

BTI 2008 | Senegal Country Report

Status Index	1-10	6.07	# 55 of 125	
Democracy	1-10	7.10	# 38 of 125	↘
Market Economy	1-10	5.04	# 77 of 125	↘
Management Index	1-10	6.19	# 29 of 125	

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

This report is part of the Bertelsmann Transformation Index (BTI) 2008. The BTI is a global ranking of transition processes in which the state of democracy and market economic systems as well as the quality of political management in 125 transformation and developing countries are evaluated.

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Key Indicators

Population	mn.	11.7	HDI	0.46	GDP p.c.	\$	1,594
Pop. growth ¹	% p.a.	2.4	HDI rank of 177	156	Gini Index		41.3
Life expectancy	years	56	UN Education Index	0.39	Poverty ³	%	56.2
Urban population	%	41.6	Gender equality ²	-	Aid per capita	\$	58.6

Sources: UNDP, Human Development Report 2006 | The World Bank, World Development Indicators 2007 | OECD Development Assistance Committee 2006. Footnotes: (1) Average annual growth rate 1990-2005. (2) Gender Empowerment Measure (GEM). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Like many other least developed countries, democracy in Senegal functions with some weaknesses. Senegal's strengths include an open political system and a high degree of stateness, but its administrative capacity remains deficient and corruption is of particular concern. During the course of his seven-year term, President Abdoulaye Wade has occasionally given in to populist instincts, and he has been criticized for not delivering on earlier promises. The consensus on market economic goals is widespread in Senegal. Political debates focus not on the principles of a market economy, but on the degree of market openness and the application of market principles in specific sectors. President Wade, who is considered politically liberal, is conducting a national strategy of development. Senegal has virtually no resource wealth other than phosphates and the fish stock in its coastal waters, which is threatened by unsustainable levels of fishing. The arid Sahel climate limits agriculture, although the southern region Casamance region shows potential. However, the region is burdened with a low-level separatist conflict and poses infrastructural challenges, as it is cut off from the rest of Senegal by the Gambia. The peace process in Casamance is intermittent, often stagnating, most recently after the death of the governor and a rebel leader. Despite a rather peaceful year 2005, renewed conflict in 2006 has limited hopes for speedy economic development.

Considering Senegal's moderately high level of difficulty, the government has managed political transformation relatively well, even though concerns over Senegal's political culture have surfaced after the 2006 parliamentary elections were postponed. President Wade is committed to international cooperation and is one of the driving forces behind NEPAD and the AU. Deficient administrative capacities, and to some extent donor pressure, have resulted in mismanaged privatization, for example in the electricity utilities. The economic outlook for Senegal is mixed. Annual GDP growth

rates hovered around 5 to 6% over the last five years, though 2006 saw a growth of approximately 3%, which is attributed primarily to a rise in gas prices and the mismanagement of domestic industries. Senegal's weak economy faces further challenges such as persistent unemployment. Major leaps in economic development are therefore unlikely and emigration pressure will continue. The recent political attention given to agriculture – a product of political campaigning – might not be enough to help the rural population. Senegal's future, however, lies in its cities. Half of the country's population currently resides in urban areas. There are opportunities for improvement, as French companies outsource services to Senegal. However, efforts must be made to improve education.

History and Characteristics of Transformation

Since gaining its independence from France in 1960, Senegal has been a model for political development in West Africa. Leopold Senghor, who became Senegal's first president in 1960, presided over a relatively liberal regime for two decades before stepping down willingly in 1981. His party, the Socialist Party (PS), remained in power until Abdoulaye Wade's election in 2000.

Political transformation began in 1976, when party registration, which had been limited to four political rubrics, namely socialist, Marxist, liberal and conservative, began to expand. Fully liberalized by 1983, the party system grew rapidly. Subsequent fragmentation helped the ruling socialists maintain their power, despite their decreasing share of the popular vote. Debates over needed economic reforms and personal rivalries over the control of increasingly scarce resources exacerbated tensions within the PS.

