

BTI 2012 | Senegal Country Report

Status Index	1-10	5.73	# 60 of 128	
Political Transformation	1-10	6.50	# 47 of 128	➔
Economic Transformation	1-10	4.96	# 82 of 128	➔
Management Index	1-10	5.59	# 45 of 128	

scale: 1 (lowest) to 10 (highest) score rank trend

This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2012. The BTI is a global assessment of transition processes in which the state of democracy and market economy as well as the quality of political management in 128 transformation and developing countries are evaluated.

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Key Indicators

Population	mn.	12.4	HDI	0.459	GDP p.c.	\$	1933
Pop. growth ¹	% p.a.	2.7	HDI rank of 187	155	Gini Index		39.2
Life expectancy	years	59	UN Education Index	0.385	Poverty ³	%	60.4
Urban population	%	42.9	Gender inequality ²	0.566	Aid per capita	\$	81.2

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

Historically, Senegal has been a model country for democratic institutions and a market economy in West Africa. Despite only modest economic success, the country has remained politically stable and has enjoyed uninterrupted civilian rule since gaining its independence. In 2000, Senegal changed its government by means of an election. After years of high hopes, promises and achievements, however, it has become evident throughout the past few years that the political and economic systems are becoming increasingly unstable. President Wade has lost his appeal as a reformer and is no longer a symbol of hope and optimism. The political system and its leaders are losing credibility and support, within both the country and the region. President Abdoulaye Wade, who is now 85 years old, has definitely disappointed the high hopes of his followers for political and economic change in recent years. Despite some successes in sectors such as telecommunications, construction and services, the economic situation has not substantially improved for the majority of Senegalese. Annual economic growth has slowed down considerably since 2009. Furthermore, unrealistic promises that Senegal could become an “emergent country” undermine the president’s credibility. Given the high number of youth who seek employment on the labor market each year, Senegal is at risk of losing its former relatively positive conditions for maintaining political stability and economic opportunity. Difficult environmental framework conditions, high aid dependency and deteriorating public institutions leave little room to maneuver. In 2009 and 2010, a variety of factors, including natural disasters such as heavy rains and drought, mounting oil and food prices, problems in mobilizing international financial support, and energy supply problems, caused slow economic growth. The deteriorating power grid infrastructure has needed urgent investment for years, and deficits in management and a lack of financial resources represent a heavy handicap for the development of small- and medium-sized enterprise. Moreover, developmental efforts have been concentrated on the capital region of Dakar; peanut production, which has been the vital economic basis of Senegal’s population, has suffered accordingly. Economic alternatives for national agriculture

and the stability of rural areas have not been developed. In the last four years, mounting discontent with economic prospects has triggered spontaneous unorganized riots in Dakar.

To the disappointment of many observers, the political culture in Senegal has also worsened over the last four years. In 2007, after Wade's victory in the first round of the presidential elections for his second term, the opposition boycotted parliamentary elections. This decision by the opposition leadership has placed key political forces outside of democratic institutions. The souring of political debate is partly a response to the disappointment of hopes that were too high at the outset, but it was also caused, in a structural sense, by a persistent focus on strong presidential rule and the heavy-handedness that the current government uses in making decisions. Political battles over Wade's succession have intensified considerably. The permanent state of electoral politicking, pandering and campaigning since 2008 suffocates the debate about Senegal's future. Too much effort has been concentrated since 2009 on Wade's attempt to find and promote a serious, acceptable and promising successor. The president's efforts to promote his son were seriously compromised when Karim Wade was not even able to win the municipal elections in his own district of the city of Dakar; nonetheless, Karim Wade's potential candidature remains a major issue in the political debate.

Although Senegal is considered internationally to be a reliable partner, the government is facing questions from external partners about a variety of issues, including audit reports that cast a light on insufficient public expenditure management, harsh comments on EU-Africa relations, individual human rights cases or the continuing harassment of journalists and the press, many of whom are being persecuted in the courts. Only recently have the permanent tensions between the government and the press temporarily calmed down after organizing a national debate about a new liberal press law.

History and Characteristics of Transformation

Senegal has figured as a politically exemplary country in West Africa since gaining independence in 1960. Even during a relatively short period of one-party rule, the founding president of Senegal, Leopold Senghor, maintained a relatively liberal regime and stepped down voluntarily in 1980. Senghor's party, which was renamed the Parti Socialiste (Socialist Party or PS) in the 1970s, ruled the country for over 40 years. The beginning of the country's political transformation dates back to 1976, when the former one-party state authorized the existence of three political parties. The party system was fully liberalized in 1981, which led to numerous subsequent party foundations and regroupings. This fragmentation enabled the ruling socialists to stay in power despite their decreasing share of the vote. In the late 1990s, debates about necessary economic reforms and personal rivalries over the control of increasingly scarce resources strengthened the forces of fragmentation within the PS.

The macroeconomic situation deteriorated in the early 1990s until the 100% devaluation of the regional currency, the CFA franc. Afterwards, the macroeconomic situation improved, but the living conditions of the average Senegalese evidently worsened. Since 2000, approximate annual growth rates have been around 5%, but this was not enough to meet the needs of a growing and increasingly urban population. In 2009 and 2010, economic growth has gone down significantly. In 2001, Senegal was reclassified as a least developed country (LDC). Life for many Senegalese becomes particularly difficult in times of high oil and food prices (as was the case in 2008 and again in 2010), as Senegal is highly dependent on energy imports.

In the presidential elections of March 2000, long-time opponent Abdoulaye Wade managed to win a clear majority in the second round of the election. This election victory was made possible by the support of former PS faction leaders and groups. One of them, Moustapha Niasse, a former foreign minister and leader of a dissenting faction within the PS, who had formed “his” party before the elections, became prime minister. The coalition government managed to call early elections through a referendum-approved amendment of the constitution in January 2001. A personal rivalry between Wade and Niasse, as well as tactical considerations, led to the split of the coalition before the elections. Niasse was fired by the president, a political mechanism that has become a trademark of Wade’s governance style. The elections resulted in a vast majority of the party alliance supporting President Wade. This alliance was led by Wade’s Parti Démocratique Sénégalais (Democratic Senegalese Party, or PDS), but it also included around 30 smaller parties. Later on, Wade forced most of his coalition partners to become members of his PDS, which meant that they effectively abandoned their own political identities to be subsumed within his.

After a brief interlude of rule by Mame Madior Boye, Senegal’s first female prime minister, who had to resign after the shipwreck of a state-run ferry in the southern province of Casamance, the political “crown prince” of the PDS, Idrissa Seck, succeeded her as prime minister in November 2002. As a result the government became more “political.” Party positions became more visible. When the Idrissa Seck’s popularity as Wade’s prime minister threatened to pave the way for Seck’s presidential ambitions, Wade sacked Seck and imprisoned him for corruption in April 2004 (even though charges were simply dismissed later). Seck later won second place in the 2007 presidential elections with about 15% of the vote.

