

BTI 2012 | Togo Country Report

Status Index	1-10	4.57	# 92 of 128	
Political Transformation	1-10	5.00	# 74 of 128	➔
Economic Transformation	1-10	4.14	# 106 of 128	➔
Management Index	1-10	4.95	# 67 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.	6.0	HDI	0.435	GDP p.c.	\$	998
Pop. growth ¹	% p.a.	2.1	HDI rank of 187	162	Gini Index		34.4
Life expectancy	years	56	UN Education Index	0.473	Poverty ³	%	69.3
Urban population	%	43.4	Gender inequality ²	0.602	Aid per capita	\$	75.4

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

Executive Summary

Togo has made some progress in political and to a lesser extent economic transformation, but not as much as hoped for at the beginning of the period under investigation in 2009.

In 2009 domestic politics were dominated by preparations for the decisive 2010 presidential elections and by the escalation of a feud within the ruling Gnassingbé clan. This culminated in April 2009 in an alleged plot to stage a coup, led by Kpatcha Gnassingbé, the younger half-brother of the head of state. It was claimed that the alleged plot also involved other members of the family, who were still in detention without official arraignment at the end of 2010. The international donor community rewarded political reforms. Economic growth was negatively affected by the global economic and financial crisis. The non-violent presidential elections of 4 March 2010 ended in another five-year mandate for Faure Gnassingbé. Although marked by considerable irregularities, the elections were considered largely credible by the international community and thus enhanced the legitimacy of the incumbent. A major cause of the defeat of the Union of Forces for a Change (Union des Forces du Changement, UFC), the main opposition party, was its growing internal divide between the “old guard” and “young Turks” which led to a split. UFC leader Gilchrist Olympio, an adversary of the Gnassingbé regime for decades, saw his hopes of becoming president dashed and entered the government of national reconstruction, whereas the presidential candidate of the party, Jean-Pierre Fabre, together with its majority faction founded a new radical opposition party. The European Union and the international community followed a “laissez faire” approach in dealings with Togo in the interest of stability and their own national interest. A World Bank review of the economy revealed a remarkable shift of exports caused by the ailing phosphate and cotton sectors as well as enduring deficits in good government.

History and Characteristics of Transformation

Togo wrested its independence from France on 27 April 1961. The murder of the first president of the newly independent Togo, Sylvanus Olympio, on 13 January 1963 by a group of Togolese veterans of the French colonial army, led by sergeant Etienne Gnassingbé (later called Eyadéma) opened up a Pandora's box. It was the first violent coup in the history of independent sub-Saharan Africa. Although the coup was unanimously condemned by the Organization of African Unity (OAU) at first, no action was taken by other African statesmen. After another coup d'état ousted President Nicolas Grunitzki, the now Lt. Col. (later General) Gnassingbé Eyadéma became president of Togo in 1967. Establishing a one-party government, Eyadéma ruled as Togo's authoritarian head of state for 38 years. He took advantage of the support of Western countries who appreciated Togo's capitalist orientation and its unwavering support for Western positions in East–West cleavages. General Eyadéma went almost unchallenged until 1990. For decades Togo existed on a drip of considerable development aid, which represented 40% to 82% of real GDP p.a. Any efforts by the mostly clandestine opposition to expand freedom and democratic participation were undermined.

In July 1991, influenced by the implosion of the Soviet empire and by apparently successful democratization efforts in a number of African countries – including neighboring Benin – a Sovereign National Conference was organized with the objective of deciding on the country's new constitutional and political order. The assembly opted for a semi-presidential system and elected an interim prime minister. Four months later, however, President Eyadéma ordered the army to attack the interim government, re-establishing his dictatorial power.

The presidential elections that followed in 1993, 1998 and 2003 were not organized democratically, prompting major opposition groups to boycott them, which in turn resulted in overwhelming victories for Eyadéma. Attempts by opposition groups and civil society organizations (CSOs) to challenge the government through demonstrations and general strikes were brutally crushed in 1994 by the army and security forces. The political persecution of opponents in the following two years triggered a hitherto unknown wave of politically motivated migration of some 350,000 refugees to neighboring Benin and Ghana or to Europe. Political resistance gradually lost out to apathy, pessimism and frustration.

In 1993 the European Union and major bilateral donors like Germany suspended their development cooperation with Togo because of gross human rights abuses, despite the close ties Eyadéma maintained with the French President Jacques Chirac.

Notwithstanding Togo's political support from Paris, the suspension of international aid and the decline in investments had severe effects on the country's economy. These effects were exacerbated by general apathy and the loss of human resources resulting from the out-migration of highly qualified Togolese citizens.

When Gnassingbé Eyadéma died unexpectedly in February 2005 after nearly four decades of autocratic rule, Togo became a test case for indigenous democratization efforts in African states.

In defiance of the country's constitution, the military proclaimed Faure Gnassingbé, the son of the late president, as the new head of state. Widespread international protests compelled the new president to call presidential elections on 24 April 2005. Despite international protests against massive electoral irregularities, Faure Gnassingbé was sworn in as president on 4 May 2005. The majority of the Togolese population protested against this manipulation of the public will, but the military brutally cracked down on the protests. About 700 people died, and more than 40,000 citizens migrated into neighboring countries.

The economy of the country declined further. Finally, massive international pressure forced the antagonists of Togo's political class into negotiations, which included the opposition political parties and civil society groups. This resulted in the so-called Global Political Accord in August 2006.

The first free parliamentary elections took place on 4 October 2007. The governing party, Rally of the Togolese People (Rassemblement du Peuple Togolais, RPT) won an overwhelming majority in parliament with 50 seats to the opposition's 31. The fact that the RPT could achieve this broad margin with slightly more than a third of the general vote can be explained by the biased system of representation in which the less-populated north, the fief of the Gnassingbé clan, has more members of parliament than the more populated south. The 2010 presidential elections constituted the real challenge, however, to a sustainable process of transformation in Togo.

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

The state's monopoly on the use of force is guaranteed in principle. However, there is a long standing culture of impunity for extra-legal killings committed by the security forces. The army, gendarmerie and police are loyal to the incumbent president. This loyalty goes back to historically strong ethnic (Kabiyè) and personal links between the army leadership and the president's extended family. According to U.N. reports, there are indications that Togo may be becoming a transit country for international drug smuggling – in particular cocaine. In early December the accounts of Togo's diplomatic representatives at the UN in New York were blocked because they were allegedly used for money laundering and drug trafficking. With the forced departure of Faure's half brother Kpatcha from the ministry of defense, and his imprisonment in 2009 because of alleged involvement in a coup attempt, there are signs of an emerging opposition to the president both within his own extended family and among hardliners within the ruling RPT and the army. However, all the security-relevant portfolios in the new coalition government appointed by Faure Gnassingbé at the end of May 2010 remained firmly in the hands of the RPT. In addition, the command of the armed forces was restricted to a few selected personnel, all from the same ethnic group as the president (Kabiyé). For example, Col. Pitalouna-ani Laokpessi, the former security minister, now special security advisor to the president (the ministry of defense remained attached to the presidency, as its former minister, Faure's half brother, Kpatcha Gnassignbé was imprisoned because of an alleged coup d'état); Awa Beleyi (chief of staff), was replaced in December by the newly promoted Brigadier Atcha Titikpina, the former interior minister renowned for his brutal suppression of the 2005 upheaval; General Eindrè Gnakouafré (army), and Awoki Panassa (gendarmes).

Aside from the historical domination of Togo's political administration by northerners, there are remarkable tendencies for a politically instrumentalized xenophobia, notably concerning the politics of "Togolité," as codified by the

Question

Score

Monopoly on the
use of force

8

State identity

9

revision of the constitution of 2002. With this, exiled opponents (like former opposition leader Gylchrist Olympio), and refugees were treated as “foreigners,” who could not qualify for public office. Another example is the differentiation between “authentic,” “original,” or “true” Togolese, propagated by government media vis à vis the so-called “Southern immigrants,” i. e., the Ewé ethnic group, which immigrated centuries ago from neighboring Ghana. However a “banal” everyday nationalism and a sense of belonging to the nation has developed over the past decades among the population. This sense of nationhood can be observed during international sports events when the Togolese celebrate their national pride. Tensions between ethnic groups, particularly those between the politically dominant northerners and the economically more active southerners, still play a greater role in limiting the rule of law.