Senegal's economy deteriorated in the 1990s until the devaluation of the CFA franc. Growth rates have since improved, but they fail to meet the needs of a growing and increasingly urban population. By the year 2001, Senegal's state of development had regressed to the status of a least-developed country. The leader of the Senegalese Democratic Party (PDS) and long-time opposition candidate Abdoulaye Wade won a clear majority in the second round of presidential elections held in March 2000. His victory was made possible by the support of a former PS faction, led by Moustapha Niasse. A former foreign minister, Niasse became prime minister in Wade's government. In February 2001 the coalition government officially called for early parliamentary elections by changing the constitution, which had been approved in a referendum in January 2001. Personal rivalry between Wade and Niasse and tactical considerations led to a coalition split prior to the elections; Wade fired Niasse as prime minister, replacing him with an independent technocrat, Ms. Mame Madior Boye. The elections resulted in a vast majority of the party alliance supporting President Wade

(CAP-21, Convergence des actions autour du Président en perspective du 21ème siècle). In November 2002, party positions grew increasingly visible as the political “crown prince” of the PDS, Idrissa Seck, became prime minister. As Seck’s popularity increased, so too did the pressure on Wade to clear the way for his succession. Instead of doing so, Wade replaced Seck with Macky Sall in April 2004. Subsequently, Seck faced allegations of corruption and was held in custody for several months.

Generally, rivalries and friction within parties remain strong. Driven by personal rather than ideological conflicts, the PS split into rival factions by the end of the 1990s. This has been exploited by President Wade since coming to power and he has subsequently managed to keep the opposition divided. Fragmentation within the government coalition, however is also very high; made up of several smaller parties, the coalition’s composition is subject to frequent change. In the run-up to both presidential and parliamentary elections in 2007, frictions within both the opposition and the government coalitions were increasing. Defeating his former crown prince Idrissa Seck, however, Wade won the presidential elections in February 2007 in the first round.

Transformation Status

I. Democracy

Senegal is one of relatively few electoral democracies in sub-Saharan Africa. Current political crises are rooted in the increasing centralization of power in the hands of the presidency. Senegal's low level of development hinders institutions' functionality and potentially limits political culture. Senegal has fewer problems with stateness and political participation. However, the rule of law and social integration are deficient and concerns over a deteriorating political culture have been raised, not least in the context of delayed parliamentary elections. Generally, centralization of power with the president is very high.

1 | Stateness

Senegal draws upon a long tradition, albeit geographically limited in scope (four municipalities), of state structures modeled on the European experience, which dates back to the mid-19th century. The Casamance region was integrated relatively late into French colonial rule (1920). Although there is a rebel movement in Casamance, its majority has turned to political activities and renounced violence. For the most part, 2005 was a peaceful year, but fighting broke out again with a radical faction in August 2006 after two state representatives in the region were killed. The state is unable to control the separatist movement, which has yet to disarm. Despite the most recent demining operation, large portions of fertile areas remain inaccessible.

Monopoly on the use of force

The long and distinct tradition of the four municipalities and the pre-colonial states in most of Senegal's current territory shape the Senegalese identity. Though the conflict in Casamance questions the legitimacy of Senegalese authority, has not sparked broad-based opposition to the nation-state. There are no disagreements over the definition of citizenship in Senegal, although identification documents are issued slowly.

State identity

There is consensus on the separation of religious organizations and the state. Secularism is guaranteed by the constitution and religious parties are forbidden. While Muslim networks are important to the Senegalese population, politics in Senegal are not driven by religious convictions. The influence of young religious leaders on voting behavior – especially among voters under 28 years of age, who

No interference of religious dogmas

make up almost two-thirds of the electorate – appears to be growing. The president is a member of the Brotherhood of Mourides, but strongly defends the principle of a secular state. Christian minorities (about 5 to 8% of the population) practice their religion freely; founding President Senghor was Catholic.

State administration is present throughout the country, albeit less so in remote areas. Government administration shows functional deficiencies due to the lack of adequate (human) resources and poor infrastructure. Efforts to decentralize administration were poorly implemented.

Basic
administration

2 | Political Participation

Universal suffrage, free election campaigns and democratic elections are assured by the constitution. Despite its long electoral tradition, it was not until 2000 that Senegal held its first elections with results that went uncontested. Preparations for the upcoming electoral year (2007) clearly reveals mismanagement, including the inaccessibility of voters' registrations offices, edition of the voters' card, the nomination of the voters' offices and changes in the electoral law. For the first time, a permanent national election commission is surveying voter registration and vote counts, yet the precise set-up of the commission and its lack of funds is often the focus of political debates.

Free and fair
elections

The president has strong political powers in a highly centralized presidential system of government. Defects in voter registration processes led the president to allow the military, police and gendarmerie a vote for the first time, which drew criticism. However, the military remains under firm control; Senegal is one of the few West African countries that has never experienced a military coup.

Effective power
to govern

An inefficient state apparatus hinders civic groups and acts as the major hurdle to the effective control of elected representatives. The right to free assembly and freedom of the press are guaranteed in principle, but the government frequently fails to respect these rights; only 40% of planned demonstrations were authorized.