Seck was replaced by Macky Sall, who in turn was replaced three years later by another politician without strong party support. Sall was publicly humiliated, dismissed as president of the National Assembly and as the PDS’s deputy secretary-general, the official second-in-command of the party, and narrowly escaped judicial accusations for corruption. In 2008, he founded his own political party, which has become part of the vast opposition alliance, the “Benno Siggil Senegal,” arrayed against the president’s PDS. The reconsolidated Socialist Party of Ousmane Tanor Dieng has become the pillar of this alliance together with Moustapha Niasse and the leftist Party of Independence and Labour PIT. Macky Sall announced his candidacy for the next presidential elections without awaiting a decision by the opposition alliance as to whether to nominate a single alliance candidate.

There is a strong suspicion among the public that the judiciary is used for politicking, as seen in the case of Idrissa Seck and others. After allegations of corruption against Seck and a bitter public struggle between him and the president, Seck unexpectedly returned to the ranks of the PDS in late 2008 over strong protests from the PDS group surrounding Karim Wade; this resistance resulted from the fact that President Wade's son was being considered as a potential presidential successor. At the beginning of 2011, Seck seems to be Wade's only possible successor from within his political party, the PDS. But already in 2009, just after his heavy losses in the municipal elections, the incumbent President Wade, even though he is elderly, announced his renewed candidacy for the elections of 2012, defying sentiment among major segments of the public and drawing sharp protests from Seck, who declared that, for constitutional and age reasons, Wade's candidacy was no longer acceptable nor politically promising. Seck already declared himself as the next and fourth president of Senegal. He will have to make his way against the interests of the political group within the PDS surrounding the president's son, Karim.

Political parties group themselves along the lines of government and opposition, but rivalries and frictions within both camps remain strong. The formerly governing PS split into rival factions at the end of the 1990s. When Ousmane Tanor Dieng was appointed leader of the PS, discontented party rivals formed their own parties. This was the case for the Alliance of Forces of Progress (AFP) under Moustapha Niassé, and also with the first defector, Djibo Kâ, who founded the Union for Democratic Renewal (URD). Later on, President Wade managed to lure the URD into his coalition and thereby divide the opposition forces.

The political climate in Senegal has soured and political conflict has become more pronounced since 2007. The president's son, Karim, was promoted by his father to become a "super minister" in the government (in charge of the ministries of international cooperation, air transport, infrastructure and energy), a position that wields control over more than 40% of the national budget. Karim was concentrating on the mobilization of foreign funds from the Arab Gulf countries but has been less and less successful in this domain since 2010. The opposition parties suspect him of having non-transparent business interests and other corrupt international connections, which are supposed to have begun when he was the organizer of the international Islamic Conference in 2008. Karim Wade is quite unpopular and, according to many observers, will not be able to survive political public campaigning as he does not speak an autochthonous Senegalese language.

Public discontent with the politicking of the political class and disillusiones over the problem-solving capacities of the political system seem to be on the rise. Over the last few years, Senegal has seen the eruption of spontaneous riots, and urban youths have few prospects.

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

With the exception of the situation in the southern province of Casamance, the Senegalese state maintains its monopoly on the use of force. A separatist political movement and its paramilitary wing have been fighting for the independence of Casamance since 1982. Some positive effects of the armistice agreement of 2004 have faded away in a quite massive way since the renewed outbreak of armed conflicts in 2010 due to the rearmament of the separatist guerrilla. Violence, banditry, drug commerce and military fighting are again characteristic of the situation in Casamance. For many years, the region has suffered from a very poor state of governmental, public and economic infrastructure. Village populations in some areas have left, and continue to leave, their homes due to the effects of military fighting and harassment on both sides of the conflict.

Monopoly on the
use of force

7

Recent social protests, especially in the poverty-stricken suburbs of the capital city Dakar, have swelled and garnered support from the general population because of numerous and long-lasting power cuts by the state-run power company, SENELEC. Increases in the cost of basic food commodities have also exacerbated the situation. At present, these challenges do not pose a challenge to the state's monopoly on the use of force as such.

At the seat of the Mouride Muslim brotherhood, Touba, state control has been traditionally limited. Since the city has its own militias to secure the public peace, it enjoys an (informal) autonomous status.

Senegal has a long tradition of state structures modeled on the French colonial experience, which dates back into the mid-nineteenth century. The country is proud of its status as the former seat of government of French West Africa and in the long-term political linkages of the "four communes" (i.e., Dakar, Rufisque, St. Louis and Gorée) to France. These entities were considered integral parts of France, and its citizens were eligible, under certain conditions, to be elected to the French National

State identity

9

Assembly. Among the French-speaking countries in West Africa, Senegal was more influenced by France than any other country in this region. Only the southern region of Casamance, south of the English-speaking neighboring country of Gambia, was relatively late to come under French colonial rule, after having been more or less under Portuguese control. However, President Senghor, the father of the country's independence, successfully laid the foundation for a Senegalese identity covering most of the former colonial territory. Senghor was a member of both a religious and ethnic minority (a Catholic Serer), which assuaged the fears of smaller groups that they would be dominated by the largest group, the predominantly Muslim Wolof, who account for more than 40% of the Senegalese population. Interethnic tensions are not completely absent, particularly when it comes to the ethnic groups in Casamance, but these tensions are unrelated to the question of who qualifies as a Senegalese citizen.

Even if Senghor, a Catholic in a predominantly Muslim country, successfully limited the role of religious faith in politics and enforced the principle of "laïcité," or the notion of a secular state, in recent years, the influence of conservative Muslim influence groups has become stronger, partially under external influence from Salafist preachers whose religious thinking hails from Saudi Arabia and some Arab countries. Since independence, the political leaders of Senegal have continued to build on religious brotherhoods when reaching out to the rural areas while, at the same time, guaranteeing the predominance of state politics over religious groups. In order to maintain its linkages with Muslim brotherhoods and to obtain the support of religious organizations during electoral campaigns, the Senegalese state offers privileges and financial aid to the brotherhoods, especially to the Mourids, one of the two major ones. So, despite the constitutional separation of church and state, these brotherhoods exert political influence that, to some extent, limits the legal provisions that prescribe the "laïcité." Clerics (whether Muslim or Catholic) are accorded high moral authority in everyday life, and moral convictions and political decisions (for instance on homosexuality or abortion) are therefore closely related to religious faith and traditions. The current president belongs to the Mouride Muslim brotherhood, and he simultaneously claims that he is a strong defender of laicism. Since 2010, the political support of brotherhoods for President Abdoulaye Wade's electoral ambitions is shrinking against a backdrop of gradually growing social protest and unrest.

The necessary reform of the legislation on family and matrimony did not succeed due to the resistance of conservative religious groups. However, the most conservative groups did not succeed in introducing a new Shari'ah-based family law for the Muslim part of the population, which confirms the still quite pronounced secular character of the state.

No interference of
religious dogmas

7

State administration is present throughout most parts of the country, although less so in the rural areas far from the capital. The functioning of the administration is at times deficient due to a lack of adequate (human) resources, centralization and increasingly poor infrastructure. As a result, social services are limited, and their provisioning is not guaranteed throughout the territory and to all parts of the population. In recent years, educational and health care services have suffered heavily from neglect, a lack of financial resources and good administration. Education and health do not represent the government's priorities. Empty promises and governmental weaknesses characterize the political reality in these areas.