The formally established religious groups – Christians (Catholic and Protestant) and Muslims – seek to play a neutral or constructive role in the political system and to make democracy more vibrant, as was observed during the 2007 elections. The New Evangelical and Pentecostal churches are less active in secular public life, but they do not constitute a danger to the political system either. However, at any time there could be a revival of the past instrumentalization of African religions and occult belief systems by the ruling powers for political means, and politically motivated witch hunts approved by the defunct Eyadéma regime. This indigenous belief system is still the underlying current of all religious beliefs regardless of their formal orientation. This indigenous belief system was – and probably is – not restricted to the person of late General Eyadéma, nor to the ideological underpinning and legitimization of the worldly power of the head of state, but encompasses nearly all levels of public administration from the top down to the level of simple district heads.

Although the state’s basic administration extends throughout the entire territory, it is functionally deficient. It continues to suffer from the parallel structures of formal and informal institutions (e.g., traditional chieftaincies) inherited from colonial rule. The role of traditional chiefs was adapted in decades of despotism to the needs of the ruling elite by the politics of “authenticity”(i.e., the reference to (re-invented) traditional rules), and by the forced “alignment” of chiefs in the National Confederation of Traditional Rulers of Togo (NCTRT) created in August 1969. In addition, the legitimacy crisis left behind by decades of despotic rule and growing corruption in a fragile economic environment are barriers to good government and a transparent administration. The state’s administrative organizational structure is centralized. The devolution of the administrative system was one of the commitments made to the European Union before economic sanctions could be lifted. However, it was not until the end of 2008 that the government made its first tentative moves toward implementing devolution. The first ever local elections are planned for 2011.

No interference of religious dogmas

9

Basic administration

6

2 | Political Participation

Compared to previous elections in Togo, the parliamentary elections of 4 October 2007 were reasonably free and fair. The campaign period, the casting and counting of votes and the announcement of results were free of violence and generally transparent. Political parties were able to organize rallies without any major disturbances. However, the present composition of the Togolese constituencies favors the governing RPT tremendously in legislative elections. With only 39% of votes cast, the party was able to win 50 out of 81 seats in the National Assembly. Correcting this situation is one of the opposition's most salient demands for electoral reform. The donors' demands and the government's commitment to change have not been honored at time of writing. However, the May 2010 coalition agreement between the ruling RPT and the UFC envisaged the implementation of crucial institutional reforms already outlined in the 2006 comprehensive global political accord. This notably concerned conducting a population census within six months (between 6 November and 21 November), the compilation of a new trustworthy electoral register, the adjustment of constituency boundaries (which were biased in favor of the RPT) and holding the endlessly delayed local elections.

The presidential elections of 4 March 2010, although overshadowed by an atmosphere of tension and suspicion, finally passed off largely peacefully, contrary to the rigged elections of 2005 with their bloody aftermath. Apparently the Gnassingbé regime had learned its lessons from the past. It was eager to boost its irregularly acquired power through legitimacy provided by peaceful elections, which, although largely credible in the trend of the overall outcome, were neither free nor fair. The acting head of state won the elections with a comfortable margin, ahead of six competing candidates, with 60.9% or 1.24 million of 2,040,546 valid votes. His nearest rival, the UFC's Jean-Pierre Fabre won 33.9%. The third-placed, Yawovi Agboyibo of the Comité d'Action pour le Renouveau (CAR) gained just 3%. The relatively low turn-out of 65%, compared with 85% at the 2007 legislative elections, was interpreted by EU observers as a sign of the opposition's general disappointment with the biased organization of the electoral process. In addition, the EU observers' report listed numerous flagrant irregularities, notably concerning the process of vote aggregation and transmission at the local and regional level. The EU chief observer, José Manuel García-Margallo y Marfil, declared openly that he had no proof whatsoever confirming who had won the elections. However, because the obvious irregularities presumably did not affect the victory of the incumbent Faure Gnassingbé, the more diplomatic final statements of the EU (published three months later) and of other international election observers (ECOWAS, AU, Organisation Internationale de la Francophonie mission), unanimously conceded a largely credible, free and fair election, apparently out of overriding interest in the stability of the country. Although the incumbent won all 24 prefectures in four

Free and fair
elections

5

northern regions, and the opposition won in the seven prefectures of the densely populated Maritime region, the election results revealed a gradual renunciation of established configurations of ethnic or regional voting and the North–South divide in voting patterns. Both the president and the opposition leader gained unprecedented scores in the former heartland of their adversary. The constitutional court validated the election results on 18 March 2010, rejecting five candidates' complaints. Thus the outgoing president was re-elected for a second five-year term and sworn in on 3 May 2010. The major opposition parties UFC and Action Committee for Renewal (CAR) discarded this decision and called for street protests which were rapidly quelled by the police. However, in view of the emergent schism within the opposition, the subsequent weekly protests organized by UFC hardliners petered out within months. Apparently the population was tired of being used by the particular interests of a disunited oppositional elite after a history of political oppression by the highly militarized regime.

Given severe constraints in the quality of elections, the government cannot be considered fully democratically elected. However, the president has the full support of the country's administration as well as that of the security forces. He does not face any major structural constraints in putting his decisions into practice. The prime minister needs the president's support more than that of parliament if he wants to implement important pieces of policy. However, the president does not yet enjoy full democratic legitimacy, and it remains to be seen whether the powerful military will remain loyal to the president in spite of countervailing pressure by hardliners within the army.

Effective power to govern

2

The guarantee and protection of freedom of assembly and association rights have improved during the last two years. However, limitations, particularly on assembly rights, persist. Thus, after the presidential elections of 4 March 2010, and the illegal confiscation by the security forces of the UFC's parallel tabulation of election results on the national level, the major opposition parties, UFC and CAR, contested the apparently rigged election results and called for street protests which were rapidly quelled by the police. However, in view of the emergent schism within the opposition, the subsequent weekly protests organized by hardliners of the UFC petered out within months. Apparently, in view of the history of violent oppression in the past and the apparent abuse of elections by particular interests of a disunited oppositional elite, the population was tired of being used as a means to power.

Association / assembly rights

6

There is a wide range of daily and weekly newspapers, a vibrant private press, a large number of radio stations and three TV stations that send news regularly. In addition, a number of foreign stations can be followed freely. Freedom of speech and freedom of the press are guaranteed by law, but the law is not always respected. The High Authority of Broadcasting and Communications (HAAC), intended to protect press freedom and to ensure basic ethical standards, is heavily biased in favor of the government. During the electoral campaign of the 2010 presidential

Freedom of expression

6

elections it neither corrected the disguised pro-government and RPT campaigns of the state media, nor the apparent tendency of state media to give negative reports on the opposition, whereas it acted as a hidden censor of the private press. During 2010 the Ganssignbé family sued about 12 different newspapers, following false allegations about the involvement of Mey Gnassingbé, a half-brother of the president, in drug trafficking. After critical evaluations of court rulings by the New-York-based Committee to Protect Journalists (CPJ) and other CSOs, the president withdrew petitions lodged against five newspapers. Freedom House's 2010 Global Freedom of the Press Ranking considers press freedom in Togo to be "not free."