Association /
assembly rights

The press and radio stations are pluralistic and multiple in number. Relatively tight media laws sometimes lead to extra caution exercised in the coverage of issues involving the highest officeholders. In the recent past, police behavior toward journalists can be interpreted as attempts to intimidate critical voices against the president. The new Media Authority, which has been accused of political bias, was established in November 2006, one year behind schedule. Senegal is rated "partly free" by Freedom House's Global Press Freedom survey and its score dropped slightly from 37 (96th out of 194) in 2005 to 44 (78th out of 167) in 2006.

Freedom of
expression

3 | Rule of Law

The rule of law is formally obeyed in Senegal. Though perceived as a somewhat erratic politician, President Wade holds legal conduct in high esteem. While checks and balances are provided for formally, the political system is dominated by the president. Upon his election in 2000, Wade promised to “parliamentarize” the political system but has failed to carry through on this promise. Though office terms have been shortened, the president’s position is likened to paternalistic rule as it occludes the proper checks and balances. Postponed legislative elections (from April 2006 to February 2007) were perceived as a highly questionable move. The decision to extend the mandate rather than conduct early presidential elections was explained as an attempt to save money by synchronizing presidential and parliamentary terms of office. Interpreted, however, as a decision benefiting the specific interests of an internally fragmented ruling party, the government’s decision was challenged before the Constitutional Court, which approved the decision.

Separation of powers

The judiciary is formally independent and – in a few cases – has ruled against officeholders. Financial, cultural and language barriers preclude most ordinary citizens’ access to the legal system. The judiciary has also been used recently to intimidate journalists voicing criticism, ostensibly for reasons of “state security.”

Independent judiciary

Corruption further hinders the effective operation of an independent judiciary and there is no independent body fighting corruption. High-level corrupt officeholders are accused publicly by the press. The previous government as well as a potential contender in the 2007 presidential elections, former “crown prince” and ex-Prime Minister Seck, were systematically exposed to corruption allegations and inquiries. Corruption is endemic in the poorly paid public sector and remains an unacknowledged problem in the ranks of the governing parties. Yet, when aiming at the highest level, corruption allegations are regarded as political weapons.

Prosecution of office abuse

The inefficiency of state agencies effectively limits civil rights. There has been an increase of the violation of freedoms of expression and assembly. While the state of human rights in Casamance seems to have improved, critics point to violence waged against those opposing the president and intimidating actions carried out against some media. There is, however, no systematic violation of civil or human rights.

Civil rights

4 | Stability of Democratic Institutions

Democratic institutions in Senegal are largely accepted. Their capacity to act is limited by the notorious lack of human and physical resources characteristic of a least developed country. Democratic institutions' capacity to act is sometimes limited even further by the persistence of infighting, which is motivated largely by political competition and the need to place supporters and followers. This infighting has increased considerably in 2006, during the run-up to elections.

Performance of democratic institutions

Discontent with the current president is growing, but the legitimacy of democratic contests as such is not questioned by any significant political actor. Large parts of the Movement of Democratic Forces in the Casamance (MFDC), the political arm of the Casamance Movement, have renounced the use of force, but it has limited control over all of its armed members.

Commitment to democratic institutions

5 | Political and Social Integration

Patterns of representation are evolving and conflicts between the state and society are addressed. Given the level of economic difficulties, civic culture is relatively strong. Elections and referenda have had a very high turnout in the past (around 60% and 80%, respectively), although this level is likely to decrease. Despite a high level of personalization, party constituencies are recognizable, yet increasingly fragmented. The practice among officeholders of switching political affiliations before or shortly after elections has ended as changes in party coalitions emerge instead. The multitude of parties group along the lines of government vs. opposition and have formed frameworks for internal coordination. This has the side effect of reducing parliament's importance, as deals are struck informally in these coordination meetings beyond the formal institutions.

Party system

Traditionally, religious authorities have been co-opted by government. Their immediate involvement in politics, however, has decreased in total while there are new forms of youth mobilization among charismatic religious leaders often supporting President Wade. The network of interest groups is relatively thin and concentrated in urban areas (about half of the population). Rural representation is difficult to achieve. International pressure groups generally are more capable of mobilizing greater leverage over decision makers. Senegal's associations enjoy a rich life by sub-Saharan African standards. High expectations combined with few economic results have increased the public's dissatisfaction with the political system's ability to deliver.