Basic
administration
6

The decentralization process, which began in 1996, and the transfer of certain competencies to the "local collective" authorities have not improved the delivery of services to the population in rural areas. There is still a lack of competence and training at the local level.

The lack of accountability when it comes to officeholders may create additional problems, and corruption and incompetence has increasingly become widespread in the civil service under the governments of President Wade. Since 2009, Senegalese politics is overwhelmed by a continuous electoral campaign, especially since the defeat of the main government party of President Wade in the municipal elections in March 2009, when the alliance of opposition parties took over the capital city and the majority of all major towns. Governance, infrastructure and public services are suffering from the effects of permanent electoral intrigues under President Wade and the government.

2 | Political Participation

Elections in Senegal have long been considered largely free and fair. In recent years, however, this situation has become increasingly difficult because of the president's old age, his possibly dynastic aspirations and his desire to stand for a third term in presidential office, despite widespread misgivings and passionate debates on the constitutionality of this ambition. In the past, there have been fierce and frequent political battles over the composition and mandate of the electoral commission. In 2001, the constitution was subsequently amended in order to block the possibility of a president serving more than two terms in office. This was approved in a (free and fair) nationwide referendum. However, the strong role of the president was not reduced. Later on, the constitutional amendment restricting the president to two terms was rescinded once again, but the debate on the constitutionality of President Wade standing yet again for office is still ongoing and very lively.

Free and fair
elections
7

In 2007, the opposition boycotted parliamentary elections after Wade's re-election, which weakened the legitimacy of parliament. Since then, the correctness of

electoral lists is the subject of profound doubts by opposition parties and Macky Sall, the former prime minister and President Wade's electoral campaign director. He had to resign as prime minister in 2007 and was later dismissed as president of the National Assembly. Sall formed a new political party and joined the alliance of the opposition. Since then, Macky Sall has publicly claimed that there was electoral fraud in 2007 in regard to the electoral register. It is quite likely that, as in other recent elections, electoral districts will be reshaped some months before the coming presidential elections on 26 February 2012. The opposition's political parties fear that President Wade will change the constitutional provisions regulating the presidential election without going through the new national referendum that is actually necessary for these constitutional changes. As President Wade and his political friends may not refrain from other last-minute maneuvers in order to improve their electoral chances, the opposition parties fear that Wade will abolish the second tour of the presidential elections to make sure that he may be elected by simple majority among all of the other presidential candidates. These apprehensions have been especially inflamed by the alleged ambition of the weakened President Wade (he will be 86 years old in 2012) to enthrone his son Karim without elections as his successor.

The presidential political system of Senegal, which is based on the French model, locates a great deal of power in the presidency. There are no strong veto powers; the army, for instance, is apolitical. Army officers, well trained and well paid, are absolutely loyal to the civilian command. They have also accepted offers to engage in international peacekeeping missions throughout Africa, which brings them attractive revenue.

Religious groups are listened to when it comes to matters of public morale, but their support in political elections does not necessarily determine political outcomes. Although they played a strong political role in the 1980s, the Muslim brotherhoods nowadays often refrain from commenting on politics, with the notable exception of the "holy city" of Touba, where the Khalif, the highest religious authority of the Mourids, dominates local politics and asks for and receives taxes and other privileges. Still, the last three khalifs have been rather discreet in political matters on the nationwide scale, preferring to focus on moral questions. There are a few other subordinate religious leaders, in general Mourids as well, who show open political ambitions and publicly defy President Wade.

Officeholders are strongly subordinate to the president. Prime ministers and ministers are also frequently replaced. In 2011, President Wade had his sixth prime minister in eleven years. However, the president's dominant role, along with his frequently arbitrary and changing promises and decisions, creates contradictions and other inherent limitations. Issues beyond the focus of the president cannot be

Effective power to
govern
8

expected to be carried out in due time and according to the appropriate process. Administrative capacities are limited when it comes to implementing legal rules.

Landowners and wealthy entrepreneurs have no real veto powers on their own as they are directly dependent on the political leadership of the country. Government contracts play a decisive role as a tool for individual profit making.

The right to assemble and to organize peaceful demonstrations is constitutionally guaranteed. Lately, these rights have been abridged a few times by means of imposing administrative obstacles, especially for opposition groups. Recently, a request for a demonstration permit for the opposition parties in Dakar was rejected because of the alleged lack of sufficient police forces to ensure the security service for this demonstration. Senegalese civil society covers a wide range of interests and groups. Political parties can form freely, even if in some cases after a longer waiting period, as in the case of the political party registration of Macky Sall.

Association /
assembly rights

8

In regard to the plethora of civil society groups, it is often linked to funding opportunities provided by political alliances, migrant networks or – last but not least – donor funds. Nevertheless, some of the Senegalese NGOs, including human rights networks, are among the most vocal and active in West Africa. For the most part, they can assemble freely, with the notable exception of HIV/AIDS support groups active in the gay community. Recently, a number of persons belonging to such groups were condemned to long prison sentences before they were released from prison after heavy protests from abroad.

Freedom of expression is traditionally guaranteed and respected. The press and radio stations are numerous and pluralistic. The media system provides for a plurality of opinions.

Freedom of
expression

8

As the National Assembly no longer offers a platform for opposition political parties and their critics on government politics because of the opposition boycott of parliamentary elections in 2007, political magazines and some of the daily newspapers have taken over and have become a platform for continuous criticism of political events. In several cases the media have been brought to the courts and accused of spreading misinformation and engaging in defamation. Thanks to broad support by leading forces in civil society, these press institutions continue to function as a platform for debate about and information on the corruption of officeholders and the abuse of government responsibilities. In September 2009, the offices of a private media group that had criticized the government were vandalized by young followers of a popular Mourid leader, without intervention from the police or the courts. As the social, economic and political situation within the country in recent years has visibly deteriorated, weakening the president's perspectives on future election results and his hopes to find a way for his son,

Karim, to succeed him as president, journalists and editors have been increasingly exposed to police harassment and judicial prosecutions.

In 2010, the media legislation has been liberalized in regard to the decriminalization of journalists' professional activities. This new liberal press law has been supported by the president to underline the openness and tolerance of the Senegalese government vis-à-vis heavy critics from inside and outside the country. This legislative press reform process has not yet been accomplished entirely. At times, the former strict media laws have led media sources to be extremely cautious when covering issues involving major officeholders and religious leaders. Although this might foster self-censorship to some degree, there are no systematic limitations on reporting, and the media are outspoken and critical when it comes to unveiling major political scandals. They continue to provide the most important platform for opposition activities.

In Freedom House's Global Press Freedom Index 2010, Senegal ranks 121st out of 196 countries and is considered "partly free."

3 | Rule of Law

The balance of power has further tipped in favor of the executive, that is, the president and his son Karim, the latter of whom has become the most important and powerful member of government, controlling more than 40% of the national budget. The president's palace in Dakar has been transformed into a parallel structure of ministerial decision-making fully under the control of the president and his entourage. Moreover, the legislative branch was weakened by the opposition's boycott of the 2007 elections. In response, opposition parties and members of the civil society have created a broad alliance on the programmatic basis of the outcome of the "assises nationales," the national consultations, as a platform for a national debate that is no longer taking place within parliament. Since these national consultations are outside of state institutions, they have been ignored by the government most of the time.