3 | Rule of Law

The 1992 constitution established the legal framework for a presidential multiparty system in Togo. The president is elected for five years. In a "constitutional coup" at the end of 2002, the majority of the RPT in parliament (put in place by rigged elections) voted for a change of the constitution in order to guarantee the continuity of the political power of the Eyadéma clan in three crucial domains. Firstly, it changed Article 59 of the constitution, which now allowed for a third term of office of the president. Secondly, it revised Article 62, which in its new form reduced the minimum age of presidential candidates from 45 to 35 years, to allow the candidature of Faure Gnassingbé, the young heir to the throne of his father. Thirdly, it effectively excluded the major opposition candidate, Gilchrist Olympio, from the electoral process. The latter stipulation, which prevented the opposition leader from participating in the 2007 legislative elections, was eliminated by the new electoral law of August 2009. However, the latter introduced a first-past-the-post system which provided the incumbent who applied for his second five-year term of office with a comfortable advantage over his competitors.

The prime minister is nominated by the majority group in parliament and appointed by the president. However, the considerable power vested in the office of the president makes it difficult for the other arms of government to serve as a counterbalance. The legislature in particular needs much more technical and constitutional authority and capacity if it is to successfully act as a check on the president's power. In addition, the judiciary has yet to live up to its constitutional role.

An independent judiciary does not exist. The Supreme Court and the Constitutional Court, the latter inaugurated only in 1997, are dominated by members loyal to the Gnassingbé clan and the ruling party, as various biased decisions on the outcome of elections proved. There is a decisive discrepancy between constitutional law and its implementation in reality. A separation of powers between judiciary and executive branches (attorney and police) exists only in a rudimentary form. The president of Togo's Judges' Professional Association (APMT) complained at its plenary at the

Separation of
powers

4

Independent
judiciary

4

end of 2008 that the Togolese people have to suffer from a judicial system with two speeds, one for the poor and another one for those who are able to buy the judges' conscience. A World Bank survey of businesses revealed that 60% of respondents believed that the courts were neither impartial nor free from corruption.

Moreover, it is still necessary to belong to the inner network dominated by the ruling party in order to be nominated to any influential position in the judiciary. It is even difficult for an independent lawyer to run a law firm because his chances of winning court cases are much lower than those of regime-friendly colleagues.

There exists a long-standing culture of impunity concerning the security forces involvement in human rights abuses. Abuse of public office is still endemic in Togolese society, and the embezzlement of public funds remains rampant. However, the political transformation underway since Eyadema's death has meant that corrupt officeholders are subjected to somewhat more (negative) publicity. Nonetheless, due to the judicial system's shortcomings, these officials are rarely prosecuted.

Prosecution of
office abuse

4

Although the civil rights situation in Togo has improved substantially, serious problems persist. The U.S. Department of State has reported numerous abuses during the period under review, such as the torture of detainees, harsh and life-threatening prison conditions, and arbitrary arrests and detention. Plagued by corruption, the executive branch's influence and by lengthy pre-trial detention periods, the judicial system does not fulfill its function. The civil rights of a number of groups are restricted; the practice of female genital mutilation (FGM) and violence against women continues. FGM was formally outlawed in 1998 and has decreased by half since 1996, but still exists on a considerable scale, notably in the central and northern regions. There is regional and ethnic favoritism in public services and among the security forces, which are dominated by northerners. There were ethnic and regional overtones to incidents of human rights abuses motivated by politics. Other problems include child labor and the trafficking of people, especially children.

Civil rights

5

4 | Stability of Democratic Institutions

Formal political institutions are only partially democratic and their performance remains deficient. The president's conduct of office shows more transparency and commitment to dialogue than has been the case during his father's regime. The question is whether President Faure Gnassingbé's efforts are sincere and stable given that he is still surrounded by many figures of the old dictatorial regime. Whereas parliament now engages in controversial debates, its deputies generally lack professional depth of knowledge. This is due, on the one hand, to the legislature's insufficient working conditions and, on the other hand, to the fact that

Performance of
democratic
institutions

3

the opposition has yet to move beyond criticizing government and begin to formulate alternative policy proposals. Judicial reform is underway (a website gives information about current developments), but the aforementioned challenges (see “independent judiciary”) persisted throughout the assessment period.

The commitment to formally democratic institutions (though not fully democratic as detailed above) has obviously increased since Togo’s political system has opened up. Apparently, the Gnassingbé regime had learned its lessons from the past. It was eager to boost its irregularly acquired power through legitimacy provided by peaceful presidential elections in 2010. However, as far as the existing institutions are concerned, a high degree of skepticism remains, since the president was not elected democratically and parliament has not yet shown its full potential. The personality cult around the president is still omnipresent in daily life. This, together with the unpredictable attitude of hardliners within the RPT and the security forces, raises further doubts about the level of commitment to democratic institutions.

Commitment to democratic institutions

3

5 | Political and Social Integration

Togo is heading towards a two-party system with the ruling RPT and Gilchrist Olympio’s UFC dominating. However, the agreement of reconciliation between RPT and UFC in the aftermath of the 2010 elections resulted in a schism of the major opposition party. On 26 May 2010 the veteran leader of the UFC, Gilchrist Olympio, surprisingly agreed to join a “government of national recovery.” This constituted a landmark in Togolese politics, in view of his generation-long rivalry with the Gnassingbé family. His suddenly conciliatory attitude contrasted sharply with the view of the “radical” opposition (including the majority of his own party) that the official election results reflected just another “electoral hold-up,” or manipulation at the hands of the Gnassingbé regime, and that in reality the opposition candidate Jean-Pierre Fabre had won. On 12 October 2010, after months of bitter quarrelling, the majority wing of the UFC led by Jean-Pierre Fabre, broke away with about 90% of the UFC’s political bureau (i.e., its leadership), including leading figures like Patrick Lawson and Isabelle Ameganvi, as well as more than 30 out of about 40 local party federations. It registered with the ministry of territorial administration as a new political party, the Alliance Nationale pour le Changement (National Alliance for Change, ANC). On 22 November the constitutional court controversially decided to withdraw the parliamentary mandate from Fabre and eight other leading members of the ANC who had earlier formally resigned from the UFC, although the constitution itself (Article 52) stipulated that any imperative mandate, linked to a certain party, is void because each parliamentarian is responsible to the entire nation only. They were replaced by nine new delegates of the UFC in early December.

Party system

4

The party system still mirrors ethnic and regional divisions to a considerable extent, and political parties tend to have readily identifiable ethnic and regional bases. As already mentioned, the RPT had greater representation among northern ethnic groups than among southern groups; the reverse was true of the UFC and CAR opposition parties. The 2010 presidential elections indicated to some extent a change in these voting patterns. Although the incumbent won all 24 prefectures in four northern regions, and the opposition was victorious in the seven prefectures of the densely populated Maritime region, both the president and the opposition leader gained historic scores in the former heartland of their adversary.

Although there are a large number of labor unions in Togo, none of them have the strength or capacity to shape or heavily influence legislation. The unions have, however, succeeded in convincing the government to continue paying subsidies for fuel and some staple food items as well as fertilizer in order to avoid a serious social crisis.

A truth and reconciliation commission (Commission Vérité, Justice et Réconciliation, CVJR) was established on 29 May 2009. The CVJR was intended to investigate human rights violations from 1958 up to the bloody persecutions of 2005, but proved to be a paper tiger right from the start as it had neither the power to lift the immunity from prosecution of perpetrators of human right violations, nor the ability to offer amnesty or reparations – tasks that remained prerogatives of the state. The CVJR had to suspend its activities for seven months because of political tension linked with the presidential elections. Its president, Nicodème Benissan-Barrigah reopened its offices in June 2010, but was hampered by lack of finance and means to deal with the more than 15,000 cases submitted to the commission by December. There is a remarkably fast-growing number of NGOs that deal with human rights, political and judicial questions, but organizations for the defense and promotion of women's rights deserve special mention, because they also represented civil society during the political negotiations at Ouagadougou and continue to play a role in public debates.

