressed to complete the process of political transformation. Political participation is the only area to show some encouraging signs of progress. With a still alarmingly low level of development and insufficient

structures for free enterprise, the goal of successful economic transformation remains very distant. In many ways, countries such as Chad or COD appear to be doing the exact opposite of pursuing the goals of democracy and a market economy. Moreover, the countries which have met with relative success have laid foundations that must still be viewed as shaky. In view of the situation as a whole, hopes are repeatedly pinned on perceived “model countries” – and almost regularly disappointed. Though assuredly on a positive course, even Ghana must confirm and deepen its commitment to democratic goals, particularly since oil production has begun.

Positive signs and developments should not be understated: In view of the region’s drastic economic problems, accomplishments in the area of political transformation are quite remarkable. Following the transition processes in Guinea, Mauritania and Niger, all of the governments in the region have emerged from multiparty systems. Developments after the review period in Côte d’Ivoire and – rather more ambivalently – in Nigeria give reason for cautious optimism. In addition, the international financial crisis did not take the drastic toll initially feared.

The continuing socioeconomic problems and political volatility witnessed to date underline the need for further – and targeted – commitment. It should not be up to the people of Africa alone to consolidate transformation achievements and tackle urgent economic problems. Western and other donors are called on to continue providing sustained support of political and economic transformation – with sensitivity and respect.



BTI 2012 | Benin Country Report

Status Index	1-10	6.44	# 38 of 128	
Political Transformation	1-10	7.70	# 25 of 128	➔
Economic Transformation	1-10	5.18	# 75 of 128	➔
Management Index	1-10	6.07	# 28 of 128	

scale: 1 (lowest) to 10 (highest)

score

rank

trend

Key Indicators

Population	mn.	8.8	HDI	0.427	GDP p.c.	\$	1587
Pop. growth ¹	% p.a.	2.8	HDI rank of 187	167	Gini Index		38.6
Life expectancy	years	55	UN Education Index	0.365	Poverty ³	%	75.3
Urban population	%	42.0	Gender inequality ²	0.634	Aid per capita	\$	76.4

Sources: The World Bank, World Development Indicators 2011 | UNDP, Human Development Report 2011. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Benin's third democratically elected head of state, Thomas Boni Yayi, continued to rule throughout the period under review with respect for democratic rules and with a commitment to strengthening market-economic principles. However, there were signs of increasing disappointment in the Yayi administration. Many consider his hasty style of decision-making – lacking much in the way of consultation – as too authoritarian. Additionally, the government has been weakened by two major financial scandals in which ministers have been accused of involvement. The president dismissed two.

Several opposition parties have formed an alliance against President Yayi, promoting the former president of the National Assembly and senior minister Adrien Houngbédji as its presidential candidate for 2011. The new alliance has contributed to a greater coherence in the political opposition and, therefore, given a clear democratic alternative to the current government. However, due to the history of relations of its member parties the alliance must be considered fragile. It has been criticized for implicitly revoking the country's political north-south divide.

After the end of the period under investigation – and thus not considered in this report – Yayi Boni won the presidential elections in mid-March 2011 in the first round, prompting accusations of electoral fraud.

However, by and large, both the Yayi administration and the opposition have carried out their political struggle through legal, constitutional means. The opposition has used its parliamentary majority to block legislation, and the president has responded by ruling with legal decrees. The Constitutional Court's reputation has been questioned somewhat due to allegedly biased appointments of new judges. Nonetheless, all relevant actors have continued to respect the court's decisions. Most crucially, President Yayi continued to integrate ministers and public

servants from across the country into his administration. Even if perceived differently among the public, this national integration scheme can be considered a stable informal institution.

Concerning economic matters, a core team of technocrats has remained in office even though President Yayi increased the number of political appointments. He continued to support economic liberalization policies in cooperation with international organizations. However, the global financial crisis, combined with the downturn in the cotton sector, has halved Benin's economic growth. These developments, together with major natural disasters, underline just how vulnerable Benin's economy is to external and environmental shocks.

History and Characteristics of Transformation

Benin has, in recent history, undergone simultaneous political and economic transformation. While the country has made significant progress in consolidating its political transformation and is considered very successful by regional and continental standards, transformation of the economic system has faltered and shows a more uneven track record. On the one hand, Benin numbers among the relative winners in the economic growth observed in Africa. On the other hand, Benin has been hit hard by the effects of the global financial crisis that began in 2008 and has since suffered a severe setback in growth.

Following independence in 1960, Benin's political development was initially characterized by regime instability and a series of military interventions. The last coup, in October 1972, marked the onset of 17 years of military rule by Lieutenant (later: General) Mathieu Kérékou, who installed one of the few formally Marxist-Leninist regimes in sub-Saharan Africa. Endogenous economic failure and the end of material and ideological support from the Eastern Bloc led to the rapid downfall of the regime. As a consequence, the regime dropped Marxism-Leninism in late 1989. The National Conference of 1990, composed of politicians and civil society leaders, voted overwhelmingly to adopt a multiparty system. Benin thus became the trendsetter for radical democratization processes in the whole of Francophone Africa.

The first free and fair elections in 1991 ratified the new political dispensation outlined in the constitution of 1990. The prime minister of the transition government, Nicéphore Soglo, won the presidency in a run-off against Kérékou. During the Soglo presidency, additional democratic institutions were established (e.g., the Constitutional Court, the Independent Electoral Commission and the Audiovisual and Communications Regulation Authority). These newly established democratic institutions also survived Kérékou's return to power in the presidential elections of 1996, when Kérékou snatched a surprise victory after some members of the Soglo coalition crossed the aisle to join him. Kérékou also won the 2001 presidential elections, although his main opponents, complaining of irregularities in the electoral process, boycotted the election.

The presence of former military ruler Kérékou at the helm of the state has not seriously compromised Benin's democratic credentials as a showcase state. Unlike some of his peers in other parts of West Africa, Kérékou could not count on the support of a single dominant party and, facing the unequivocal criticism of a robust civil society and key international players, he quickly abandoned attempts to modify the constitution so as to permit him to run for another term after 2006. The electoral victory of outsider Boni Yayi in the 2006 presidential elections reconfirmed the competitive nature of Beninois politics and the low relevance of political parties.

Marxist-Leninist rule throughout the 1970s and 1980s included the nationalization of industries and banks. Corruption and economic decline took their toll, and by the end of the 1980s, the government was no longer able to pay civil servants' salaries. Economic transformation, tackled by the transition government, found strong support in financial assistance from the donor community and was initially successful. Trade liberalization, lower public expenditures, and a strong commitment to macroeconomic growth were accompanied by sectoral investment in social infrastructure. During the Soglo presidency, these reforms were implemented in a radical way, which most probably led to Soglo's electoral defeat in 1996. Kérékou did not radically modify this strategy, but economic reforms have stagnated, and corruption proliferated under his presidency. The victory of former long-time West African Development Bank (WADP) Chairman Yayi in the 2006 elections seemed to indicate both a popular will to fight corruption as well as stronger government commitment to tackling poverty alleviation and carrying out economic transformation. However, much of the Beninois public have been disappointed by Yayi's performance.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 10 (best) to 1 (worst).