Although the constitution envisions a system of checks and balances, the judiciary does not balance against the executive in practice. Thus, although checks and balances are constitutionally provided for, they do not function properly in practice.

The judiciary is built on the French model. Although its professional reputation is relatively good, its functions in Senegal are limited. It is not believed to function independently, particularly in cases of investigations within the political system or large economic interests. Corruption is regarded as a prevalent problem in the judiciary. Complicated, long and expensive procedures often lead the courts to defer decisions to traditional means of conflict resolution, particularly – but not

Separation of powers

5

Independent judiciary

6

exclusively – in more remote rural areas. Poor Senegalese often revert to traditional forms of settling civilian disputes because of deficiencies in the legal system, as well as for cultural reasons.

In several cases, government interferences have been reported.

Corrupt officeholders at the lower levels of administration rarely attract public attention and petty corruption is a fact of daily life. Legal charges are often filed against political rivals as it has happened several times during the presidency of Wade. On the other hand the president fiercely opposed legal steps against former Prime Minister Mame Madior Boye related to her oversight of responsibilities in the case of the 2002 sinking of the ferry “Joola” which made nearly 2000 victims. However, former “crown princes” who have fallen into disgrace, such as Idrissa Seck or Macky Sall, have faced public prosecution after having been removed from office, which has led the public to strongly suspect that political motives are at play. In contrast, there has been no response to calls to audit the very costly conference linked to vast infrastructural and construction activities in Dakar that was overseen by the president’s son Karim.

Prosecution of
office abuse

4

Civil rights are generally respected in Senegal. The violation of civil rights is legally subject to criminal punishment, including practices such as female circumcision, which is still widespread especially in rural areas. However, reported abuses by state agents are frequently not investigated and remain unpunished, as was the case in past (and still ongoing) human rights violations in the conflict-ridden region of Casamance. Homosexuals are particularly and increasingly limited in their civil rights; they are denied the right to organize officially and are subjected increasingly to legal prosecution. Equality before the law, equal access to justice and due process under the rule of law are enshrined in national legislation. In practice, however, these rights suffer from social, economic and cultural (illiteracy) restrictions.

Civil rights

6

4 | Stability of Democratic Institutions

Democratic institutions have existed in Senegal for a long time; however, their performance is hindered by a number of factors. Since the opposition’s boycott of the 2007 parliamentary elections, the parliament has no longer been the key forum for political debate. Likewise, the political culture is highly charged. Beyond party-political tactical moves, the government unfortunately does not reach out to opposition groups. By maintaining a strictly legal position, it further sidelines the opposition that has put itself in the legal off.

Performance of
democratic
institutions

6

The decentralized organs, from the regional to the community level (conseils régionaux, communes and communautés rurales), still lack competence as well as

sufficient financial resources. On the state level, fiscal mismanagement limits the government's effectiveness when it comes to planning and implementing activities. After an audit in 2008, donors harshly criticized the government for extra-procedural spending and threatened to withdraw their support. In 2010, several foreign donor countries suspended their budget aid because the public procurement law was only partially reformed and practically excludes control mechanisms on ministerial expenditures under the responsibility of the president's palace and his son. The critiques from the opposition parties and civilian interest groups are directed against the deterioration of the functioning of democratic institutions.

Although democratic institutions are generally respected by all relevant actors, the opposition's decision to boycott the 2007 parliamentary elections and the growing authoritarian tendencies of the president may signal a decline in the commitment to democratic institutions. There is, however, no substantial exercise of political power by actors aside from elected leaders. Religious leaders generally respect the predominance of state institutions and the democratic process, as do the military and civic associations.

Commitment to
democratic
institutions

7

5 | Political and Social Integration

Since President Wade came into power, the party system in Senegal has been characterized by high fragmentation and high volatility at the fringes. Programmatic disputes are not the focus of interest, nor are there profound programmatic differences. Personal disputes in parties often lead parties to splinter. Splits from the ruling PS party, for example, were to a certain degree responsible for the political changes in Senegal in the 1990s. The governing PDS, however, is not immune to these tendencies either, especially since it took over the reins of government in 2000. The PDS has come under the personal rule of President Wade. Ambitious PDS leaders who do not accept the president's powers have been sacked from office. They have decided to form new political parties under their personal leadership, thereby weakening and undermining the basis of the PDS. The PDS is now held together by the authority of the president and the personal economic interests of his entourage. In most cases, political parties do not have specific social roots within society. On the national scale, only two political parties are based on a nationwide organizational infrastructure: the PDS (Parti Démocratique Sénégalais) of President Wade and the Socialist Party (PS) as the main opposition party. Other political parties do not play any significant role and their existence contributes to the weakening and discrediting of political parties as an important actor within the political system of Senegal. Since personal networks form the basis of political affiliations, personal conflict easily leads to the creation of new political groupings.

Party system

4

The network of interest groups is relatively thin and is concentrated in urban areas (where more than 40% of the population reside), and these networks are very often concentrated in the greater region of the capital city. Rural representation is difficult to achieve. International pressure groups tend to be able to mobilize a higher degree of leverage on decision makers. Interest groups do not play the role of mediator between particular and public interests, and operations as a linkage between state and society is difficult to achieve in a highly personalized setting like the one in Senegal. Associational life, however, is rather rich by the standards of sub-Saharan Africa.

Interest groups
5

Trade unions are quite active and well organized along the lines of the French model, but, as only a fraction of the working population is employed in the formal sector, their real impact remains rather insignificant.

According to the 2008 Afrobarometer survey, 70% of all respondents prefer democracy to any other kind of government (which is somewhat less than the 75% reported in the previous survey). Authoritarian alternatives, such as a one-party state (90% against) and military rule (69% against) are strongly rejected. The dynastic aspirations of the president to establish his son as successor in the presidential palace still do not have support among the general population and public opinion; in fact, the opposite is the case. This may be an additional indicator that suggests a high degree of consent to democratic norms and procedures.

Approval of
democracy
7

Self-organizations, such as savings groups (tontines), hometown associations or religious groups centered on a religious leader (marabout), are relatively numerous. Although the level of trust beyond the political system is comparatively high within society, the younger generation often appears to prefer a withdrawal from rather than active participation in politics. Civilian leaders not affiliated with political parties have gained a certain support among the better-educated urban youth.

Social capital
7

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

Senegal has been classified as a least developed country since 2001. Its HDI was at 0.46 in 2010, which resulted in a ranking of 144th out of 182 countries and signifies for the most part stagnation in human development. Economic growth decreased further in 2009 and 2010, whereas growth rates over the last decade have hovered at around 5%. Relatively high population growth and the effects of growing social and economic disparities have sharpened poverty and social inequality. Urban areas remain attractive to large parts of the population who come from poor rural

Socioeconomic
barriers
2

communities. Migration from rural areas toward the capital city of Dakar and to foreign countries has been drastically aggravated by the abandonment of peanut farming and the general neglect of state infrastructure (educational and health care facilities) in the countryside. The mostly arid Sahelian Senegal is extremely exposed to the effects of climate change and soil deterioration, which is accelerating migration into urban centers. Population centers are almost all located in the densely populated coastal areas, particularly so in the urban conglomeration of Dakar. Social exclusion and marginalization due to poverty are strikingly visible in urban areas, although they are much more widespread in rural communities. Despite some limited success stories in the service, banking, building and telecommunications industries, the formal economy is far from providing the population with sufficient employment. The educational system is largely insufficient and has long been neglected. Recently, more than 13,000 students were not admitted to universities. Nearly 60% of the adult population remains illiterate, and women have far worse illiteracy rates. Gender remains a critical factor when it comes to determining access to education and life prospects.