There are no independent opinion polls conducted in Togo, but there is overwhelming anecdotal evidence that people do indeed want a democratic system. This desire, however, does not so much express a reflected and informed approval of democratic principles and procedures than the profound desire for change. Nevertheless, the high level of participation (85%) at the 2007 legislative elections can be interpreted as an indication of the population's clear commitment to take part in building their democracy. The relative low turn-out of 65% during the 2010 presidential elections was interpreted by EU observers as sign of the general disappointment of the opposition with the biased organization of the electoral process.

Interest groups
5

Approval of
democracy
n/a

Generally, mutual trust in society is limited, and this at least partly results from transformation history. The history of informal political institutions in Togo shows the rich base of traditional as well as modern institutions that participate actively at all levels of society. The most visible outcome of this participation was the Sovereign National Conference of 1991 with representatives of all social strata of the nation. However, because the visions of this conference were dashed by violent political oppression of the dictatorial Eyadéma regime prior to 2005, similar social initiatives were hard to re-establish. On the basis of the general political accord of 2006, the opposition and the people in general were again more inclined to feel free to associate, to express their views and to organize themselves for self-help efforts, in spite of reported government attempts to restrict association and assembly rights (see “association and assembly rights”). There exists a variety of traditional associations (including 174 microfinance or credit institutions with an estimated 740,000 beneficiaries as of 30 June 2010), trade unions, human rights, religious and media organizations as well as numerous home-town associations. Many of these self-help groups are based on traditional systems of mutual support; others have been stimulated by international NGOs, churches or the government. The government sponsored National Federation of NGOs (FONGTO, Fédération des ONG au Togo) has about 100 members, many of them created in the 1990s on the initiative of the Gnassingbé regime in order to influence non-partisan political expression in Togo. Some of the most credible NGOs, like the Togolese League for Human Rights (Ligue Togolaise des Droits de l’Homme, LTDH) are not represented by this federation. It is unclear whether many of the new groups that have emerged rather spontaneously will be strong enough to stand the challenges of time. They suffer from lack of functionality, difficulties concerning their legal demarcation, volatility of supporting financial institutions or other organizational weaknesses.

Social capital

6

II. Economic Transformation

6 | Level of Socioeconomic Development

The current socioeconomic situation in Togo is precarious. Togo is ranked 139 out of 169 countries in the 2010 HDI. About 61.7% of the total population live below the poverty line, and 81.2% are vulnerable to falling in the poverty trap. The urban–rural divide is pronounced: 74.3% of the population in rural areas live below the poverty line (i.e., annual income of €239, notably in the Savanes, Central, Kara, and Maritime region) and 36.8% in Lomé (i.e., annual income of €369). The distribution of inter-household income inequality is rather moderate with a Gini coefficient of 33.5%. Only 54% of the population has access to clean drinking water and 34%

Question
ScoreSocioeconomic
barriers

2

have access to sanitary equipment. There are only eight doctors per 100,000 inhabitants. The life expectancy at birth is 63.4 years; the mortality for children under five years is at 98 per 1,000 live births. Available figures concerning the prevalence of HIV/AIDS are only estimates. They vary between 3% in 2008 and 3.6% in 2001 and have probably further decreased due to the introduction of free anti-retroviral treatment in November 2008. According to the third UNDP report on Togo's MDG achievements (April 2010) primary school enrolment (87%) was already one of the highest in the sub-region before the introduction of universal free primary education in 2008 and is still increasing.

The changes in the country since 2006 have not yet led to a sensible improvement of people's living conditions. The subsistence economy in rural areas, the potential of the informal sector in towns and remittances from exiled Togolese have helped to avoid a more severe crisis. However, on balance, Togolese citizens lack adequate freedom of choice and an effective decentralization policy which includes a real devolution of power and means.

Economic indicators		2007	2008	2009	2010
GDP	\$ mn.	2523.5	3163.4	3156.6	3153.4
GDP growth	%	2.3	2.4	3.2	3.4
Inflation (CPI)	%	1.0	8.7	2.0	1.8
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	1.9	0.8	1.5	1.3
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ mn.	-215.8	-219.2	-176.7	-
Public debt	% of GDP	100.7	83.1	67.8	28.2
External debt	\$ mn.	1956.7	1627.3	1632.9	1727.8
Total debt service	\$ mn.	15.0	196.3	55.3	35.1

Economic indicators		2007	2008	2009	2010
Cash surplus or deficit	% of GDP	-0.8	0.3	-0.6	-
Tax revenue	% of GDP	16.2	14.9	15.4	-
Government consumption	% of GDP	9.2	-	-	-
Public expnd. on edu.	% of GDP	3.7	3.8	4.6	-
Public expnd. on health	% of GDP	6.0	5.9	5.9	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	1.7	-	-

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

Generally, Togo lacks the foundations for sound market-based competition and good government. Insufficient access to credit constituted one of the major barriers to enterprise development, followed by meager results in the fight against corruption on all levels of administration, including the judiciary. A 2010 World Bank survey revealed that 60% of respondents believed that the courts were neither impartial nor free from corruption. The revival of the phosphate and cotton sectors by improved governance, the attraction of private investors and by the capacity-building of cotton producer's organizations, were still regarded by the World Bank as major drivers of growth. Regulatory burdens mean that the business climate in Togo is not very investment-friendly. Togo's Doing Business indicators have improved little over the past five years. In 2009 Togo was one of the most difficult nations worldwide to do business in, ranked 166 of 183 economies, improving only slightly one year later to 165. As in the case of five other West African Economic and Monetary Union (WAEMU) members, which all ranked equal lowest, its political and administrative operating environment constituted a barrier to the growth of private direct investment and private sector activities. For instance, starting a business takes an average of 170 days. Obtaining a business license takes almost a year. Private sector development is very slow. The allocation of foreign aid is crucial for investments into the country's neglected infrastructure.

Regulations on the labor market make flexibility in staff management difficult, especially when starting a new business. The non-salary cost of employing workers is high, and it is almost impossible to dissolve contracts without legal consequences. In addition, there is little flexibility in working hours as provided by the law.

Market-based
competition
4

Key sectors of the economy, notably the banking and phosphate sector, are still in the hands of either a few individuals or parastatals or state enterprises. Further privatization and adequate steps to attract foreign and domestic private investment are part of a strategy to stabilize macroeconomic stability and growth, but they have yet to be put into practice. According to an IMF mission in April 2010, structural reforms of the ailing banking and phosphate sector advanced broadly in line with its Extended Credit Facility (ECF) program, albeit with some delays. The government was preparing to privatize public banks by the end of the year. The IMF mission also welcomed plans to establish a “one stop shop” to facilitate trade and customs procedures.

Anti-monopoly
policy
4

As detailed above, a World Bank survey of the Togolese economy and trade integration, the struggling phosphate and cotton sectors have brought about a dramatic shift of exports toward cement and clinker products, which now constitute 35% and 40% of exports and exports being increasingly directed towards ECOWAS countries (68% of total). Transit and re-export (mainly used cars) based on Lomé’s deep-water port (which provided attractive storage capacities for neighboring countries), provided value-added of about 10% of GDP. Created in 1989, the Togo Free Zone – SAZOF aims to promote foreign trade and attract investments by facilitating competitive conditions for export-oriented businesses in Togo. In 2008 it comprised about 60 enterprises which provided over 9,000 full-time jobs – a significant proportion of employment in the formal private sector – and exported \$260 million. The World Bank recommended a restructuring of the free zone in order to promote more labor-intensive export industries.

Liberalization of
foreign trade
5

As long as Togo’s economy continues to be highly subject to political influence, a more dynamic development can hardly be expected. The Togolese population has yet to reap the benefits expected from the development of the free port of Lomé because the harbor remains in the hands of a few businessmen close to the political elite, who share the profits. Togo’s weighted average tariff rate was 13.6% in 2008. Freedom of trade was considerably restricted by non-tariff barriers of trade. As a consequence, Togo’s economic freedom score dropped from 48.9 (2008) to 47.1, placing its economy at 161 in the Heritage Foundation’s 2010 Index of Economic Freedom, reflecting notable losses in trade, monetary and investment freedom. Foreign direct investment was allowed only in certain sectors, its administration lacked transparency and was liable to corruption and political interference. Togo was ranked at the bottom end of economic freedom within the sub-region: at 39 out of the 46 countries in sub-Saharan Africa.