Transformation Status

I. Political Transformation

1 | Stateness

Question
Score

The state's monopoly on the use of force is established nationwide. There are no Beninois armed rebel groups active inside or outside of the national territory. There have been isolated incidents of mob justice due to the perceived failure of police to protect the people and the perceived failure of the courts to punish criminals adequately; the government has made no serious attempt to prosecute those involved although it has mobilized armed forces to support the police. Crime remains a serious problem not adequately combated by the police. The demand for drastic measures has grown, as was demonstrated by the widespread approval of an incident in May 2010 in Cotonou when policemen shot two robbers at a marketplace.

Monopoly on the
use of force
9

In stark contrast to other West African coastal states such as Cote d'Ivoire, there are no problems in defining citizenship and who qualifies as a citizen in Benin. Governmental action does not discriminate on ethnic, religious or cultural grounds, and the legitimacy of the Beninois state is not questioned in principle. There is no dominant group that identifies itself as the core group of Benin's heterogeneous society. Smaller groups are adequately represented in governmental bodies and the army.

State identity
9

The separation of church and state is guaranteed by the secular 1990 constitution, and religious or ethnic extremists command no political influence. Although politics is still defined along ethno-regional cleavages, there is a fundamental national sense of solidarity and an elementary constitutional patriotism. Concerns about President Yayi exhibiting growing favoritism for evangelical Christians have not been substantiated. President Yayi also maintains contacts among the voodoo community for electoral purposes. His former interior minister, who was sacked following Benin's biggest financial scandal involving the country's Investment Consultancy and Computing Services (ICC Services) institution, was also officially in charge

No interference of
religious dogmas
9

of liaising with all religious circles. Generally, religious pluralism and tolerance are the rule.

The state's basic administrative structure works throughout the country's entire territory. In rural areas, the performance of political and judicial decision-making in particular is unsatisfactory, and the allocation of public goods is not very efficient. Some 51.6% of the population live on less than \$1 a day, and only 12% of the population have access to basic sanitation services. The largely donor-driven decentralization process, which includes capacity-building and civic education policies, has only begun to slowly alter this state of affairs. Legal standards are not enforced. Examples include the state's inability to enforce the abolition of female genital mutilation (FGM) and the enormous delays in public prosecution processes, which has led to prolonged pretrial detentions.

Basic
administration
6

2 | Political Participation

Key political offices are determined in free and fair elections. The electoral administration is sufficiently independent but not well-organized. However, organizational support from the government – as far as it improves the body's work – has not interfered with democratic standards in recent elections. The presidential election of 2006, which resulted in the victory of an outsider technocrat, and the parliamentary elections of 2007 point to a remarkably transparent and fair electoral process, and not only by African standards. Remaining deficiencies in the electoral process concern efforts to create a permanent and reliable computerized voters' roll (LEPI). The LEPI registration process prompted the opposition to express serious concerns regarding its usage in run-up to the general elections of 2011. However, the LEPI was subject to controversy primarily because the management bodies were ill-defined by the law. The technical body (MIRENA) was meant to be supervised by the political oversight body (CPS) but the CPS did not have the means to perform the supervision in technical terms.

Free and fair
elections
9

Yet, most importantly, electoral defeat is accepted by all participants. In several cases, local election results were contested in court and through administrative processes, though these never led to serious outbreaks of violent protest.

The government has the effective power to govern. The army, formerly a major power player, has receded to the barracks and is unlikely to re-emerge on the political scene. Political enclaves are more likely to exist at the local level where the newly elected municipal councilors enter a political terrain already occupied by various chiefs, notables and non-elected actors. However, national political power is in the hands of elected rulers. Those seeking direct political influence (e.g., big businessmen) try to maneuver into the democratic bodies of representation.

Effective power to
govern
9

Benin is characterized by a multitude of social and political associations. There are numerous political parties and non-governmental associations that act without intervention from the authorities (except for basic registration requirements). They continued to play an effective watchdog role vis-à-vis formal politics although President Yayi has (temporarily) co-opted several prominent civil society leaders into the cabinet. Co-optation of civil society leaders into government is also a very old practice initiated by Kérékou in 2001 when two heads of election watchdog bodies, Dorothée Sossa, Claire Houngan Ayemonna, were appointed as ministers, with several other examples following. The solid watchdog reputation of civil society organizations has deteriorated significantly. Most civil society leaders are associated with political parties, though this practice does not interfere with the freedoms of assembly and association.

Association /
assembly rights
10

State and numerous private media operate freely, and the regulation of the media sector combines both a state institution (HAAC) and a voluntary body of journalistic self-control (ODEM). Domestic respect for the highly prestigious HAAC, a regional showcase model, has suffered somewhat due to President Yayi's appointment policies. Fully according to his constitutional powers, the president has appointed a new HAAC chairman. However, the selection process was not transparent and unlike previous processes, not consensus-based. The opposition therefore considered this process to be partisan. Surveys released in recent years indicate a decline in press freedom. Reporters Without Borders ranked Benin 70th out of 178 nations in 2010, which is a massive fall from Benin's earlier rating as 30th in the world, ahead of several Western states. Freedom House's Global Press Freedom survey now ranks the country at 72nd out of 196 total countries with a value of 31, which puts Benin in the "partly free" category, (though still very close to "free"), in 7th place on the African continent. Yet, the government has continued to prosecute journalists for libel. Because the judiciary tends to be more tolerant and lax, punishment for libel is generally moderate. Non-transparent political influence on the media and editorial content paid for by a political source undermine the freedom of the press more seriously. On balance, the heterogeneity of the press extensively counterbalances the existence of biased coverage.

Freedom of
expression
8

3 | Rule of Law

Separation of powers is not only constitutionally mandated but also implemented in practice. Benin has a pure presidential system, and until now the president rarely had control of parliament. Parliament thus became a major site of political battlefields, even though it is not a very efficient platform for debate, though it was during the 1991–1995 term. Since the 2007 parliamentary elections, capricious and erratic alliance formations kept the National Assembly from assuming a constructive role. Approaching elections urged the opposition into a new alliance

Separation of
powers
7

(Union fait la Nation, UN), which helped introduce relative coherence to the otherwise chaotic landscape of political. Judicial review by the Constitutional Court is a cornerstone of the political system and an effective check on government and on parliamentary action. Despite the opposition's concerns, constitutional judges seem generally non-partisan. The eight judges were all replaced at the regular end of the former councilors' term in June 2008. The constitution provides for a simultaneous appointment of eight judges, four by the president of the Republic and four by the executive committee of the National Assembly, which has remained under the control of the presidential movement (despite the loss of the majority of the pro-president parties in parliament). However, no obvious bias of the Constitutional Court in favor of the executive was observed. In contrast, the opposition constantly censured the President of the National Assembly Mathurin Nago for alleged abuse of power. Nago's statement of accounts failed to pass five times in the observation period.