Economic indicators		2007	2008	2009	2010
GDP	\$ mn.	11334.2	13210.1	12790.9	12954.0
GDP growth	%	4.9	3.3	2.2	4.2
Inflation (CPI)	%	5.9	5.8	-1.1	1.3
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	2.6	3.0	1.6	1.8
Export growth	%	8.1	12.1	-8.8	5.7
Import growth	%	20.4	19.1	-17.1	3.5
Current account balance	\$ mn.	-1311.7	-1883.7	-864.8	-
Public debt	% of GDP	24.5	25.0	32.0	38.0
External debt	\$ mn.	2552.8	2819.6	3499.0	3676.9
Total debt service	\$ mn.	188.3	180.1	199.6	301.8

Economic indicators		2007	2008	2009	2010
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	10.0	9.7	8.7	8.7
Public expnd. on edu.	% of GDP	-	5.1	5.8	-
Public expnd. on health	% of GDP	5.6	5.7	5.7	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.7	1.6	1.6	-

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 institutional setting for a market economy is basic. Economic freedom is largely guaranteed, and the state has increasingly withdrawn from economic activities in the last decade. However, the informal sector creates more jobs than the formal economy by far and is key to the survival of most Senegalese. The freedom to set up a business is legally provided for but hampered by poorly functioning public institutions and growing corruption. Implementation deficits mean that rules are not uniformly applied for market participants. In the Heritage Foundation's Index of Economic Freedom 2010, Senegal ranked 121st out of 179 countries and 22nd out of 46 countries in sub-Saharan Africa.

Market-based
competition
4

Monopolies persist in some crucial sectors. Given the small starting position of the formal economy, monopolies are easily established, even if they are not actively fostered by the state. A large number of state monopolies (e.g., peanut marketing) have been broken up over the last decade. This has not necessarily resulted in improvements for producers or consumers, though, as market regulation and oversight require basic state functions. These reforms are far from being fully implemented due to major mistakes in management and difficulties in finding investors in some sectors, especially in the case of the electricity company and the energy sector in general.

Anti-monopoly
policy
6

Although Senegal is actively involved in the negotiation process on a regional economic partnership agreement with the European Union (free trade and development agreement), it is one of the Sahelian countries who do not have natural resources and strongly oppose the EU conditions that are on the table. The opening of the market will result in a loss of state revenue from customs duties; in a context of already very tight budgets, these losses are particularly feared. A number of

Liberalization of
foreign trade
6

decisions (e.g., those regarding tariff reductions) are made in the West African Economic and Monetary Union (WAEMU) and are increasingly discussed within the larger ECOWAS. However, in general terms, the opening of external trade is relatively advanced.

Senegal is trying to diversify its economic and trade partnerships. The country recently concluded trade agreements with China and Iran. It is not yet clear to what extent the rupture of diplomatic relations with Tehran in early 2011, due to an armaments shipment that was supposed to be destined for the Casamance rebellion, will affect the strong economic bond between the two countries.

The banking sector is diversified and situated under the auspices of a strong supranational regional bank (i.e., the Central Bank of the West African Countries, BCEAO). The sector was restructured in the mid-1980s and is stable. Foreign banks dominate the banking system. As the sector is largely detached from global financial flows, the international financial crisis has had no important direct effect on the Senegalese market. Access to small loans remains a problem, particularly for small entrepreneurs.

Banking system
5

8 | Currency and Price Stability

Currency policy is determined by the supranational West African Central Bank BCEAO and characterized by prudent policies. The West African CFA franc is guaranteed by the French treasury and thus pegged to the euro. Inflation rates have traditionally been very moderate, and they have usually met euro stability pact criteria. Nevertheless, inflation surged in 2007 and 2008 due to steep increases in energy and food costs (by 5% to 6%, on average), as Senegal is an oil importing country. After a considerable decline in 2009 (according to EIU estimates: -1.1%), inflation increased again in 2010 (1.2%) as oil and food prices climbed. For political reasons, Senegal began at the end of 2010 to subsidize food and other basic commodity prices in order to defend itself against the outbreak of social unrest. This will put additional stress on the tight national budget in 2011.

Anti-inflation /
forex policy
8

In 2010, the International Monetary Fund urged Senegal to bring its public deficit down to 4% of gross domestic product, from 5% in 2009. Senegal has made real efforts to curb the amount of unpaid bills to private contractors in 2009 and 2010, an amount estimated in 2009 at \$136 million. The settlement of internal debts within Senegal has averted an acute financial crisis. President Wade's government has increased its extra-budgetary spending since 2008 and has been reluctant to find a solution. As it is heavily dependent on foreign donor aid, international monitoring institutions maintained their control in 2009 and 2010 in order to help Senegal to comply with international rules.

Macrostability
6

9 | Private Property

Property rights are guaranteed and usually respected. Legal defense of property rights is unsatisfactory due to shortcomings in the judiciary. The administration of property title and land registration procedures is uneven outside of urban areas, as land titles in rural areas are still based on traditional rules and colonial statal land property.

Property rights
7

Since Senegal lacks commercial courts staffed by trained judges, decisions can be arbitrary and inconsistent. Despite an adequate legal and regulatory framework, enforcement of intellectual property rights is weak to nonexistent.

Private small enterprises in the informal subsistence economy and peanut farming are still the backbone of the economy. Agricultural property in the rural areas is still dominated by the inherited traditional and colonial system. Individual landownership in rural areas has remained one of the major economic problems in rural areas and has hindered the modernization of agriculture. Under these conditions, the dissolution and neglect of the state's peanut-marketing mechanisms have heavily contributed to the impoverishment of Senegal's key agricultural areas.

Private enterprise
7

In theory, the state tries to encourage private enterprise through its strategy for accelerated growth (SCA), but its output has been rather poor. President Wade was also one of the main initiators of NEPAD (New Partnership for Africa's Development). The official commitment to develop private enterprise is high, but in practice Senegal's macroeconomic reality does not encourage important private investment. In 2009, Senegal was able to move up 19 ranks in the World Bank's Doing Business Report and was listed as one of the three African countries with major economic reforms, but it has lost ground since then. Today Senegal ranks 152nd out of 183 countries.

Former public companies have been mostly privatized during the last decade, and larger companies are now open to foreign investment. The scarcity of capital in Senegal leads to high dependency on (very limited) foreign direct investment (FDI).

As a result, there are persistent problems with privatization in some sectors, some of which have negative repercussion on other important sectors of the economy (most notably, electricity, in the area of small workshops depending on electrical machines).