Interest groups

The democratic system as such is not substantially challenged. According to a 2002 Afrobarometer survey, 75% of all respondents prefer democracy to any other kind of government and reject strongly authoritarian alternatives such as military rule and a one-party state.

Consent to democratic norms

Self-organized associations such as savings groups (tontines), hometown and youths' associations or religious groupings of a religious leader (marabout) are relatively common throughout the country. The level of trust beyond the political system is comparatively high within society.

Associational activities

II. Market Economy

Senegal abandoned its moderate version of "African socialism" in the late 1990s and has a market economy. The liberal government in power has, however, had little impact on the structure of the Senegalese economy. The country seeks foreign investment for large projects, but also welcomes better investment opportunities for Senegalese entrepreneurs. As a least developed country, choice is limited for a large portion of the population.

6 | Level of Socioeconomic Development

Senegal is a least developed country. Social marginalization is widespread and structurally embedded. Senegal ranks 156th out of 177 countries on the Human Development Index 2006. Between 1990 and 2004, one-third of the population was living below the national poverty level. Almost two-thirds of the population lives on less than \$2 a day. Poverty is particularly widespread in rural Senegal. Re-occurring droughts and plagues of locusts, such as those in 2004, negatively affect the rural population's livelihood and add to the trend of increasing urbanization. The educational system is in constant crisis and urban employment opportunities are very limited; Senegal receives a low 0.39 on the UN Education Index. The unemployment rate is estimated to be around 50%.

Socioeconomic barriers

Economic indicators		2002	2003	2004	2005
GDP	\$ mn.	4,982	6,410	7,627	8,238
Growth of GDP	%	1.1	6.5	6.2	5.1
Inflation (CPI)	%	2.2	0	0.5	1.7

		2002	2003	2004	2005
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	1.6	0.8	1.0	0.7
Export growth	%	3.2	0.1	3.6	3.1
Import growth	%	6.6	4.1	5.9	1.9
Current account balance	\$ mn.	-316.8	-436.6	-513.1	-
Public debt	\$ mn.	3,506.3	3,921.4	3,440.4	3,467.4
External debt	\$ mn.	4,085.6	4,366.7	3,825.2	3,792.9
External debt service	% of GNI	4.5	3.9	4.5	2.4
Cash surplus or deficit	% of GDP	-	-	-	-
Tax Revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	13.3	13.4	13.9	13.6
Public expnd. on edu.	% of GDP	3.6	-	4.1	5.4
Public expnd. on health	% of GDP	2.1	2.1	2.4	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.4	1.4	1.4	1.5

Sources: The World Bank, World Development Indicators 2007 | UNESCO Institute for Statistics | Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security

7 | Organization of the Market and Competition

Senegal has only a basic institutional framework for a market economy. The informal sector creates more jobs than the formal economy. The liberty to establish a business can be hampered by poorly functioning public institutions. However, economic freedom is largely guaranteed and the state has increasingly withdrawn from economic activities in the last decade.

Market-based competition

Monopolies persist in some crucial sectors, but are increasingly subject to tender procedures. Given the limited starting position of the formal economy, monopolies are easily established, although not actively fostered by the state. A large number of state monopolies, including that on peanut marketing, have been broken up in the last years, often badly managed so. The implementation of these reforms was often interrupted, as seen in the case of the electricity company,

Anti-monopoly policy

Sénélec. The state of assets and consequently, the need for long-term investments, does not necessarily attract (foreign) investors.

Foreign trade reform is relatively advanced and the market relatively open, not least due to regional integration. Several decisions pertinent to trade reform, including tariff reductions, are made within the West African Economic and Monetary Union (WAEMU). Average growth rates have been at around 5 to 6% in the last five years with a slight cutback estimated at 3% for 2006. This was due mainly to the crisis in national industries such as the chemical sector and cement, and trends in the world oil market. Declared strategic sectors such as tourism, agro-business, textiles and fishing have been quite disappointing. Economic framework conditions in Senegal remain relatively poor; the country was rated B+/B by Standard & Poor. Corruptions coupled with administrative limitations continue, posing a practical obstacle particularly for small traders.

Liberalization of
foreign trade

Restructured in the mid-1980s and stable, the banking sector is guided by a strong regional bank (BCEAO). Though diversified in terms of numbers, the Heritage foundation considers the banking system to be highly concentrated with three banks holding two-thirds of deposits. Access to small credit sums however, remains a problem for small entrepreneurs in particular.