Formally, the judiciary is institutionally distinct and operates independently, but – apart from the very visible role of the Constitutional Court – its role is seriously hampered by insufficient territorial and functional penetration, and by corruption; more than one half of the country's magistrates have been involved in financial scandals. The executive has massive and durable influence on judicial nominations and career opportunities. According to prestigious domestic commentators, the dependence of the judiciary begins with the pressure that the Ministry of Justice is able to exercise on subordinate departments of public prosecution and ends with the refusal of the executive to enforce judgments.

Independent
judiciary

6

The prosecution of high office abuse regressed in prominence if not in numbers after the de facto drop of charges against Séfou Fagbohoun, the president of the African Movement for Democracy and Progress (MADEP), former Minister of Foreign Affairs Biaou Rogatien and former Minister of Institutional Relations Alain Adihou. Major scandals involving the government (e.g., CEN-SAD construction and ICC Services fraud) led to senior ministers being dismissed, but not to efficient prosecution. On a lower level, unlawful behavior and police corruption are not systematically prosecuted, allowing widespread impunity to gain traction. By and large, those accused of corruption have rarely been condemned, and the judicial sector itself is susceptible to corruption. However, watchdog organizations such as Front des Organisations Nationales Anti-Corruption (FONAC) do their best to promote improvement.

Prosecution of
office abuse

4

Civil liberties are generally guaranteed, but the legal procedures to seek redress for violations often exist only on paper and the poor level of literacy in the countryside makes the effective use of these rights difficult. Existing human rights violations are less the result of deliberate actions by state agents than the consequence of a lack of resources, especially in the prison system, where detainees can spend months or years under deplorable conditions waiting to go to trial because of the large backlog

Civil rights

8

of court cases within the justice system. Equally, women's rights are not enforced in most rural areas; traditionalists widely practice FGM, for instance.

4 | Stability of Democratic Institutions

The democratic institutions in the country perform their functions, at least at the national level. Local and regional tiers of government are still characterized by counterproductive frictions between traditional, appointed and elected actors. The overall performance of the administrative and judicial system is not always efficient due to general administrative weakness and the aforementioned lack of resources. Erratic alliances in parliament and hasty cabinet reshuffles weaken the prerequisites for good performance.

Performance of
democratic
institutions

7

The elites accept democratic institutions as a legitimate form of political organization. The democratic experience since 1991 and the peaceful change of government are still major sources of national pride. President Yayi's plans for constitutional reforms have been suspended due to the incipient pre-campaigning situation. Yayi's centralized style of governance is under close observation. The political class and civil society have criticized his authoritarian tendencies. However, there are no serious signs that Yayi aims to seriously undermine democracy.

Commitment to
democratic
institutions

9

5 | Political and Social Integration

Ever since the renaissance of multiparty rule in 1990, the party system has been characterized by a low degree of institutionalization and high fragmentation. Changing coalitions and the large number of small parties which have backed the presidential alliance Union pour la majorité présidentielle plurielle (UMPP) and its predecessor Forces Cauris pour un Bénin émergent (FCBE) obstruct any determination of the exact number of formally recognized parties in parliament. (FCBE initially had won 35 seats in the 2007 elections, but split several times leaving the successor alliance UMPP with a constantly changing, lower number of seats. This fragmentation is somewhat countered by very moderate polarization, as indicated primarily by few programmatic differences and frequent crossing-the-floor. Yayi's election to the presidency confirmed the overall weakness of parties accused of being responsible for the inefficient and corrupt Kérékou rule from 1996 to 2006, even those which are seen as part of a relatively stable core party system, such as the Party of Democratic Renewal (PRD), Renaissance of Benin (RB) and the Social Democratic Party (PSD). Political enemies under Kérékou, the so called G4+1 (PRD, RB, PSD, MADEP, and Force Clé) formed the opposition alliance Union fait la Nation (UN), which has its stronghold in the south of Benin. The northern-based opposition group G13 did not join this fragile alliance. However,

Party system

5

while the population is very dissatisfied with the current party system, the principle of multiparty democracy, in general, is not questioned at all.

The topography of interest groups is relatively close-knit. Rural and urban social interests do translate into the party system and explain the astonishingly high number of political parties. Trade unions have been very strong since the Marxist-Leninist period. Even the informal traders who account for 70% of non-commercial gasoline consumption (Kpayo) have a kind of trade union whose representatives negotiate with government. The NGO sector is highly dependent on foreign capital, but urban civil society has a considerable impact on the political process even though radical protest was not considered necessary during the period under review.

Interest groups
8

According to most recent data from Afrobarometer, support for democracy is strong (>80%) and respondents strongly reject alternatives such as one-party or military rule (76% and 73% respectively). Regarding the actual functioning of democracy in the country, 37% consider Benin a full democracy and 38% a democracy with minor problems. Only 18% think that there are major problems (and 1% maintain that Benin is not a democracy). A majority (69%) of the respondents are very or fairly satisfied with the political system (28% are not). Despite general acceptance of the logic of democratic rules, there still exists a very cynical and probably widely distributed instrumentalist attitude among voters, as well as the practice of vote buying.

Approval of
democracy
9

Social self-organization and the creation of social capital are strong, although these organizations normally do not cross the main linguistic and ethnic barriers (more bonding than bridging social capital). Notwithstanding the high number of military takeovers after independence, Benin has a history of peaceful resolution of conflicts (and no political violence), and it is plausible to argue that enough trust among the different population groups as well as a balanced representation in all state institutions comprise some of the main reasons for this particular success.

Social capital
6

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

Still one of the world's least developed countries (ranked 134th out of 169 with a value of 0.43 on the Human Development Index in 2010), Benin has recently come close to the level of "medium human development" as defined by the UNDP. However, the country exhibits social marginalization that is quantitatively and qualitatively extensive and structurally ingrained. Almost all relevant indicators (income, gender, education) point to severe problems, although social indicators

Socioeconomic
barriers
3

have improved over the last years. The latest available data (2003) suggest that up to three quarters of the population live on an income of less than \$2 a day. Access to basic health care is tremendously poor with four physicians per 100,000 people (about 100 times lower than Italy's physician-to-patient ratio). Moreover, development is not homogeneously distributed. Urban and coastal areas benefit significantly more from development than rural areas. Rising inequalities incite internal migration and deepen dissatisfaction within a certain social strata of underprivileged people. A considerable percentage of the population is engaged in a subsistence economy and practice informal trade activities (especially with Nigeria). Altogether, Benin lacks the socioeconomic prerequisites for an adequate freedom of choice.