10 | Welfare Regime

Since the welfare regime is basic and covers only employees in the formal sector, the vast majority of Senegalese are not covered by welfare schemes. As a result,

Social safety nets
4

many people have no health care and pension coverage. Extended family networks substitute in the absence of social welfare nets. In this context, international migration is providing major sources of income and can be viewed as a livelihood strategy for families. At the same time, the massive social pressure on economically more successful family members creates difficult conditions for individual economic advancement and personal development. Family social networks suffer from overstress and are threatened with not being able to ensure their traditional role.

With few exceptions in family legislation (e.g., authority over children without written consent from the husband), women are de jure equal to men, and a provision on gender equality was introduced into the constitution in December 2007. The low rate of women in parliaments and assemblies has triggered a 50% quota system for elections in 2010 that will be tested during national elections in 2012. Traditional and cultural restraints on women's options persist. Illiteracy among women remains high at more than 70%, versus more than 50% among men. In urban areas things have improved considerably.

Equal opportunity
5

Religious or ethnic groups are not treated in a systematically different manner.

11 | Economic Performance

Annual economic growth decreased considerably in recent years because of high oil prices, difficulties in agricultural production and other constraints. According to EIU estimates, GDP grew by 1.8% in 2009 and by 3.9% in 2010. As a country lacking natural resources, Senegal has not been able to benefit from the price surge in this field.

Output strength
5

Normally, prices are relatively stable, excepting times of high energy costs, and inflation rates were low during the period under investigation. As the EIU estimates, prices shrunk by -1.1% in 2009 and grew by 1.2% only one year after. No data are available on employment, but estimates assume very high levels of unemployment and underemployment. As already noted, the Senegalese budget runs persistent deficits. The trade balance is continuously negative and volatile due to fluctuations in energy prices (imports) and in harvests (exports).

The persistence of the political and military situation in the fertile southern province of Casamance, along with demographic developments, has created a high dependency on the importation of rice and other basic food products for many years.

12 | Sustainability

Environmental concerns are considered to some extent. The minister for the environment has a cabinet position, and environmental regulations are better than those of neighboring countries. The government wants to promote renewable energies and is working on a national legal framework, but procedures are inauspicious, and under these circumstances the necessary foreign investors cannot be attracted. International agreements are made in the national legal framework, and the frail environmental balance in Sahelian Senegal ensures a comparatively high level of public awareness for environmental concerns. However, the economic stress to which Senegal is often subjected means that environmental concerns are often secondary to concerns about growth.

Environmental
policy
5

The education sector, which is based on the French system, has been neglected under the liberal governments of President Wade since 2000. Grossly inadequate resources and administrative neglect have caused further deterioration; Senegal has fallen below the average for sub-Saharan countries. Senegal signed the Dakar Action Framework in the World Education Forum in 2000, but nearly all of these ambitious goals have not been achieved. Only the enrollment rate for primary school has improved significantly, to 83%; still, the drop-out rate in recent years remains high, especially for girls.

Education policy /
R&D
3

As Senegal has been traditionally well renowned for the relatively high quality standards of its educational infrastructure, the current situation is a major source of public disgruntlement and has drawn fire from critics in civil society and other opposition forces. Investment in the education sector has modestly increased and is just around 5% of GNI. R&D, however, is largely underfunded (0.9% GNI in 2005), despite a handful of centers of excellence in research, mostly in Dakar. The public school system suffers from widespread neglect. Teachers' salaries are low, and payment of salaries in rural areas is very often paid late, which also happens in other poor countries in this region. Frequent teacher strikes further debilitate the quality of education, especially in the secondary system.

The registration of about 13,000 new university students for the 2009 – 2010 academic year was not yet finished by January 2011, which is a somber indicator of the weakness of public administration. The country has not faced a situation like this since independence.

Transformation Management

I. Level of Difficulty

Senegal faces a high level of structural challenges. Despite its being a coastal country, it is situated in the Sahel, and its territory thus comprises largely arid or semi-arid areas. Senegal faces very high levels of poverty with relatively high population growth rates. It is exposed to heavy soil deterioration and negative climate change effects. The country has few natural resources other than phosphate and rich fishing grounds, which are exploited quite often by foreign fishing vessels that do not respect international rules. The traditional fishing fleet of Senegal has suffered tremendously, and fish has become an expensive product. No substantial energy resources have been found, and exploiting the sustainable energy resources (e.g., wind and solar energy) requires investment, an as yet non-existent legal framework and relatively high levels of formal training in the workforce. Infrastructure remains largely insufficient, and not only in the area of energy supply. Some efforts have been made to improve the transportation infrastructure, but capital-intensive activities face strong constraints. HIV/AIDS has had a limited impact on the Senegalese population due to early educational policies. Efforts to transform Dakar and its favorable geographic position into a regional service center (construction of new roads, new international airport facilities and new container port infrastructure) in order to benefit from the hinterland (landlocked Mali) have not yet been completed.

Structural
constraints
7

Traditions of civil society have a long and strong history, but are limited a few areas in Senegal. Social engagement in the community has been valued since colonial times (in the “quatre communes”). Likewise, community activities have traditionally been highly valued in the Muslim brotherhood system in rural areas. Civil society, however, remains highly focused on urban areas and is weakened by a lack of resources. The significant NGO scene in urban areas often relies substantially on donor funding, as in all other poor Sahelian countries, which may undermine their credibility in the eyes of the government and parts of the population.

Civil society
traditions
5

In general, there are no pronounced ethnic or religious conflict lines. For a long time concerns over a predominance of the Wolof have been nurtured in southern

Conflict intensity
6

Casamance and may be one of the factors that have led to past conflicts. The Casamance peace agreement has failed to settle the political conflict despite an armistice accord in 2004. While fighting each other in 2007 and 2008, rebels from the Movement of Democratic Forces of Casamance (MFDC) and a splinter group, the Movement for the Liberation of the People of the Casamance, continued to kill civilians, commit robberies and harass the local population. Since 2010, military struggle has intensified again. Rebel forces have acquired new armaments and recruited militias; these groups are financed in large part by international drug trafficking and receive silent support from the helplessness of neighboring Guinea-Bissau and the anti-Senegalese interests of Gambia.

The Casamance problem is difficult to resolve because it is directly linked to difficult situations in neighboring countries, including Guinea, Guinea-Bissau and Gambia (e.g., drugs and arms trafficking, and failed or failing states in the neighborhood of Senegal).

In the urban areas, the potential for conflict is on the rise due to youth unemployment and a sense of marginalization among some groups. Social conflicts erupted spontaneously in 2008, leading to riots and fights with police forces in Dakar. This has been aggravated in 2009 and 2010 because of increasingly frequent electricity cuts and the government's lack of willingness to find a solution for the population living in flooded areas during and after the rainy seasons. The spontaneous character of these complaints means that they are much harder to settle than previous social conflicts that were channeled by interest groups (e.g., Muslim networks in the rural areas and trade unions in urban centers). The government lacks the ability to settle the conflicts, which it has partly even inflamed with its hard-line position toward the non-parliamentary opposition and due to widespread corruption and bad governance in general.