The banking system in Togo has deteriorated since the early 1990s because of unprofessional government involvement in lending and banking decisions. As a consequence, the IMF requested a reform of the banking sector in June 2007, which included measures to privatize government-run banks and avoid under-capitalization. The system was then put under the close surveillance of the West

Banking system
5

African Economic and Monetary Union (WAEMU). Half of the eight commercial banks are still state controlled. There is a trend for banks from countries in the region to expand into this market – notably firms from Nigeria, like Ecobank. More than 30% of loans issued to these banks are considered to be non-performing. The government was preparing to privatize public banks by the end of 2010.

In addition to formal institutional banking, the microfinance system and informal traditional African saving and loans schemes (tontines, known as Adakavi in Togo) play an important role, especially for small and medium scale industries, even in the informal sector. In June 2010, 174 different microfinance initiatives had been certified with an estimated 740,000 beneficiaries. Of these 102 were affiliated to the eight major cooperative networks.

8 | Currency and Price Stability

As a member of the CFA franc zone, the country cannot pursue an independent monetary policy. The CFA franc is pegged to the euro, and the central bank of WAEMU, the Banque centrale des Etats de l’Afrique de l’ouest (BCEAO), is meant to control inflation and the viability of the CFA franc’s peg to the euro. However, the volatility of the euro, triggered by the global financial crisis and bad governance in some EU member states, shows that the perpetuation of the established monetary structure of the CFA Zone becomes increasingly anachronistic. As the political stability previously guaranteed by neo-colonial French African policy becomes obsolete, the traditional arrangement of the currency union also provides less of a basis for economic stability. In addition, the CFA Zone never fulfilled the most crucial preconditions of an optimal currency area. The peg to the EMU, orientated at the interests of highly industrialized European countries, led to an overvaluation of the real exchange rate of the CFA, and will increasingly constitute an obstacle to sustainable indigenous development in francophone Africa.

Because of the adaptation of the consumer price index for all WEAMU member states by adjusting the reference year from 1996 to 2008, inflation was slightly higher in 2009 than it would have been on the former index. Inflation fell to 3.8% in 2009 (2% with the old index) from 9% in the previous year, notably because of lower food and fuel prices. Good weather conditions and government subsidies for fertilizer contributed to the growth of food production. Average inflation for 2010 is estimated to remain around 2%.

The long-shot plans of introducing a West African currency, the ECO, and merge it at a later stage with the WAEMU zone are constantly delayed.

In its fifth review of the extended credit facility (ECF) program the IMF concluded in September 2010 that although the global recession had affected Togo’s economy

Anti-inflation /
forex policy

7

Macrostability

6

negatively, the government's ECF-supported economic and fiscal recovery program had been broadly satisfactory so far. However, structural reforms of the banking, phosphate and cotton sector lagged behind. Nevertheless, a modest real economic growth (estimated at 3.4% for 2010) was possible because of macroeconomic stability. The overall fiscal deficit widened (3%), due to increasing public spending meant to counteract the impact of the global recession and long years of under-investment during the political crisis. The current account deficit remained high in 2010 because of growing public investment which in turn resulted in higher imports as exports of major foreign-exchange earners (cotton, phosphate etc.) lagged behind. On 14 December, Togo reached the completion point of the Heavily Indebted Poor Countries (HIPC) Initiative. The IMF approved debt relief of up to \$1.8 million or 82% of Togo's nominal external debt including 47% from multilateral donors, 50% from Paris Club creditors and the remainder from bilateral or commercial lenders. This constituted a milestone in view of the decade-long political and economic crisis and opened the way for economic recovery based on sound economic planning without the burden of an unsustainable external debt. Togo became the 31st country worldwide to successfully graduate from the HIPC process.

9 | Private Property

The judicial system does not sufficiently protect private property. The influence exercised by the executive is too strong. There are hardly any reliable inheritance and property protection laws. And where they exist, they are not adequately enforced. As for most of the laws, contracts are difficult to enforce. The ongoing reform of the judiciary needs to address these issues. Because of the state of quasi-lawlessness in many sectors, there is a substantial black market for illegally imported products, mainly electronics, computer software and cosmetics.

The problem of a complex land tenure system in which traditional and modern law coexist and compete is exacerbated by land scarcity. The land tenure regulations are still dominated by traditional African customary laws, re-interpreted by traditional chieftaincies and local authorities, often to their own advantage, notably in the countryside. Most contracts on agricultural land are still verbal. Disputes over land are extremely common. Only about 36% of arable land is under a tenure system that provided long-term security. Poor farmers, migrants and women especially have no secure rights.

A limited sector of small-scale enterprises covers a greater part of Togolese day-to-day consumption needs. But the private sector is comprised primarily of the agricultural sector, which employs 65% of the country's labor force in both subsistence and small-scale commercial farming. The informal sector still prevails; it provides employment for more than three times as many laborers than the formal

Property rights

5

Private enterprise

5

sector. On a larger scale, there are still too many hurdles to developing a stable private sector. Government procurement contracts and dispute settlements are subject to corrupt practices. In addition, investment is permitted only in certain sectors. Every investment must have a minimum value, and is screened on a case-by-case basis, which opens the door to further bribery. The lack of transparency and predictability, and the high informal transaction costs inhibit robust investment. Foreign exchange accounts need prior government approval.

On 4 November 2010, Prime Minister Gilbert Fossoun Hougbo ratified a Charter of Small and Medium Enterprises meant to promote the informal sector by providing a friendlier administrative environment for the development of SMEs. So far, the role of SMEs in public orders remains negligible (i.e., below 5% on average in the WEAMU) because this sector was considered to be the preserve of big enterprises and multinationals.

Regarding taxes to be paid by private enterprises, the government cut the rate of corporation tax to 30% (from 37%) for industrial firms and to 33% (from 40%) for other enterprises in its 2009 budget. According to the 2010 World Bank Doing Business report the total tax rate to be paid by a medium-size company was reduced to 52.7% of commercial gross profits in 2010, from 59.5% a year before, which compared favorably with an average of 67.5% in sub-Saharan Africa (44.5% in the OECD).

10 | Welfare Regime

Togo's welfare system is minimal and is available only to government employees and those employed in the formal sector. Monthly minimum wage (salaire minimum interprofessionnel garanti, SMIG) was increased in August 2008 to CFA 28,000 (€2,68), which is still rather low compared with 38,000 in Bénin and 61,000 in Nigeria, and in any case hardly enough to feed an individual for a month.

Pension schemes in Togo are not adequate to guarantee their beneficiaries a decent living. Despite the fact that the median age in Togo is 18.6 years (i.e., almost half of the population is younger than 18), the current system can no longer be financed. This is why the government has been negotiating with unions to increase the pension entry age for civil servants to 60, which would put further pressure on the labor market.

Togo's health services are lamentable and there is no public health insurance system in place. Individuals suffering hardship or accidents rely either on the help of family (or clan) members or that of a traditional mutual assistance schemes. These schemes are self-organized by their members, who provide services either on a rotating basis (e.g., rotating savings clubs or tontines) or in the event of an emergency. The state-

Social safety nets

3

financed National Council for Social Dialogue (Conseil National du Dialogue Social, CNDS) created in 2006 and composed of 10 members each of the government, the business community and labor unions under the supervision of the prime minister, remained a cover for the lack of political will to establish a sustainable social security system in the country.

Togo does not provide equal opportunities to all citizens. While the political factors that disadvantaged the southern part of the country before 2006 no longer play an important role, it remains important to have a sufficiently wealthy family or relations in the administration when securing formal employment. Apart from these inequalities on the basis of family or clan background, there are severe disadvantages for girls in the Togolese education system, notably with regard to secondary and higher education.