Economic indicators		2007	2008	2009	2010
GDP	\$ mn.	5546.2	6682.7	6638.1	6633.1
GDP growth	%	4.6	5.1	3.8	3.0
Inflation (CPI)	%	1.3	7.9	2.2	2.3
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	4.6	2.5	2.0	1.7
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ mn.	-534.1	-536.0	-648.9	-
Public debt	% of GDP	20.9	26.7	28.1	30.6
External debt	\$ mn.	764.2	916.8	1072.4	1221.3
Total debt service	\$ mn.	29.7	58.3	36.9	42.5

Economic indicators		2007	2008	2009	2010
Cash surplus or deficit	% of GDP	-	-0.3	-4.5	-
Tax revenue	% of GDP	-	17.2	16.1	-
Government consumption	% of GDP	-	-	-	-
Public expnd. on edu.	% of GDP	3.5	-	-	-
Public expnd. on health	% of GDP	4.5	4.1	4.2	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	1.0	-	-

Sources: The World Bank, World Development Indicators 2011 | International Monetary Fund (IMF), World Economic Outlook 2011 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2011.

7 | Organization of the Market and Competition

The basic institutional framework for market competition has been increasingly strengthened over the last two decades. The government generally does not formally intervene in the economic process. President Yayi, the former head of the West African Development Bank (WADP), credibly supports market-based competition. However, notwithstanding several efforts such as privatization in the banking and telecommunication sectors, the general framework continues to be weak and the informal sector dominates the economy. Benin ranks 117th out of 179 countries (“mostly unfree”) on the 2011 Index of Economic Freedom.

Market-based
competition
5

Formation of monopolies and oligopolies is only occasionally regulated. No clear and comprehensive legal provisions exist. Partial privatization has led to the creation of oligopolies in the cotton sector and in shipping services for the port of Cotonou. The renegotiation of GSM operator contracts was an occasional exception from the rule, with mixed outcomes for consumers and the state.

Anti-monopoly
policy
5

Foreign trade is largely liberalized according to West African Economic and Monetary Union (WAEMU) rules, and Benin has the lowest barriers to foreign direct investments among Francophone West African states. However, much of the trade with Nigeria is not reported and an accurate assessment of trade flows is thus difficult. Benin has several agreements with the European Union within the ACP-EU framework and the EU is the country’s largest trading partner. Benin has also been a WTO member state since 1996. A WTO trade policy review published in late 2010 commends Benin for its significant progress. However, it also criticizes that many rates of the WAEMU Common External Tariff exceed the WTO bound levels. (The tariff has four bands of zero, 5%, 10% and 20%. Benin’s weighted average tariff rate was 15.6% in 2009, according to the Heritage Foundation.

Liberalization of
foreign trade
8

WAEMU has planned a fifth band of 35%, which the WTO has advised it not to introduce. Non-tariff barriers have additionally depressed trade freedom.) Regional trade is hampered by a lack of modern technical equipment and poor governance, in particular at the port of Cotonou. A partial privatization effort undertaken in late 2010 could potentially improve the situation.

The financial sector has developed considerably, is relatively differentiated and is oriented in principle toward international standards. The sector is characterized by short- and medium-term loans, reflecting the predominance of trade and transit activities and the lack of an efficient loan recovery mechanism for long-term investment projects. Private banks dominate the financial sector. Microfinance institutions are also taking on a greater role in financing small- and medium-sized enterprises, and the government invested in 2010 CFA 20.4 billion in the microfinance sector. Supervision of the banking sector is relatively efficient due to regional integration.

Banking system

7

8 | Currency and Price Stability

As a member of the West African Economic and Monetary Union (WAEMU), Benin cannot pursue an independent policy on currency and foreign exchange rates. The currency is pegged to the euro (formerly pegged to the French franc), and the Central Bank of West African States (Banque Centrale des États de l'Afrique de l'Ouest, BCEAO) is fully independent. After the common currency CFA franc was devalued in 1994, inflation was relatively low all over the monetary union, and particularly in Benin. Core inflation remained moderate. According to Economist Intelligence Unit estimates, the inflation rate stood at 2.2% in 2009 and 2010.

Anti-inflation /
forex policy

8

In close collaboration with the IMF and World Bank, the government has worked hard to maintain a rigid policy with regard to public expenditure. Reducing the budget deficit has been one of the government's core missions, although the payroll of civil servants has repeatedly created problems (especially since the government frequently gave in to strike-related demands). The dependence on customs (one-half of total receipts excluding grants) and goods traffic across the port of Cotonou did not lead to sharp drops in receipts following the global financial crisis. Although a culture of stability-oriented policy may have emerged among policymakers, there are no institutional safeguards in place except for the targets set by regional integration schemes and strict monitoring by international donors. The government's performance was rewarded with several PRGFs. After the 3rd facility expired on June 30, 2009, the IMF granted an Extended Credit Facility (ECF) in 2010. Latest assessment letters, however, make clear that the Fund's satisfaction with President Yayi's policies has decreased. The latest international sovereign credit ratings by S&P and Fitch see Benin at the B level.

Macro stability

7

9 | Private Property

Property rights are adequately defined but cannot be considered satisfactorily safeguarded because of shortcomings in the rule of law, especially corruption and institutional pluralism. Particularly in rural areas, traditional law conflicts with modern property rights. A recent law on rural land tenure (2007) has faced difficulties in implementation. Women, for instance, are traditionally excluded from land rights in most ethnic groups. Thus, the property rights of the poor are very vulnerable to traditional intervention. In contrast, the property rights of rich investors have benefited from the pro-market policies of President Yayi. However, inequitable enforcement persists.

Property rights
5

Some sectors are already dominated by private companies, and President Yayi has re-launched and reinforced further privatization programs in the strategic industries of cotton, banking, electricity, water, the telecommunications sector and the Cotonou port. The current government has been struggling with the many problems created by the ill-prepared and politically manipulated privatization programs of the past (e.g., Sonacop). Trade unions are opposed to such programs due to fear of job losses. Privileged shareholders have feared losing government protection during the period under review. Thus, the government appears to have an interest in balancing interests by keeping more political control of the cotton and harbor sectors while enforcing liberalization of other sectors (e.g., the banking, telecom, to some extent, the port).

Private enterprise
6

10 | Welfare Regime

General policies for averting and alleviating social risks are minimal, and health spending is insufficient for broad segments of the population, but the government has made considerable progress, as reflected by IMF appraisals of the preparation of a new PRGF. However, Benin is off track with regard to Millennium Development Goal (MDG) 1 (eradicate extreme poverty and hunger), as well as MDG 5 (improve maternal health) according to the latest U.N. progress report. Only the employees in the small formal sector can rely on pension funds. Social safety nets are more efficiently managed by NGOs and traditional clan and family structures, but their contribution to poverty reduction is not measurable.