Banking system

8 | Currency and Price Stability

Senegal is a member of the CFA franc zone; its currency is thus pegged to the euro and guaranteed by the French treasury. The West African regional bank is fully independent of politics in West African states and inflation is continuously low, excepting the post-devaluation period in 1994.

Anti-inflation /
forex policy

One factor of uncertainty is the war-like situation in a number of West African CFA franc countries, including the region's biggest economy, Côte d'Ivoire. The conflict did not have major repercussions for Senegal—yet. A weak infrastructure has kept Senegal from realizing hopes of acting as a new trade hub. The Senegalese government is running a long-term budget deficit, which debt cancellation in 2005 managed to reduce to around 5%. Generally committed to stability, institutional safeguards are low. The West African Economic and Monetary Union (WAEMU) has instituted a stability pact on par with that of the euro zone, yet compliance with its rules is not enforceable, not unlike in the euro zone.

Macrostability

9 | Private Property

Property rights are guaranteed and generally respected. The legal defense of property rights is, however, unsatisfactory because of shortcomings in the judiciary (capacity and corruption, plus inaccessibility for most citizens, as

Property rights

described above). Conflicts over land rights are frequent because of the concurrence of traditional and modern law on land property.

Private, mostly small enterprises in the informal subsistence economy are the backbone of the dynamic sectors of the economy. Several large state companies have been privatized in the last decade and largely opened to foreign investment. Room was made for small shareholders during the privatization of several sectors, including telecommunications, water utilities and transport. The administration under Abdoulaye Wade is aiming at investment possibilities for Senegalese entrepreneurs. Yet, the scarcity of capital in Senegal leads to a high number of shares for a few investors and persistent problems with privatization in some sectors, such as electricity.

Private
enterprise

10 | Welfare Regime

Encompassing employees of the formal sector only, Senegal's welfare regime is rudimentary. According to the International Labor Organization, 80% of the population is not covered by formal social security schemes, such as health care. The prevalence of HIV/AIDS among the population is relatively low (0.9% in the overall population, estimated to be much higher in some risk groups such as sex workers). Extended family networks are the fallback option for most Senegalese, and are particularly important for the elderly in a society without a functioning pension scheme. International migration provides a major source of income, and may be considered a livelihood strategy for families. Remittances amount to an estimate of 9 to 16% of the GNI.

Social safety nets

The education sector is inadequate and below the average sub-Saharan standard. Once again, teachers waged long-lasting strikes in 2006. In principal, women and men have equal rights. Discrimination in labor and family law persists, but has recently been put on the political agenda for re-examination. Women have formal access to high positions in urban areas; the prime minister from 2001 to 2002 was female. Yet, women remain under-represented in leading positions at all levels of public administration. There are no affirmative action or quota systems in place. Especially in rural areas, traditional and cultural restraints on choices for women persist. Genital mutilation is not practiced by the largest ethnic group in Senegal and it is outlawed in the country. Law enforcement, however, is particularly difficult in remote areas.

Equal opportunity

11 | Economic Performance

Since the devaluation of the CFA franc, the economy has shown a growth rate of approximately 5 to 6% annually since 2000. The 2006 trend shows a slow down

Output strength

to a 3% growth rate, which has no positive effect on poverty eradication. Macroeconomic performance is highly dependent on harvest results that fluctuate due to harsh climatic conditions. Inflation is negligible and estimated to have been at an average 1.5% between 2001 and 2005. The government deficit is estimated to have been at 0.8% of GNI, after 1% in 2003. No data is available on unemployment; it is estimated to be high, especially among the urban youth (above 50% at least). Dissatisfaction and slow tangible progress has resulted in high emigrant pressure to Europe from Senegal. Despite a still fairly low rate of inflation, Senegal will have difficulty in catching up economically because of its weak starting position and persistent rapid population growth. Having been reclassified as a Least Developed Country in 2001, Senegal qualifies for more advantageous credit conditions. President Wade is a strong supporter of the NEPAD initiative. His economic program focuses on a strategy of high-growth promoting key economic sectors (textile, arts and handicrafts, agro-business, teleservices and fishing) and large infrastructure projects.

12 | Sustainability

The supply of potable water is a persistent problem, particularly in the rapidly growing capital, Dakar (circa 4% annual population growth). Environmental concerns are voiced and considered by the administration, not least due to experiences with floods or locust plagues. However, economic and demographic pressure is usually stronger and immediate. Overfishing by the strong Asian presence, European licensees and small local fishing businesses are increasingly endangering Senegal's fish stock, one of its key economic resources. The country has little natural wealth and is predominantly arid; fish and peanuts are the main exports. The peace process in Casamance could enable the country to develop its agricultural potential in the southern, more fertile regions, where inter alia cotton is produced.