According to an April 2010 UNDP report, the unequal distribution of the standard of living (Gini coefficient 33.5%) is overwhelmingly due to inequality in income differences according to region (the North–South gap), gender and socioeconomic strata. Although women are dominant in the informal sector (e.g., agriculture and petty trade), they have only very limited access to, and control of the factors of production (land, equipment, inputs, credit). In addition, it is highly unlikely that they will get equal access to wage employment in the formal sector up to 2015. The exclusion of women from key activities in the economy and politics has not improved at all. Moreover, socioeconomic differences continue to marginalize increasingly wider strata of society.

11 | Economic Performance

The Togolese economy's output record remains mixed at best. GDP grew by 2.5% in 2009 (and according to EIU estimates by 3.4% in 2010) which was substantially higher than on average globally (0.7%). Inflation went down from 9% in 2009 to 2% in 2010. However, apart from domestic problems such as poor infrastructure, erratic electricity supply, slow foreign investment, the suspense of international aid and an adverse sociopolitical environment, the increase of imported food and fuel prices in the 1991 – 2008 period of political instability and the subsequent aid crisis also had a severe impact on the economy. Efficiency is higher in firms operating inside than outside the export processing zone. Factors like the foreign trade ratio, foreign capital investment and wage incentives have a strong impact on efficiency. Enterprises in the export processing zone tend to promote highly flexible labor practices and offer little job security.

Phosphate once provided 40% of the country's revenues from exports and made up more than 20% of Togo's GDP. Since 1997, however, production has fallen from an

Equal opportunity

3

Output strength

5

annual 5.4 million metric tons to 800,000 – primarily due to corruption and mismanagement.

A World Bank survey of the Togolese economy and trade integration revealed that The former major export products phosphate and cotton were replaced by cement and clinker (35% and 40% of exports), and exports were increasingly directed towards ECOWAS countries (68% of total). Nevertheless, the revival of the phosphate and cotton sectors by improved governance, the attraction of private investors and by the capacity-building of cotton producer’s organizations, were still regarded as major drivers of growth. Other recommendations focused on the development of food crop production, cement and transit as well as free zone trade, to be achieved by improving the business climate, investing in infrastructure, agricultural productivity and the service industry. Insufficient access to credit constituted one of the major barriers to enterprise development, followed by meager results in the fight against corruption at all levels of administration, including the judiciary. A survey of businesses revealed that 60% believed that the courts were neither impartial nor free from corruption.

12 | Sustainability

Togo’s record on environmental policy remains poor. Since 2008, the government has been preparing a national strategy of environmental protection, including ongoing sectoral studies, guided by a National Commission for Sustainable Development (NCSD).

Environmental
policy
3

Deforestation rates remain high at an annual rate of 1.4% of the forest, and there are no visible attempts of reforestation. This is attributable mainly to slash-and-burn agriculture and the use of wood for fuel. The government aims to influence a change in habits by subsidizing kerosene and household gas as a substitute for the domestic use of firewood, but to no avail.

Water pollution presents health hazards and hinders the fishing industry. Air pollution is increasing in urban areas. But the government has yet to formulate any policies on pollution. It should be mentioned, however, that the environment in most Togolese towns is much cleaner compared to years past, as some waste management efforts have begun to yield improvements.

The entire education system in Togo is a shambles and must be comprehensively reformed. Just 23.5% of the state budget was reserved for education in 2007, compared with nearly 31% in 1992 before the political crisis. This constitutes a substantial funding fall which is one of the factors responsible for the degradation of the education system. The poor and degenerating state of the system is mirrored in alarming literacy rates, which fell from 83% in 1970 to 43% for the age class of

Education policy /
R&D
3

15–49 (65.6% for women and 29.7% for men). There are strong regional inequalities in education as well, as indicated by the literacy rate (for the same age group) of just 25% in the Savanes region and 85% in Lomé, or in general of 43.5% in rural areas as compared to 79.2% in urban areas. Two million Togolese students are taught by only 40,000 teachers. The universities are overcrowded, and they lack materials, staff and learning facilities. Private schools are expensive – and not always of better quality.

Serious attempts to improve the situation have already begun in the primary school sector, including measures to reinforce and strengthen teacher training. However, plans to improve secondary and tertiary education have yet to be developed and implemented. Nevertheless, the budget planning for education remains far below the level which would be required to reach the MDG of a nationwide literacy rate of 75% by 2015.

The private education system shows a different picture. More and more basic, secondary and tertiary education institutions are springing up. However, they are mostly meant for families who can afford them.

Transformation Management

I. Level of Difficulty

Togo is a small country with relatively few natural resources. It depends to a large extent on commercial and subsistence farming. The ailing phosphate sector and cotton production are the major foreign exchange earners and are both dependent on volatile terms of trade on the world market. In addition, the country only produces some of the energy that it needs. Togo is dependent on neighboring Ghana and Nigeria for electricity. Access to electrical power remains a luxury for most of the Togolese population, whose main source of energy is firewood and charcoal, which combined comprise 80% of the country's energy. The sharp increases of food and energy prices, combined with the impact of the global economic crisis, have made matters worse for efficient governance. Migration accelerated by the political crisis has had a dramatic negative impact on the country's labor force in the last two decades. Many qualified Togolese can be found in Europe but also in neighboring West African countries. Finally, Togo's education system, which once functioned well at all three (primary, secondary and tertiary) levels, has disintegrated, leaving behind a dearth of qualified Togolese for new enterprises.

Structural
constraints
8

However, the increasing raw material demand of new global players like China and India provide the much needed stimulus to revive these export industries and to improve Togo's bargaining position in economic cooperation, as big infrastructure projects financed by Chinese aid show. In September 2009 the China Exim Bank accorded a preferential loan on \$165 million for infrastructure projects, notably roads and telecommunications that began to be implemented during 2010. Road rehabilitation projects in northern Togo carried out by the China Road and Bridge Corporation and costing around €75 million were due for completion by June 2012. At the same time good foreign relations with the new global players allow for a successful resumption of the see-saw policy between competing major donor countries already practiced in the Cold War.

In early May 2010 the head of state re-appointed Gilbert Fossoun Hounbo, an independent technocrat, highly praised by the international donor community, as prime minister, and asked him to coordinate consultations with the opposition in order to form a new broad-based government. Successful negotiations with the

veteran leader of the UFC, Gilchrist Olympio, to join a “government of national recovery” constituted a landmark in Togolese politics in view of his generation-long rivalry with the Gnassingbé family. His suddenly conciliatory attitude contrasted sharply with the view of the “radical” opposition (including the majority of his own party) that the official election results reflected just another manipulation of the elections by the Gnassingbé regime.

Civil society development is a very recent phenomenon in Togo. This is primarily due to the fact that under the dictatorship of General Eyadéma, any gathering that had not been organized by the government was likely to face fatal consequences.

Civil society
traditions

7

Today, there are hundreds of NGOs and associations in all spheres of public life that exercise their right to freely express their opinion or form self-help groups. This has resulted – mainly in the cities – in the creation of a multitude of different associations, often competing against each other for both the right to represent their clientele and for donor support. There are notable partnerships between various interest groups that have been forged around issues such as elections, gender and microfinancing. This indeed is a clear sign of freedom. Some of these CSOs must exercise greater transparency in defining their operational mode and objectives. It remains to be seen whether such associations will gain the same strength in rural areas that they have in urban areas, especially Lomé.

The high potential for conflict that existed under Gnassingbé Eyadéma’s rule through the ethnic polarization and the militarization of society can no longer be considered the one crucial impediment to Togo’s development. Both elements still need to be attended to even though they no longer form the most important determining factors in conflict.

Conflict intensity

3

It should be mentioned that Togo has not yet encountered severe tensions between different religious groups. Generally, the relationship between Muslims and Christians is amicable. Cooperation is sought by both groups on many occasions.