Social safety nets
4

There are no specific institutions to compensate for gross social differences. Religious or ethnic groups are not systematically discriminated against with regard to job opportunities, although the opposition accuses the president of favoring his fellow Northerners. However, women have limited access to public office and most ordinary women lack access to educational institutions and experience unequal treatment under traditional laws. National and international NGOs have started to

Equal opportunity
5

fight the increasing trafficking of children, mostly young girls. The government has made some progress by strengthening the Brigade de Protection des Mineurs in an attempt to protect children from violence and other forms of exploitation.

11 | Economic Performance

The economy has recovered from a loss in strong growth (as measured by GDP) in the early years of the decade. According to estimates by the Economist Intelligence Unit (EIU), growth rates stood at 2.7% and 1.3% in 2009 and 2010 respectively and the IMF projects at least temporary stabilization at lower levels (2% -3%), following the global economic setback. Growth is highly dependent on external factors, such as price developments in the world market and in neighboring Nigeria. This is why the global financial crisis has hit economically marginalized Benin indirectly but sharply. While inflation quickly returned to a moderate level (2.2% in 2009 and 2010), rising costs for essential imports and a general decline in world trade (port) affect the country. Debt has also been on the rise. While debt stood at \$1 billion in 2008, it increased to \$1.8 and \$2.4 in 2009 and 2010 respectively.

Output strength
6

12 | Sustainability

Ecologically sustainable growth receives only sporadic consideration and is pursued within a rudimentary framework, but the lack of any significant industrial sector or mineral resource extraction makes government intervention less urgent. However, Cotonou has one of the highest levels of air pollution among all West African. Also, coastal erosion is a major problem. As in many African countries, population growth increases the use of wood as the main fuel, which in turn deepens the massive problems caused by deforestation and forest degradation. Without foreign pressure and assistance, environmental issues would not have been seriously taken into account in policy formulation. Many ecological problems, however, have a regional or even global dimension. Dramatic flooding in September and October 2010 – suspected by many to be a consequence of climate change – rendered tens of thousands homeless and led to a major humanitarian crisis that is expected to have a negative impact on food prices during the next season.

Environmental
policy
4

Benin has a very poor record in terms of education, training and research institutions. As relevant indicators illustrate, even basic institutions for education, training, research and development do not function properly, although some progress with regard to primary and secondary education has been made in recent years. President Yayi's policy of public-funded primary education has not achieved much since schools have not received sufficient funds, prompting them to charge parents instead. The latest U.N. assessment has identified this problem, stating that Benin must change its policy in order to achieve MDG 2 (universal primary

Education policy /
R&D
3

education). Formerly known as the “Quartier Latin de l’Afrique,” the country’s academic reputation has suffered considerably due to worsening university facilities. A few private institutes cannot compensate for the general situation.

Transformation Management

I. Level of Difficulty

The structural constraints on governance are broad and far-reaching. The most significant constraints are extreme poverty, a deficient education system, a lack of administrative infrastructure, and a dependency on international economic developments (cotton market, shipping, Nigeria). Also, overall productivity in Benin has decreased 0.02% annually over the past decade. Whereas the country's sea access is an advantage, the infrastructure at the port of Cotonou is inadequate. Widespread corruption hampers development, the growing frequency of natural disasters such as heavy rainfalls strain the state's resources, and structural poverty in large non-coastal areas persists.

Structural
constraints

8

Traditions of civil society in Benin are fairly strong, at least by African standards. Even the Marxist regimes of the past allowed for the operation of semi-independent trade-unions and rural development associations, and a wide variety of civic and developmental associations have blossomed since the country has come under democratic rule. Though still highly dependent on the public face of well-known leaders and politicians, associational activity in

Civil society
traditions

3

Benin has been undergoing formalization. Participation in public life is valued culturally and NGOs perform an important watchdog function vis-à-vis the government.

As in nearly all other African countries, Beninois society is divided along ethnic, regional and religious cleavages that structure political and social processes. The conflicts between these groups have traditionally been managed in peaceful ways, and political actors trying to capitalize on ethnic or religious sentiments use their personal proximity to the people but avoid polarization of inter-ethnic relations. In a poor country like Benin, social conflicts are ubiquitous, but they have rarely been manifest in the political process. Newly created electoral alliances have revived the sentiment of political polarization between north and south due to the virtually exclusive southern base of the Union fait la Nation (UN) alliance. The UN alliance supports Adrien Houngbédji from the coastal area as presidential candidate against

Conflict intensity

3

incumbent President Yayi who has implicitly, but increasingly, been stigmatized as a “Northerner.” However, this has not led to violence.

II. Management Performance

14 | Steering Capability

Question
Score

As a trained economist with a Ph.D. from a Parisian university, President Yayi has a strong understanding of economic issues. Upon entering office, he articulated a clear agenda prioritizing economic over political reforms that focused on the cotton sector, the autonomous port of Cotonou, and improving the business environment and relationships with Nigeria. President Yayi has improved the government’s commitment to strategic reform goals but has also made several political mistakes. His centralized style of governance, hastily made decisions (e.g., frequent cabinet reshuffles) and involvement in serious scandals (e.g., CEN-SAD embezzlement, ICC Services Ponzi scheme) have upset substantial parts of the political elite. In addition, legislative blockades have grown in frequency since his party lost its parliamentary majority in 2008. Some observers consider this state of affairs a political crisis, but in reality, the government’s priorities have suffered less than the image of constitutional institutions.

Prioritization
5

The Yayi government has made clearly stated its will to reform the civil service’s pay structure and privative key economic sectors. In the case of the civil service reforms, the government continued to face strong resistance from all political parties (including the governing parties) and the trade unions. The reform of the cotton sector is of particular importance, given its direct effects on employment and economic growth. However, reforms have stalled as governance is hampered by corruption and the government’s weak operational capacity. Difficulties usually arise as soon as there is no direct presidential decision. President Yayi became increasingly involved in power struggles at the cost of driving his policies forward. Planned constitutional reforms to improve efficiency in governance have been abandoned.

Implementation
5

The political leadership is clearly committed to introducing changes as a response to past mistakes and failed policies of earlier governments. President Yayi was elected into office on a campaign that sent the very simple message of a need for change. However, since many people expect individual material gain from change, the reality of actual (and sometimes painful) reforms, including subsidy cuts, leads to disappointment. Thus, learning from past errors is only the first step; developing innovative solutions is the second and breaking (informally) institutionalized

Policy learning
6

routines is the third. The political leadership was able to advance the goals of the first step but attempts to advance beyond this stage have stalled and/or faced massive resistance. Change at the lower levels of administration has been minimal.

15 | Resource Efficiency

The government uses only some of its available resources efficiently. The government's capacity to act is restricted by multilateral and bilateral donors' tight control over the use of economic aid. Expectations that President Yayi would improve efficiency in government have not been met. When President Yayi assumed office, he staffed key cabinet posts with technocrats. However, once faced with the prospect of his party losing control of parliament, he reshuffled his cabinet to bring in appointees more palatable to the opposition. This (at times frantic) behavior resulted in a waste of human resources as ongoing debates about personnel have marginalized action on policy issues. Moreover, the Yayi government has demonstrated a strong preference for increased spending. The IMF recently called "optimistic" the decreed budget that failed to receive National Assembly support. The government forecast a 37% increase in revenues, whereas international bodies foresee a growth rate of 2% - 3%, which is one-half of that seen in the pre-crisis era.