II. Management Performance

14 | Steering Capability

Senegal's leadership is by and large committed to the constitutional order and its democratic system. Honest attempts are made to reduce poverty levels over the long term. Nevertheless, strategic priorities are hard to maintain with an ongoing unofficial electoral campaign and the frequent reorganization of ministries, redistribution of portfolios and constant creation of new public structures. Donors and donor agencies have criticized the emphasis on capital-intensive investments in economic development as being unsuitable for a least developed country. The lack

Question
Score

Prioritization
4

of international enthusiasm and delays in internal reforms lead to bottlenecks in financing that, together with management mistakes, lead to long delays in projects. Mounting dissatisfaction among marginalized groups of the population increases pressure on the government. The persistent pursuit of policies has become increasingly difficult with President Wade's often outspoken and erratic public statements. Wade appears to have grown increasingly bold in defying public opinion, as witnessed for example in his attempts to prepare the way for his son to succeed him; he is also examining how to present his own new candidacy for the next presidential election in February 2012, which runs up against serious constitutional problems.

As elsewhere in Africa, implementation deficits are obvious in Senegal. Plans are announced, but schedules are hardly ever kept. Structural changes require determination in order to be pursued over the long term. In a fragmented political landscape such as Senegal's, coalition-building skills are necessary to garner national support for reforms with long-term effects; additionally, they need external support, which most often involves funding. In a highly aid-dependent country like Senegal, the government must shoulder the additional burden of managing expectations and sustaining support from external donors. Recently, the Senegalese government has not been successful at maintaining confidence in its managerial skills or in its willingness to cooperate with or to proactively coordinate donors.

The institutional focus on the presidency reduces the institutional settings (and incentives) for creating consensus and puts the burden of policy learning almost exclusively on one person: the 85-year-old president. Institutional reforms have not been carried out when the opportunity presented itself in the past. On the contrary, the president has weakened the efficiency and solidity of the state's institutions. The president has a reputation for being impulsive and for using his political powers to the limit. His socialization within the political system has been strong as he has been in Senegalese politics since 1978, when he was a key opponent to the then-governing PS. On the one hand, the president is persistent in his policy approach as can be seen, for example, with his grand infrastructure projects, which are not yet finished. On the other hand, the balance between perseverance in policies and stubbornness is a delicate one. His strong personal involvement in administrative matters may become a liability for the country. The terms of office for major political actors, particularly prime ministers, are relatively short; they often do not even last two years in office. Despite President Wade's obvious attempts to administer his succession, the future seems uncertain as his son will most probably not come into office by elections and his "political sons" have been excluded or damaged by President Wade himself.

Implementation
6

Policy learning
5

15 | Resource Efficiency

Under Wade's presidency, governments in Senegal have changed very frequently despite the ruling coalition's clear majority in the National Assembly. Personal rivalries between a hands-on president and prime ministers have led to many dismissals. The government in Senegal is a large body composed of numerous politicians who need to be co-opted into its ranks. Decentralization policy is an additional instrument for creating political positions rather than for fostering the efficient use of (scarce) resources. Newly created regions lack financial resources and cannot provide sufficiently attractive positions to attract the necessary human resources into their ranks. Since budget resources are insufficiently monitored, they cannot be effectively and efficiently managed to the necessary degree.

Efficient use of
assets

5

The creation of a parallel ministerial structure within the president's office has debilitated the power and effectiveness of the regular portfolio ministries. Since portfolios often overlap, turf wars are not uncommon. The frequent reorganization of ministries and the creation of state agencies with overlapping portfolios also cause problems. The final say in key political questions remains with the president; this often means that an issue has fallen into the hands of his son Karim, the "super minister." Nevertheless, extreme political centralization does not resolve basic problems. Frictions between parallel structures, combined with the president's at times erratic decisions, lead to an inefficient use of resources.

Policy
coordination

6

The government is only partly willing to curb corruption and is only merely somewhat successful in doing so. The media seems more efficient at containing. For years the government's anti-corruption measures have gained broad public awareness as they have targeted former and current government officials at the highest levels for political reasons. When politicians who have been pushed out of office are targeted, however, the public tends to regard this as a case of political punishment, rather than as a serious act of law enforcement. Despite modest public procurement procedures, accountability and audit mechanisms have raised many concerns. Audits have questioned the government's ability to track funds within the system and have caused public concern among Senegal's donors, who have gone so far as to threaten to withhold funds and to block budget aid. Anti-corruption policies remain largely insufficient.

Anti-corruption
policy

4

In 2009, a scandal rocked the country when President Wade was discovered to have given a large sum of money to the parting IMF representative, an incident that even triggered an official investigation by the IMF. Many observers then noticed that awareness of corruption had sunken to an alarming degree, even at the highest levels of the government.

16 | Consensus-Building

The democratic credibility of the government has become more questionable in recent years. However, all relevant actors in Senegal agree on democracy and on the goal of building a successful market-based economy. Political disputes do not center on the overall goal but, rather, on the path that should be taken toward achieving this goal or – more commonly and on a much more parochial level – on whom to join forces with while working toward this goal. When it was still in power, even the nominally socialist former governing party carried out privatizations and liberalizations, admittedly under pressure from the Bretton Woods institutions. Likewise, President Wade’s nominally liberal party does not shy away from state intervention when it is deemed to be politically advantageous or necessary (as in the case of the failed privatization of the electricity company).

Consensus on goals
7

As outlined elsewhere, the government’s commitment to democracy and market economy is not without limitations. Potentially anti-democratic actors, however, such as the military, continue to be firmly under the control of the civilian president. The Muslim brotherhoods and other religious forces are not necessarily forces for democracy, but the political system has successfully warded off radical religious groups in the past. The president managed to stifle anti-democratic actors, partly by co-opting them into his policies and partly by marginalizing them with a firm reference to constitutional settings.

Anti-democratic
actors
8

If the civilian government should fail to provide a credible solution to the country’s major socioeconomic problems and to instill hope, the military and the Muslim brotherhoods may present themselves as the last remaining forces of public order able to prevent chaos, disorder and the breakdown of the state.

For the most part, Senegal’s political leadership prevents cleavages from widening. For a long time, it has successfully limited the intensity of the conflict in the Casamance region. Only recently, since the end of 2010, has the Casamance again threatened to get out of hand. Wade’s tactic of buying off and blackmailing political enemies has failed. The government has done little to bring a final resolution to the Casamance problem. Apparently, the government views the Casamance conflict as a national problem, although many domestic and international observers and experts agree that it is directly linked to the difficult situation in neighboring countries, such as Guinea, Guinea-Bissau and Gambia (e.g., drugs, arms and failed or failing states).

Cleavage /
conflict
management
6

Moreover, political divisions are exploited as much as possible. Political actors have been mastering a policy of divide-and-rule. Still, Senegal has a long tradition of co-opting opposition forces that has prevented the persistent alienation of groups of politicians. It is, however, also a tool to keep opponents at bay and out of

political power. This is done within the legal limits of an electoral democracy. However, it does not include extending a hand to opposition parties after they have boycotted national elections; their self-marginalization has damaged the functioning of the National Assembly. The government has made no real efforts to help them come back into the political system. Postponing local elections in 2008 and politicking with the constitutional articles that govern presidential elections has fanned political suspicions rather than dissipate them.