It is also remarkable that the conflicts between pastoralist and agriculturalist tribes have become less important in recent years, although they still need attention in order to protect the environment.

Sentiments of distrust and mutual antipathy between the people in the south and those in the north still need to be addressed. Having enjoyed the spoils of the system throughout much of recent history, northerners still hold an unduly high number of relevant public offices compared to their counterparts in the south.

There are sharp class differences in Togo, but these have not led to a situation of violent conflict in the past and are unlikely to do so in the future.

II. Management Performance

14 | Steering Capability

Question
Score

It remains unclear whether the political leadership as a whole is committed to both political democratization and economic liberalization. At least, according to the Ibrahim Index of African Governance 2010, governance in Togo has improved within the past four years (from rank 36 to 43) although it still remained in the bottom half of the ranking of all African countries. Actual politics point into the same direction. The new RPT coalition government and the major opposition party UFC, formed in May 2010, constitute a milestone on the path to enhanced steering capacity. The new alliance will allow bridges to be built across the deep gap between the two most important rival political forces in the country. This opens up new domains of political action directed towards institutional reforms and structural adjustments in politics and the economy.

Prioritization
4

In 2008 Togo became the 29th member of the African Peer Review Mechanism (APRM) of the NEPAD. The APRM is meant to enhance good governance in the sub-region. The president supported this new approach of accountability in policy implementation, although it is clearly not one of his priorities.

Generally, the government has only limited success in implementing its policies, particularly with political and market economy reforms. However, a certain degree of improvement since the BTI 2010 can be observed. The administration definitely has the support of the international donor community for transformation efforts. Apart from the traditional partners, such as the United States, France and Germany, China and India also supported the country with development aid during the review period. However, aid by the new Asian global players is usually not tied to political conditions. In addition to the revitalization of bilateral cooperation, international organizations like the IMF, the West African Development Bank and the European Union are also reinforcing their assistance in order to promote good government and democratization in Togo. The IMF financed three-year Extended Credit Facility (ECF), which replaced the Poverty Reduction and Growth Facility, had been accorded up to April 2011 because the government was largely on track with the conditions of the program, although there are still some deficiencies concerning the restructure of the banking, phosphor and cotton sector. In September 2010 an IMF mission reviewed Togo's progress in the Heavily Indebted Poor Countries (HIPC) Initiative. It concluded that the country is on track to reach the HIPC completion point by December.

Implementation
5

As the presidential elections of 4 March 2010 finally passed off largely peacefully, it seems that, apparently the Gnassingbé regime had learned its lessons from the past. This time the government tried to acquire legitimacy through peaceful elections. Nevertheless, Faure Gnassingbé and his party (RPT) successfully employed the same policy of divide and rule which his father Eyadéma had used skillfully for decades to weaken the opposition movement both by legal and extra-legal means.

Policy learning
5

The international donor community, led by the EU and the IMF, judged the performance of the government in both the political and economic domain as satisfactory. However, in general, the transition process remains volatile and might easily be reversed when pressure is put on the president, e. g., by hardliners in the military or within the ruling party. The outcome of the 2010 Ivorian crisis, notably the aftermath of the debacle of the presidential elections in Ivory Coast, will have ripple effects on the whole of francophone West Africa, including Togo's domestic politics (given Gnassingbé's backing of the incumbent in Abidjan).

15 | Resource Efficiency

Togo is still suffering from an underutilization of assets and other opportunities which could be used by the government. The new reform processes, assisted by the international donor community, notably the Bretton Woods institutions and its ECF program, have improved an efficiency-oriented governance approach in some areas, e.g., in public administration and finance as well as infrastructure rehabilitation, for example a new telecommunications network, road rehabilitation and a new 100 mw multi-fuel power plant inaugurated in Lomé in July 2010 and connected to the West African Gas Pipeline (WAGP), which will overcome the regular power cuts. However, it will take some time before the structural reforms have an impact, and continuing aid will be crucial to the process. Donor confidence remains the most important resource in providing an initial push towards development in Togo.

Efficient use of
assets
4

A key sector remains education. Whereas children are now attending school, there are not enough teachers to teach them, despite the high numbers of potential teaching personnel in the country. Most of the qualified Togolese teachers, waiting for an opportunity to work in their own country again, are still abroad because the former government, suspicious of educators, drove them away. Likewise decades of political crisis and donor disengagement discouraged private foreign investment, and it is difficult to revitalize the confidence of foreign investors, although enhanced competition with new global players like China is good for business.

The coordination between the presidency and the prime minister's office appears to run more smoothly. The head of state re-appointed Gilbert Fossoun Hounbo as prime minister of the new government in May 2010. He was asked to coordinate

Policy
coordination
6

consultations with the opposition in order to form a new broad-based government, apparently with success. At the end of May 2010 the veteran leader of the UFC, Gilchrist Olympio, surprisingly agreed to join a “government of national recovery.” This constituted a landmark in Togolese politics, in view of his generation-long rivalry with the Gnassingbé family. The prime minister’s efforts to harmonize the government’s policies in different sectors are also evident. These are steps into the right direction which, however, are still far outweighed by the corrupt and criminal practices of many members of the current administration at all levels. These can hardly be controlled without appropriate laws to curb the situation.

Corruption is still rampant in Togo as pertinent indices reveal. For instance, the World Bank survey of businesses in 2010 revealed that 60% believed that the courts were neither impartial nor free from corruption.

Anti-corruption
policy
3

The entire society is aware of the need to undertake decisive steps to eradicate this problem. However, this seems to be a difficult policy step to take because it would cut the lifeline of large parts of the current Togolese elite. Yet, in July 2007, a law against money laundering was enacted after serious debate in parliament which had had little effect previously. Contested newspaper reports in 2010 indicated that there are serious concerns regarding the link between corruption and drug trafficking as Togo becomes a transit country for drug smuggling, especially cocaine. High-ranking members of the Gnassingbé clan are said to be involved.

16 | Consensus-Building

The consensus on transformation goals remains somewhat fragile. There are still some key cleavages running through Togolese society that result from regional and ethnic discriminations, from the past exclusion of the opposition movement, and from the high socioeconomic disparities found in the country. Nonetheless, the majority (e.g., the governing party and most of the opposition) agree on the country’s need to regain economic strength, a view shaped by the severe hardships experienced by many Togolese in everyday life. Political change, requested by many, is also seen as an instrument for urgently needed social and economic development. On the one hand, these daily hardships might lead one day to serious social strife. On the other hand, citizens appear willing to support any government that shows genuine concern for the problems of the majority. This is why President Faure Gnassingbé apparently successfully portrayed himself as a dialogue- and people-oriented leader.

Consensus on goals
6

The RPT’s purely anti-democratic elements are no longer as important as they were before the 2010 presidential elections. They are still strong enough, however, to endanger any serious attempt made by President Faure Gnassingbé to further democratization. President Faure Gnassingbé’s imprisoned half-brother, Kpatcha,

Anti-democratic
actors
6

might play an important role in this respect. He and his followers in the military and RPT leadership are aware of the difficulties they will face in the event of a change in government. In 2009 the public prosecutor Robert Bakai charged Kpatcha and his followers with fomenting rebellion and undermining state security. Kpatcha and others denied the accusation, claiming to be victims of a conspiracy to sideline them in the context of the ongoing power struggle. Even within the opposition there were concerns that the coup plot was not genuine and that the basic human right of the accused to a fair trial was violated. Although army chief of staff General Zakari Nandja had remained loyal to the president, he was removed and offered the newly created post of minister for water and sanitation, and General Essofa Ayeva, former chief of staff in the president's office, succeeded him. Other high ranking officers, as well as the secretary-general of the RPT, publicly announced their support for the government, but the cracks in the ruling elite, composed of the Gnassingbé family, the RPT and the security services, became apparent once more, posing a serious threat to the transition process. Kpatcha Gnassingbé, a member of the National Assembly and former defense minister, was charged with coup plotting along with 32 others, and remained in detention in 2010 without the formal opening of a trial.