Efficient use of assets

5

The government, more precisely the office of the president, tries to coordinate conflicting objectives and interests, but has been only partially successful in doing so. Government actors generally prefer personal communication channels over the use of formal procedures. Coordination efforts on economic issues have been strengthened by donor organizations' support for the government's economic policy. Coordination of political affairs, however, is undermined by constant personnel changes in government and administration.

Policy coordination

5

The diversion of funds from their intended purpose is a severe problem in Benin and deters foreign investment. State resources are distributed on the basis of patronage networks, and corruption is a fundamental characteristic of the political system. According to international assessments by the World Bank and the Economist Intelligence Unit, corruption is endemic, but it is not as rampant as is perceived by the local public. Still, attempts to stem the tide of dishonesty, such as the creation of special commissions and even the judicial prosecution of embezzlers, have so far failed to significantly improve the integrity of officeholders and public administration, given the low level of salaries in Benin and the lack of an appropriate results-oriented payroll system. Although the Yayi administration has identified battling corruption as a priority, the pursuit and prosecution of those suspected of corruption appears to be unsystematic and less credible since major scandals such as the CEN-SAD construction issue or the ICC Services fraud case

Anti-corruption policy

5

have presumably involved cabinet ministers. Civil society actors often uncover corruption more effectively than government.

16 | Consensus-Building

There is a broad consensus among all relevant actors concerning the consolidation of democratic institutions in Benin. Less clear is whether or not all major political actors agree upon the goal of building a liberal market economic system that is socially balanced. However, there are no major political actors calling for the return to a command economy. While part of the population's income is based on illegal smuggling activities, many political actors hesitate to support privatization and a substantial reform of the civil service. There is no political consensus regarding important reforms in the socioeconomic system. The government's will to reform has diminished under the weight of multiple political pressures.

Consensus on goals
8

Defying all predictions, President Kérékou, originally the main veto player, abided by the constitutional rules and left office in April 2006. Since then, democratic actors have successfully and permanently co-opted all veto actors. In the period under review, no anti-democratic actors have surfaced. The military, a highly influential veto player throughout the country's history, has apparently developed a more republican spirit and stays out of politics.

Anti-democratic
actors
9

The political leadership is able to successfully manage the ethnic and religious heterogeneity of the country. In stark contrast to neighboring countries, national unity is not an empty phrase in Benin. Credit for this success, however, is not attributable to current government policy, but to the overall policy stance of all governments since 1990 and the country's political culture. Moreover, the Catholic Church has always been a significant contributor in building political consensus in Benin. Since the National Conference, the Catholic Church (through the late Mgr. Isidore de Souza) has been seen as a neutral body that continues to play a credible role. During the political stalemate in January-February of 2011, the Church organized a series of prayers where all political actors convened and a consistent message on national unity and consensus-building was sent.

Cleavage /
conflict
management
9

The political leadership takes into account the interests of civil society actors because of their significant power to mobilize. However, there are few institutional mechanisms for the systematic accommodation of civil society interests within the decision-making process. In fact, President Yayi dismissed several prominent civil society leaders that he had appointed to his cabinet (e.g., Moussa Okanla, Roger Gbégnonvi, Reckya Madougou). This is not necessarily a new development; the Kérékou administration also sought to co-opt civil society activists through appointments. It is a widely shared view in Benin that civil society activists are appointed to cabinet as a means of co-opting them and quelling their criticism.

Civil society
participation
6

Regardless of the motivating factors involved with their being appointed to cabinet, their presence suggests an acknowledgment in government of the need to give civil society actors careful consideration.

Although systematic torture was employed under the first Kérékou regime, no relevant political actor in the country would see any need for reconciliation. The National Conference in February 1990 successfully brought an end to this authoritarian period of history. Kérékou was forced to resign from his office and was granted amnesty for acts committed during his rule. Victims of torture are recognized and receive a small pension. There is no way the current leadership can be assessed with regard to this issue.

Reconciliation
n/a

17 | International Cooperation

Relations with international donors are good, but have deteriorated slightly during the period under review. Subject to certain limitations, the government is willing to cooperate with external supporters and actors. Given its dependence on foreign assistance, Benin has limited choices in accepting or refusing international cooperation, although China has become its most important trading partner. Cooperation with donors focuses on the economic sector. International faith in attempts to advance the consolidation of democracy is strong, even though France and other Western partners closely monitor political developments because the political system remains vulnerable. The confidence of the IMF and the World Bank in governance effectiveness has lessened, but a new credit facility was not jeopardized and, thus, granted in 2010.

Effective use of
support
7

Having honored its international commitments, the government is generally considered a credible and stable partner by foreign governments, international organizations and the NGO community. Benin cooperates willingly with United Nations bodies and the International Court of Justice (ICJ). It has accepted defeat before the ICJ in border demarcation cases. It continues to contribute a significant part of its military to United Nations peace missions. However, the country's reliability suffers from occasionally opaque reasons for delay with regard to policy implementation.

Credibility
9

Benin has been a strong supporter of the regional WAEMU convergence schemes and fulfils the required four primary criteria of the planned West African Economic Union. Due to its limited economic and political weight, Benin cannot become a driving force behind increased integration. It strongly supports the ECOWAS and the African Union. The country has a good record in the peaceful resolution of border conflicts. The current government actively attended to the improvement of

Regional
cooperation
9

Benin's relations with Nigeria. President Yayi has been a member of the ECOWAS mediation troika for Côte d'Ivoire's post-electoral conflict in late 2010.

Strategic Outlook

President Yayi entered the political scene as an outsider promising general change. The BTI 2010 confirmed the emergence of an even earlier predicted conflict between the divergent interests of elder political elites and Yayi's government. This conflict has increased during the period under review and is a central issue with regard to further development. Many perceive the current political situation as chaotic, with some even describing it as a political crisis.

President Yayi failed to maintain a parliamentary majority in part because he did not respect political agreements signed during the 2006 elections. Since then, a growing number of MPs have distanced themselves from the president and parliament continued to block the implementation of policies, prompting President Yayi to govern by issuing budgetary decrees. This situation will continue at least until the presidential and parliamentary elections in March and April 2011.

The outcome of this election (which was won by Yayi in March 2011) will largely shape the prospects for improved governance. Who wins will prove less important than whether or not the results permit a greater balance in institutional relations, in particular those between parliament and government. Most probably, inner-parliament relations will improve, especially if National Assembly President Nago removed from his post. During the review period, Nago stubbornly clung to his position despite having lost the confidence of most deputies.