Environmental
policy

Senegal must develop more of its human potential for sustainable growth. The current education system, for instance, is largely insufficient and cannot provide sufficient capacity and quality for the number of pupils and students. Senegal has two state universities and several private tertiary education institutions of varying quality.

Education policy
/ R&D

Transformation Management

I. Level of Difficulty

The level of difficulty in Senegal is generally high. While some inefficiency at the government level can be observed, they pose neither the only nor the greatest constraints. The deficient capacity of Senegalese authorities is a key factor in governance shortcomings. Structural constraints on governance are very high. Poverty is widespread (two-thirds of the population live on less than \$2 a day), the climate harsh and population shifts toward urban centers increase demographic pressure, particularly on the capital Dakar. On the other hand, vast and sparsely populated areas in the country's eastern region are difficult to supply with public services. An underdeveloped infrastructure throughout large parts of the country affects poorer areas in particular, but places constraints on economic activities in general. Current economic growth rates have been to a large degree due to beneficial weather conditions for crops and the boom in the construction sector financed by migrants; this upwards trend, however, is not reliable.

Structural
constraints

Traditions of civil society exist, and are relatively well-established. Some organizations date back to French colonial rule, when four municipalities in Senegal were part of France. Currently, hometown associations are active particularly among migrants, and human rights groups act as watchdogs in urban areas. Most local NGOs are constantly challenged by the lack of funding. The resulting high dependence on donor funding and concentration of activity in the capital might have a negative effect on the representativeness of these associations.

Civil society
traditions

Despite the prevalence of several ethnic groups (the largest group, the Wolof, comprises only 40% of the population), ethnic cleavages are not a central feature in Senegalese life. With the exception of the Casamance region in the south, ethnic sensitivities are moderate. Ethnic groups in Senegal are closely related and have maintained strong links that reach as far back as the Malian empire of the 12th century and successive Wolof kingdoms in the 17th and 18th centuries. Senegal's colonial experience with four municipalities having been integrated within France and represented in the French Assemblée Nationale has also

Conflict intensity

shaped a common identity that lies beyond ethnic loyalties. While political parties have certain strongholds (e.g., the African Party for Democracy and Socialism, PADS, is particularly strong in the Upper Casamance with its leader Casamançais), they are represented and voted for throughout the country. Religious tolerance is deeply rooted throughout society and faith is not a source of political conflict.

II. Management Performance

Senegal is facing a high level of difficulty in economic management. Nevertheless, all key political actors are committed to reform and have established a consensus on most foreign and macroeconomic policy. The focus on the person of the president encourages a very centralist style of government. President Wade has fostered this centralization by his high frequency of sacking governments. Senegal has seen four governments within the last four years, despite the governing coalition's broad parliamentary base.

14 | Steering Capability

The Senegalese government can formulate long-term strategies relatively well. Abdoulaye Wade was – inter alia – a driving force in establishing the NEPAD initiative. His Plan Omega was merged with similar initiatives by the presidents of Nigeria, South Africa and Algeria. The new administration established an investment agency that is actively seeking foreign investment in the country. Though launched, the strategy for accelerated growth failed to spur the key economic sectors so far. The public sector's poor performance limits Senegal's attractiveness to foreign investors. Senegal's government has continued privatization policies since the late 1990s, with a slightly more nationalist twist since Abdoulaye Wade's administration took office. In response to increasing pressure for tangible economic success and concerns over growing out-migration of youth, the government initiated a program in July 2006 to foster rural development.

Prioritization

While the government is committed to democracy and economic reform, its range of movement is limited by economic constraints, inadequate administrative capacities and party rivalries within a coalition government. The latter frustrates attempts to implement structural reforms in the public service. Political parties in Senegal do not differ conceptually from one another; rivalries tend to be personally, not ideologically motivated. Senegal has a highly centralized political system and much depends on the personal capabilities of the president, as expectations focus on his actions.

Implementation

The president does periodically adjust his decisions in response to public criticism and international opinion. Particularly with respect to foreign policy, Wade has learned from past mistakes and improved his diplomatic skills. The office of prime minister has functioned as a “buffer” between the president and the Senegalese public.