Peaceful coexistence and the general climate between Muslims (95% of the population) and Christians (4%) still remain quite positive, but here again, President Wade has contributed to a deterioration of the situation with some of his trademark injudicious remarks regarding the Christian religion, which in late 2009 even triggered violent youth protests in the streets of Dakar.

Civil society participation is rendered more difficult by the personal style of President Wade. He prefers to defeat his opponents instead of offering space for cooperation. While President Wade takes criticism into consideration once it appears that he has won electoral support and may represent public concerns, the president also puts pressure on critics and opponents in civil society to the extent that his position permits. The president's relationship to the media is particularly difficult and often rude, and only at the end of 2010 was this situation mitigated by discussions about a new press code and increased subsidies for the press media.

Civil society participation
5

His approach does not create sufficient room for systematic participation by civil society organizations and leaders. The opposition's attempts to come back onto the political stage in a process of national consultations could have also been managed by the government as a public outreach, but no attempts were made in this direction. Since 2009 and 2010, civil forces within society and opposition parties are no longer searching for ways to participate in Wade's political framework; instead, they are trying to find a way to organize the political future of the country after Wade and his entourage are gone.

Serious human rights abuses have been reported during intense periods of the conflict in Casamance. The conflict was brought temporarily under control, although the peace agreement in 2004 has failed to bring a final resolution to the conflict. Since the peace process stalled in 2007 and armed fighting began again in 2010, attempts to initiate a process of reconciliation have been abandoned. A high local official and special adviser to the president for the peace process was shot dead in December 2007. Since then, the government has not taken any action to resolve older cases of disappearances in the Casamance region that were linked to governmental security forces. Victims of disasters such as the sinking of the state ferry boat to the Casamance in 2002 have not had an opportunity to take legal action against the responsible ministerial institutions.

Reconciliation
6

17 | International Cooperation

Senegal has been a reliable partner within the international community. President Wade continues to be an ardent advocate for the partnership in relations with the G-8 and across the African continent. Relationships with the IMF and other international donors have at times been strained owing to differences in political priorities, auditing procedures and questions of public procurement procedures. Under the influence of his son Karim, additional efforts have been organized in order to get financial support from Arab donors in the Gulf region. In 2010, it became obvious that Arab donors have become reluctant. The amount of new funding that could be mobilized from non-traditional donors in general remains an open question. Initial reactions by the Chinese government were reportedly hesitant owing to Senegal's suboptimal investment climate. Senegal continues to be regarded as a regional actor that is politically important to Chinese interests in the region of West Africa. The strategic document for the reduction of poverty (DRSP) provides the long-term national frame of reference that is supposed to harmonize external aid.

Effective use of support

7

Although Senegal is generally considered a reliable partner in international politics, questions have emerged about the reliability and credibility of its economic strategy. International trust in Senegal's public finances was undermined by audit reports in 2008 and has been further complicated since. Thus far, some of the big infrastructure projects of Wade's government have not proceeded past the planning phase. Other projects, such as the construction of a toll-funded motorway from central Dakar to Diamniadio (on the way to Thiès), the construction of the new international airport on the outskirts of Dakar, and of a new international seaport, have been slowed down due to problems in mobilizing external foreign funds on time. There has been talk of other large building projects, such as a new railway and even a new capital beyond the Cap Verde peninsula. The impact of these plans on economic development is debated, their financial feasibility doubted, and their potential impact contested. Thus, the government provides leadership but fails to incorporate international partners.

Credibility

7

International links are traditionally particularly strong with France and the European Union, despite the occasionally harsh political rhetoric from Dakar (e.g., against the European Union's insistence on creating regional economic partnerships, or against the presence of three French military bases in Senegal). As of 2011, France maintains a military base in Senegal with about 600 troops.

Senegal is generally regarded as one of the drivers of change on the African continent, pushing for policy goals for regional integration. In the past, Senegal has interfered diplomatically and militarily in crises in neighboring Guinea-Bissau and Guinea. Senegal is traditionally involved in the stabilization processes that take

Regional cooperation

9

place within weak neighboring countries. When, in 2009, the president and the head of the armed forces in Guinea-Bissau were killed, Senegal provided initial support. Senegalese troops have regularly participated in U.N. peacekeeping missions throughout Africa and beyond.

The instability and weaknesses in the West African region are of permanent concern in Dakar. Senegal tries to maintain its position as an important anchor of stability in this region.

Strategic Outlook

Senegal faces mounting economic challenges. Difficulties in economic development and political reform, many of them stemming from economic and financial challenges, have worsened. The situation is further exacerbated by the approaching end of the political era of President Wade. This long period of political transition does not augur well for Senegal's economy and society.

Climate change will make a combination of drought and torrential rainfall more likely in Senegal and will increase the frequency of floods such as those experienced every year since 2007/2008. The current global financial crisis might be overcome in a relatively short time, but it might have a negative impact on external funding for Senegal from developed countries, in the form of both development aid and FDI. This may also staunch the flow of money from migrants abroad back to their families, a major source of income for many Senegalese households. In the long run, additional funding from so-called emerging donors will also depend on considerations of economic sustainability and business gains. In this regard, general prospects in Senegal do not offer much space for hope as long as political quarrelling continues. Consequently, there is little alternative but to pursue ongoing reforms in Senegal.

The political system is currently more of a liability to the economic development of the country. The questions surrounding President Wade's potential successor constitute another challenge, and succession struggles within his own party and the opposition parties are likely to intensify. If Wade wins once again in the 2012 elections, the country will risk further stagnation should Wade be forced to leave office prematurely for health reasons. This is not an unlikely scenario, as he is already 85 years old. The continuation of a dynastic succession to the president could trigger further political rifts that would negatively impact the management of economic challenges to the country. One of the political priorities for the next president should be to heal the pronounced conflict between the alliance of opposition parties and the government. This will not necessarily result in harmonious politics, nor would it mean the end of political competition. It should, however, aspire to foster a more constructive and results-oriented political culture in Senegal than there has been since 2007.

The ever-rising level of discontent and disillusion with the state's ability to solve problems is another crucial challenge to the Senegalese elite. Violent conflict (in addition to the strife in the Casamance region) may become a real risk. Urban youth are becoming less and less patient, demanding beneficial changes in the foreseeable future. Intensifying unorganized protests are much more dangerous to governments than political struggles with interest groups. Social unrest and riots occur with increasing frequency, poisoning the political culture and diminishing Senegal's attractiveness as a travel destination (an important source of revenue for the country),

which is based on its geographical proximity to Europe and, more importantly, its reputation of peace and stability. These features are also among the key issues for long-term investors.

Against this background of political stalemate and deteriorating state institutions, there is a significant risk that Senegal will enter a period of political crisis and instability in the coming years. Civilian rule has to prove its ability to deal with the increasingly difficult socioeconomic situation of the urban majority and to instill hope in the population. After many years of politicking and neglect, the Senegalese elite must deal with political challenges that are serious and widespread. The armed conflict in the southern province of Casamance has escalated after years of low-intensity conflict. It is extremely unlikely that this conflict will be resolved under the leadership of the current government. A new constellation of political leadership is necessary to create a space for constructive political reform. Because Senegal has been one of the regional state models in Francophone Africa for the past 50 years, instabilities in the country may have regional implications.