Further steps must be taken to safeguard the consent to democracy among the broader population. Despite the generally high quality of the voting system, the government failed to complete the urgently needed electoral organization reforms. Voter registration should have been modernized and completed to the satisfaction of all parties before the 2011 elections. Observers generally agree that the process has been deeply flawed, as the government has failed to establish the Autonomous National Electoral Commission (CENA) within the provided for timeline. Independent of the actual degree of damage, the sharp criticism arising from opponents and civil society actors emphasizes the missed opportunities in enhancing the electoral process and improving or protecting the country's advanced level of democratization. This will remain a major task for the future government. The government must also combat more effectively the perception and reality of impunity. However, the fight against corruption will likely run up against the powerful resistance of the elite.

Benin's economic outlook has been darkened by the consequences of the global financial crisis, but the country appears to have reasonably high chances of a quick recovery should favorable developments continue and international donors continue to provide support. By and large, Benin's success in economic transformation is fundamentally dependent on regional and world economic factors. The government will therefore continue to work on improving relations with Nigeria and the donor community. But it must also improve its ability to assert Benin's interests

on the global level. The economic consequences of surging food prices on global markets and climate change effects such as more extreme weather phenomena have the potential to hit the country harder than anything else in the medium term.

The electoral process of 2011 will delay reforms. Further development largely depends on the strategy, majorities and the level of confidence on which the next government must build its agenda. All three candidates in the presidential race – Abdoulayé Bio-Tchané, Thomas Boni Yayi, and Adrien Houngbédji; two economists and a Franco-Beninois business lawyer – are principally committed to fundamental democratic values and advancing a market-oriented economy. In other words, despite the country's problems, democratic procedures and a basic preference for a market economy are sufficiently rooted, making a general reversal in the near future highly unlikely.

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Status Index	1-10	5.05	# 80 of 128	
Political Transformation	1-10	5.70	# 64 of 128	➔
Economic Transformation	1-10	4.39	# 97 of 128	➔
Management Index	1-10	4.74	# 72 of 128	

scale: 1 (lowest) to 10 (highest)

score

rank

trend

Key Indicators

Population	mn.	16.5	HDI	0.331	GDP p.c.	\$	1256
Pop. growth ¹	% p.a.	3.0	HDI rank of 187	181	Gini Index		39.6
Life expectancy	years	54	UN Education Index	0.187	Poverty ³	%	81.2
Urban population	%	20.4	Gender inequality ²	0.596	Aid per capita	\$	68.8

Sources: The World Bank, World Development Indicators 2011 | UNDP, Human Development Report 2011. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Political transformation in Burkina Faso has come to a deadlock during the period under review. The government of Blaise Compaoré has not demonstrated any attempt to strengthen democracy. To the contrary, the ruling party's attempts to eliminate term limits from the constitution, which dominated the political debate during the past election year, give cause for serious concern that democratic setbacks could occur in the near future. The presidential election in 2010 consolidated Compaoré's grip on power after he had successfully broadened his power base beyond the ruling Congrès pour la Démocratie et le Progrès (CDP). The latter was affected by severe factional battles and criticism that was not only expressed by the population but also by well-established leading party figures who denounced the leadership's authoritarian manner and the way in which the political system operates in principle. The party's and the president's political strategy concentrated solely on maintaining power without addressing the population's grievances. A continuing high level of social tensions and ongoing protests against impunity and corruption demonstrated the people's increasing discontent with the government and its elite, which is becoming wealthy at the expense of ordinary citizens. The people's political apathy was reflected in low voter registration rates and low turnout in the November 2010 elections. The main reasons for the repeated failure of the electoral process to bring political change include on the one hand the ruling party's extensive patronage networks and their control of state administration, and on the other hand an opposition that remains weak and divided and again offered no convincing political alternatives. Successful efforts, however, have been made as regards cooperation over regional and security issues. President Compaoré has continued to reinforce his role as a regional peacemaker by mediating in various neighboring countries' conflicts, particularly in Côte d'Ivoire, where the re-eruption of conflict has raised new concerns about its potentially negative impact on Burkina Faso. Regarding economic policy, the government has made further progress in the implementation of a poverty reduction and growth program, which is supported by the IMF and the World Bank. However, dependency on both developments in the world market and on the goodwill of donors remains extremely high, and

the country faces a number of structural constraints. Tax and custom reforms, a fiscal stimulus package, the recovery of the cotton sector and the support of international donors have helped the country to drive economic growth and overcome the effects of the global economic crisis. The IMF has urged the government to make strengthening the budget position a priority and to continue to focus on poverty reduction measures. Most of the government's actions seem to originate from foreign domestic pressure, rather than from independent vision or foresight.

History and Characteristics of Transformation

Since achieving independence from France in 1960, Burkina Faso had endured continuing political instability, including several military coups, and perpetual civil strife. The 1983 coup led by Captain Thomas Sankara, who attempted to remodel the country and its society on the basis of a social revolutionary program, stands out for its anti-imperialist and populist leanings. Four years later, in 1987, Sankara was assassinated in a military coup organized by Blaise Compaoré. The country began its gradual democratic transformation, and by 1991, several new parties had been formed and legalized. A new constitution was also approved in June 1991 via referendum, albeit with low voter turnout. Opposition forces demonstrated their dissatisfaction with the constitution through strong internal pressure, mainly exerted by the unions, forcing Compaoré to consider substantial reforms. The first presidential elections in that same year (1991) led to further boycotts by the opposition. The only candidate on the ballot, Compaoré, was re-elected with only 25% of the electorate participating.

In 1992, Burkina Faso held its first multiparty parliamentary elections. Facing a weak opposition, Compaoré's Organisation pour la Démocratie Populaire/Mouvement du Travail (ODP/MT) achieved a two-thirds majority. The president's party, renamed the Congrès pour la Démocratie et le Progrès (CDP) in 1996 after merging with several parties, among them the main political party of the opposition, repeated its success with an even bigger landslide victory in legislative elections five years later. The dominance of the ruling party and the weakness of the opposition turned out to be one of the largest obstacles to democratization during this period. Parliament's ability to govern was theoretical at best, and work in the National Assembly was reduced to a one-party affair. Party opposition began to form outside of parliament, and the National Assembly began suffering a loss of credibility among the population. Although human rights improved, state-sponsored terror and violence did not disappear under the new government. Impunity and a weak rule of law have therefore prevailed. Compaoré had hoped to strengthen his legitimacy shortly after being re-elected as president in 1998 on the basis of relatively high voter turnout. However, he faced a crisis that not only further revealed the regime's authoritarian character but also contested the legitimacy of the president as well as that of the political system as a whole. The crisis centered on the presumably state-ordered assassination of Norbert Zongo, founder and director of *L'Indépendant*, Burkina Faso's most influential private weekly. "Trop c'est trop!" (Too much is too much) quickly became the slogan of an increasingly radical opposition movement, which demanded justice not only in the Zongo

case but also denounced the deficient rule of law and the lack of political accountability in the government, as well as the deteriorating living conditions experienced by most Burkinabé (citizens of Burkina Faso). Consistent political pressure forced Compaoré to make concessions to reduce tensions. Numerous institutional and electoral reforms represented a qualitative improvement over the previous system.