Policy learning

While Abdoulaye Wade’s leadership is driven by a clear reform agenda, reforms are at times ad hoc and subject to abrupt change; many decisions are made by the president behind closed doors and alienate former close allies. His erratic style and emphasis on foreign policy is subject to strong criticism in Senegal. Popular support for Wade remains strong, even though the presidential race for 2007 appears to be no easy game for the incumbent. The main question is whether the deeply divided opposition around the Socialist Party will unite against Wade in the second ballot. One of his main challengers, former Prime Minister Idrissa Seck, was apparently leading in polls at one point, which prompted the president to postpone elections. Parliament passed this decision, raising questions about the legitimacy of allowing incumbents to extend the legislative period.

15 | Resource Efficiency

Despite a clear majority of the ruling coalition in the National Assembly, Senegal has seen frequent government change. Personal rivalries between the president – who is more than willing to interfere – and prime ministers have resulted in dismissals. The current incumbent, Macky Sall, seems to be working to the president’s satisfaction, though, and has been in office since April 2004. The state budget runs a deficit of up to 5%. Senegal has met most of the WAEMU targets in the last years. A balanced budget, however, is not to be expected – due not in the least to capacity constraints in the Ministry of Finance.

Efficient use of assets

Since 2002, Senegal has a Poverty Reduction Strategy Paper (PRSP) to guide political decisions that is supported by a medium-term expenditure framework. The 2004 budget is based on the PRSP (increase in social spending) and the WAEMU convergence criteria (reduction of the budget deficit). The high number of ministries and lacking capacity, however, make coordination a particularly challenging problem.

Policy coordination

The president has officially denounced corruption and carried out “les audites” after assuming power. This inquiry into corruption in the previous government created an institutional body aimed at battling fraud and corruption that is underfinanced and thus not operational. According to Transparency International, the perceived level of corruption in Senegal is on par with that of China or Ghana. The country, however, was ranked above Gabon, Tanzania or Mali in 2006. In the public debate, the ruling party reacts quite sensitively to

Anti-corruption policy

accusations of funding abuse within its ranks, despite the dismissal of Prime Minister Seck, who was accused of corruption and being a threat to public security.

16 | Consensus-Building

President Wade's political leadership is capable of seeking pragmatic coalitions to pursue his political goals. Even though he has lost smaller coalition partners over time, he managed to bring the opposition Union for Democratic Renewal (URD) into government – a move intended to split the opposition rather than build a consensus. However, democratic principles as well as (market oriented) economic and foreign policies are based largely on a consensus among the Senegalese elite.

Consensus on goals

Religious leadership, after some attempts at political influence in the 1980s, is active primarily in spiritual and moral issues rather than shaping party policies. Criticism of the political and economic system is marginal – an expression of degree rather than fundamental disagreement. In the past, religious leaders were excluded from direct political involvement through co-optation by capable politicians. In the late 1990s, most religious dignitaries – co-opted by the then highly unpopular PS government – realized that involvement in politics harmed their position within their communities, particularly in the cities. As a new phenomenon, three young charismatic religious leaders have appeared acting as pro-Wade demagogues and businessmen at the same time. They are reportedly extremely popular among young urban street sellers. For the most part, however, voters increasingly ignore voting endorsements by religious figures. The military, as a potential veto actor, was given voting rights for the first time in 2007.

Anti-democratic veto actors

Political cleavages in Senegal are generally contained within the political system. Ethnicity does not play a strong role in party politics, and ideological confrontation is limited. The Casamance conflict has been the only exception in the last 20 years. Party lines were more permeable in the past, which facilitated detachment among political elites. There is little active support for the cultivation of civic engagement. Emigration pressure and political pressure from Europe to contain emigration places the Senegalese government in a difficult position. It has responded by focusing on rural areas with its thus far unpopular and unsuccessful "Back to Agriculture" program. There are increasing pressures placed on the government to deliver on economic promises; the lack of progress undermines the government's ability to trigger civic engagement campaigns.

Cleavage / conflict management

The government responds to voiced views within civil society. For example, human rights organizations and the association of market traders are acknowledged voices in public discourse. However, elected representatives and special committees of the governing party (e.g., on women or youth) are preferred over civil society organizations outside of party politics.

Civil society participation

The government has succeeded in facilitating conflict resolution in southern Senegal, where the situation was calm throughout 2005 but flared up once again in 2006. The re-escalation in 2006 was largely due to a radical split within the Casamançais opponents. Beyond the Casamance conflict, political observers have been concerned about increasing tensions in Senegalese politics. Citing reasons of “state security,” the police searched media offices after an interview with a Casamançais militant leader. The publication of a book by a journalist known for his criticism toward the government triggered a political scandal. The death of a governor in the Casamance and a rebel leader in the end of 2006 and beginning of 2007 respectively have brought the peace process to a near standstill. Rival rebel groups have entered into armed confrontation over succession issues within the hierarchy of peace negotiations.