The legislative elections of May 2002 shifted the political balance of power, with the ruling party holding on to its absolute majority only by a narrow margin (57 out of 111 seats). For the first time since the inception of the electoral process in 1991, the parliamentary opposition now represented a serious political group. Since then, the crisis in Côte d'Ivoire has profoundly affected the political and economic situation in Burkina Faso. A divided political opposition, as well as a wave of patriotic fervor that swept through Burkina Faso following the exodus of hundreds of thousands of Burkinabe fleeing the civil war in Côte d'Ivoire, have given Burkina Faso's ruling party, the CDP, renewed strength. The refugee situation has also given the Compaoré government and his CDP party the opportunity to pose as defenders of the national interest. Following a rigorous public debate on the constitutionality of Compaoré's candidacy, citizens in November 2005 re-elected Compaoré as president by more than 80%. Despite rising social tensions based on the population's increasing dissatisfaction with difficult living and working conditions, the CDP won three-quarters of the seats in local government elections in April 2006 and gained a landslide victory in the legislative election held on 6 May 2007, a vote that raised the party's majority in the National Assembly to 73 out of 111 seats. The weak, fragmented opposition combined with the CDP's control of official resources that helped it sustain patronage networks and co-opt political opponents strengthened the governing party's and the president's authority while further democratization of the country fell by the wayside. Since 2006 Compaoré has changed his image from a supporter of warlords, rebel groups and coup plotters in diverse West African countries to a mediator in regional conflict situations, specifically in Côte d'Ivoire. While the population's discontent with social, economic and political conditions has been continuously growing and serious criticisms of Burkina Faso's political system have increased even from inside the ruling circle, Compaoré secured his fifth term in office with more than 80% of the vote in the November 2010 presidential elections. The population, which has not been offered a real alternative by the still fragmented opposition, voiced its dissatisfaction with a low voter turnout and a general expression of political apathy.

Since its independence, Burkina Faso has been ranked as one of the poorest countries in the world. After decades of statist policies and the resulting economic crises, the government had to give in to pressure from the donor community, and in March 1991 agreed to a structural adjustment program (SAP) with the IMF. This was followed in 1993 by the first of four enhanced structural adjustment facilities (ESAF), and in 1996 by the first three-year poverty reduction and growth facility (PRGF) arrangement. The PRGF was replaced in June 2010 by a three-year extended credit facility (ECF) for 2010 – 2013. The ECF is aimed at broad-based growth and poverty reduction while maintaining macroeconomic stability and progressing with structural reform. Since the beginning of the reform programs, macroeconomic data has largely improved and economic and institutional reforms have been implemented mostly successfully in

a country heavily dependent on international aid. However, the process was particularly painful for the poor, and macroeconomic developments have never translated into an increase standard of living for most citizens, of which around 85% earn their living from agriculture and raising livestock.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 10 (best) to 1 (worst).

Transformation Status

I. Political Transformation

1 | Stateness

Question
Score

The state's monopoly on the use of force is largely intact. Other than before, no instances emerged in which elements of the security forces acted independently during this period under review. As exemplified by the mutiny in April 2011, however, the army remains politicized and the deep crisis within the uniformed services has not yet been solved. The military and police were part of the rising social unrest in the country and periodically protested against poor pay, unpaid salaries, career advancement and the corruption and favoritism among the forces' leadership. As in previous years, security forces have unreasonably resorted to violence when trying to control protests and demonstrations by citizens. Periodically, police clashed with traders at different cities' markets. Compared to the previous review period, there is no data available that indicates either a further increase or a decrease of crime rates or armed gangs operating around the country. In 2010, however, a growing threat of operations by the Islamist militant group, al-Qaeda in the Islamic Maghreb (AQIM), spilling into Burkina Faso has been observed. As a consequence, enforced security co-operation with different allies became one of the government's foreign affairs priorities. Problems of control at the border between Burkina Faso and northern Côte d'Ivoire were highlighted by a U.N. report according to which smuggling of different goods takes place in both directions.

Monopoly on the
use of force
8

Although Burkina Faso has a relatively high degree of ethnic diversity (more than 60 ethnic groups, with the Mossi constituting almost half of the population), the definition of and qualification for citizenship are not politically relevant. Individuals of all ethnic and religious groups or minorities exercise their rights and basic freedoms without any discrimination and with full equality before the law. The majority of the population fundamentally acknowledges the state's constitution and accepts the nation-state as legitimate.

State identity
9

The state is largely defined as secular, a practice inherited from French colonialism. Religious dogmas have no noteworthy influence on politics or legal order. Within this context, the declaration by Catholic bishops against the elimination of the presidential term limit at the beginning of 2010 caused a sensation among opposition parties as well as among Compaoré supporters, with the latter accusing the clergy of overstepping its role by interfering in political affairs. According to the last census in 2006, 15% of the population have traditional African (animist) beliefs, 61% are Muslims, 19% Catholics and 4% Protestants. Though Muslims are less politically influential than Christians, who are in general better organized and have played an important role in the education of the state elite, there are no tensions between religious groups. So far, Islamic fundamentalists have not exercised any noteworthy influence. Since 2010, however, a growing risk has emerged of operations of the Islamist terrorist group AQIM spilling over into Burkina Faso.

No interference of religious dogmas

9

The state's administrative structures provide most basic public services, but they show functional deficiencies and lack capacity in many areas. In particular, the population complains about deficiencies in basic infrastructure such as water, education, and health. Transportation, above all in the rural areas, is a problem. The government officially concluded its decentralization program in 2006 with the creation of 309 new rural communes, with the goal of devolving basic administration, social services and some political decision-making to local authorities. In practice, however, the extent to which this autonomy could be exercised and local state administration could be strengthened was limited by thin financial resources. The completion of reforms to strengthen tax and customs administration was a priority for the government during the period under review. Overall, the state administration suffers from politicization and extensive corruption on all levels, which limits the functionality of existing structures.

Basic administration

6

2 | Political Participation

The constitution guarantees all citizens the right to vote in direct, general, uniform and free elections, as well as the right to run for political office. General elections are regularly conducted on the national level and universal suffrage with secret ballot is ensured. While several parties with different platforms are able to run, the principle of equality and fairness is heavily constrained by the extensive patronage network maintained by President Blaise Compaoré and the ruling party and their control of the state administration and political institutions. Their exclusive access to substantial resources allows for a nationwide campaign machinery, including media coverage, and opponents have difficulty countering this. Although the opposition's quality and its efforts to build coalitions have slightly improved, it was still unable to offer convincing political alternatives to the disaffected population.

Free and fair elections

6