Reconciliation

17 | International Cooperation

Together with his counterparts in South Africa, Algeria and Nigeria, President Wade was one of the driving forces behind the NEPAD initiative. He is an ardent advocate of partnership with the G8 and nations across the African continent. At times, relationships with the IMF have been strained by divergent views of political priorities, particularly when it comes to modalities and timetables for privatization efforts. It remains to be seen if NEPAD results in increased funding and whether these funds will be used sensibly to create sustainable economic growth. Thus far, the Wade government’s planned large-scale projects have yet to materialize. Talk of a new airport, harbor, railways, coal power plant, monuments, universities, toll roads, etc. goes as far as to suggest the construction of a new capital beyond the Cape Verde Peninsula. There is much debate over the impact such plans currently have on economic development and their potential impact is contested.

Effective use of support

Senegal has been a reliable partner of the international community and has signed up to the African Peer Review Mechanism (APRM) within NEPAD. However, Senegal’s commitment to the APRM is not a public priority and the country failed to meet the APRM deadline in December 2006. Ties with France and the European Union are traditionally strong; France maintains a military base in Senegal with 600 soldiers. President Wade has also attempted to strengthen ties with the United States, and Senegalese troops have participated regularly in peacekeeping missions of the United Nations. End 2005, Senegal

Credibility

restored full diplomatic relationship with China; in the past, Taiwan had been the preferred partner.

The peace process in Casamance, albeit sputtering, might also improve the relationship with the Gambia and Guinea-Bissau; both were accused of supporting the militant arm of the MFDC. Relations with Guinea-Bissau remain shaky, where political development is important to stability in the Casamance province. Senegal's relationship with its southern neighbor improved when a civilian government was appointed in Bissau. Guinea-Bissau, however, is an uneasy neighbor as it lacks the capacity to control its territories and the borders to Senegal – even if the political will were there. In contrast to previous years, the Senegalese government employed diplomatic interventions rather than military intervention. Senegal's relationship with Mali is generally good, and Senegal has become an important outlet for produce of landlocked Mali, not least due to the persistent conflict in Côte d'Ivoire. President Wade is a devout pan-Africanist and plays an important role in the African Union.

Regional cooperation

Strategic Outlook

Senegal is likely to remain a stable electoral democracy with a largely stagnant economy. The presidential race and parliamentary elections in 2007 are likely to pose President Wade with a considerable challenge. The political landscape is highly fragmented, making the formation of a governing coalition after a bitter and fierce election campaign difficult. Wade also faces serious concerns over his age; rumors about his health already negatively affect his position. However, the opposition's fragmentation and volatility as well as increasingly visible improvements to infrastructure bode well for Wade's chances of re-election. Negotiations between Wade and his biggest challenger, Idrissa Seck, proved unfruitful. The prospects of peace in the Casamance are good, as leaders at the highest levels and the majority of the population remain committed to the peace negotiations. The death in December 2006 of the Movement of Democratic Forces in the Casamance (MFDC)'s political leader, Abbe Diamancouné, has spelled for uncertainty as there is no clear successor to his leadership. The highly factional MFDC could become an even more difficult partner; there are reports of military infighting among MFDC factions. How to address the open question of ending the military confrontation with the radical faction has not been answered yet. Gambia has arrested some radical leaders on its territory, but relations with Guinea-Bissau are sure to remain difficult.

Economically, Senegal will remain weak. Structural challenges must be tackled before sustainable and tangible growth for large parts of the population are achieved. Yet, time is a scarce resource with mounting emigration pressure and subsequent international pressure to curb illegal emigration into Spanish territory. While Senegal does not suffer from the "resource curse" that has arguably limited the Casamance conflict, its economic base is small. Growth rates depend largely on oil prices and the financial restructuring of national companies in the field of chemicals, electricity and cement. Senegal benefits from the conflict in Côte d'Ivoire, as a greater share of Malian goods are routed over Dakar. Investment into infrastructure will add to growth rates, but will not result in immediate gains for larger parts of the population. It is unclear what the rural development program initiated in July 2006 might achieve. Partly a response to the emigration problem, the program is also seen as having emerged from President Wade's need to give his popularity a boost during the run-up to elections. Almost 50% of Senegal's population is concentrated in urban areas, a percentage that is likely to grow and thus pose new challenges to the government's capacities.