In November 2009 Ernest Gnassingbé, eldest son of Eyadéma and a hardliner, died. He had been commander of the "red berets" parachute battalion of Camp Landja (Kara), renowned for its brutalities in the transition process of the early 1990s, when it was involved in the extra-legal killings of opposition leaders and the attempted assassination of Gilchrist Olympio and his entourage. The burial of Ernest in Pya, the home village of the Gnassingbé family, in the absence of Kpatcha Gnassingbé and the other assumed coup plotters, highlighted once more the deep division within the clan.

In addition, it must be noted that the rules of the democratic game and the culture of transparency and accountability are not fully respected by the new elites of Togo, including the opposition. This was shown by the schism of the major opposition party. Following the announcement of the UFC's entry into the new government in May 2010, thousands of angry UFC activists demonstrated in the streets of Lomé condemning the "traitors" within their own ranks. Olympio and the seven new ministers were temporarily suspended from the party by its national bureau. The presidential candidate of the UFC and 19 of the 27 UFC members of parliament continued to boycott its proceedings. After months of bitter quarrelling, the majority wing of the UFC led by Jean-Pierre Fabre, broke away with about 90% of the UFC's political-bureau, including leading figures like Patrick Lawson and Isabelle Ameganvi, as well as more than 30 out of about 40 local party federations. It registered with the ministry of territorial administration as a new political party, the ANC. The constitutional court, as usual strongly biased in favor of the Gnassingbé clan, continued its policy of "divide and rule" as exemplified by the

decision to withdraw the parliamentary mandate from Fabre and eight other leading members of the ANC who had earlier formally resigned from the UFC.

The government is apparently no longer pursuing a policy of creating or stimulating conflicts in order to exercise its authoritarian regulatory power. However, there are no consistent policies in place to systematically address emerging conflicts in the country. Nevertheless, some positive steps have been taken. The administration recognized, for example, that they must address the environmental problems arising from nomads and their cattle herds during transhumance, which often leads to problems with settled farmers, whose agricultural production is endangered. A national committee is now trying to find lasting solutions to this conflict by taking into consideration the views of both sides.

Cleavage /
conflict
management
5

Due to the oppressive and corrupt nature of the previous regime, which affected almost every institution in the country, there are few non-governmental actors that are powerful enough to mediate in actual or future conflicts. The NGOs that specialize in conflict prevention and management are not yet strong enough to play a decisive role. Even religious leaders need to demonstrate an attitude of independence and neutrality before they can play a mediating role.

The present government seems to be much more open to civil society participation than any earlier government. The inefficient use of CSOs' capacities is often due to the weakness of the NGOs' administration and membership structure rather than to the government's reluctance to engage with them. However, the government does not make a significant effort to support civil society either.

Civil society
participation
5

Enhanced dialogue between NGOs and government is slowly but surely becoming a reality. Both sides must work hard to overcome the present distrust that has been nourished by the poor state of relations in the last 20 years.

The desire for investigations of human rights abuses under the former regime and even at the beginning of President Faure Gnassingbé's mandate is growing stronger and would be an important factor in facilitating a deeper reconciliation process in Togolese society. In practice, the process is slow. But it is remarkable that both the president and the president of parliament declared their preparedness to participate in the national reconciliation process started in April 2008.

Reconciliation
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The truth and reconciliation commission, the CVJR (Commission Vérité, Justice et Réconciliation), established in 2009, proved rather ineffective because it had neither the power to lift the immunity from prosecution of perpetrators of human right violations, nor the ability to offer amnesty or reparations – tasks that remained prerogatives of the state. The CVJR had to suspend its activities for seven months because of political tension linked with the presidential elections.

17 | International Cooperation

Substantial support from donors to the Togolese government only started after the largely free and fair 2007 legislative elections. The numerous activities and cooperation programs such as the ECF, PRGF and HIPC completion point are clearly connected to the progress made in political transformation. The use of the aid given in the past was strictly and rigidly supervised by the donors. Support from donors should be used in a most efficient and transparent manner. It must involve, as stated in the Paris Declaration and later reaffirmed in the Accra Agenda for Action, all players in society in order to gain public support and the international community's confidence. The fact that Togo is trying to participate in NEPAD's peer review mechanism, APRM, is a sign of the willingness to change. The entry of new Asian powers, notably China and India as donors allows the Togolese government to once again pick and choose among competing donor countries.

Effective use of support

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The most important means of consolidating the government's recently won credibility with the international community and among the Togolese population itself, is the effective combat of generalized corruption at all levels of the state. There are still two contrasting interpretations of the government's actual intentions, both among the Togolese population and the international donor community: some believe in genuine transformation and are hopeful that a democratic era has just begun, and others believe that the government's attitude is a masquerade camouflaging its attempt to stay in power at all costs.

Credibility

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Togo is a member of all relevant regional, African and international organizations, notably ECOWAS and WEAMU in the West African sub-region. President Faure Gnassingbé and members of his government are trying to return to a situation where Togo plays a constructive role as regional mediator and host to international meetings as in the "glorious past" of the father of the incumbent, General Eyadéma. The general was recognized as mediator in international African conflicts by his African peers, by virtue of being the longest serving African dictator.

Regional cooperation

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Strategic Outlook

Like most sub-Saharan countries, Togo faces several problems: the global economic and financial crisis and its related effects on aid, credit and debt management; the volatility of growth in an economy particularly exposed to external shocks, rising food costs, erratic energy prices; and public health challenges. But there are a few key issues the country should address if it is to reach a level of development on par with that achieved by other, more successful African countries, including neighboring West African countries like Benin and Ghana.

Based on the successful parliamentary and presidential elections of 2007 and 2010, Togo's government should not ease its efforts to win sustainable trust and confidence from its own population and the international community. The reforms implemented during the last two years have been met with considerable support both within and outside the country. The prevailing question among Togolese citizens and of observers, however, concerns the genuine character of the attempts of the Gnassingbé regime to democratize Togolese society. Unless confidence is built in the sustainability of the current process, Togo's transformation process will not succeed. The following challenges should be addressed:

The coalition "government of recovery" formed in May 2010 by the two major parties (RPT and UFC) should pursue its aims of national reconciliation, democratization and sustainable development in a transparent manner following the internationally accepted rules of "good governance." The implementation of crucial institutional reforms already outlined in the comprehensive global political accord of 2006 is urgent, notably the completion of a population census within six months (between 6 November and 21 November), the compilation of a new, trustworthy electoral register, the adjustment of constituency boundaries (which were biased in favor of the RPT) and the holding of endlessly delayed local elections. Economically, the structural reforms of the banking, phosphate and cotton sector are crucial. Donors should make an effort to accompany this process.

The transition process will not succeed if the government is threatened by hardliners or revanchists within the military who meddle in politics. Therefore, it will be imperative to attain and to guarantee the strict political neutrality of the security forces, notably the military and the gendarmerie. The army is still largely structured like a praetorian guard of the Gnassingbé clan. The military hierarchy is dominated by officers of the same ethnic group, who even come from the same native village as the founder of the dynasty, the late General Eyadéma. In February 2007, parliament had passed a new armed forces law restricting the military to a non-political role, in order to prevent the infamous partisan deployment of the security forces in favor of the Gnassingbé clan, as had happened in the past at several occasions. But apparently that was of little avail as demonstrated by the attempted Kpatacha coup of 2009.

The fight against corruption and embezzlement of public funds in Togo's administration constitutes another significant step on the road to democratization. Since donors' contributions will have to play a crucial role for Togo's economic resurrection, international partners must demand that their support will be accompanied by a clear and thoroughly monitored fight against corruption. International business activities in Togo should also be closely observed to ensure that they stick to the same ethical and legal rules. Any activity that fosters law enforcement on this level should be supported. This includes taking pre-emptive steps to ensure that Togo does not become a transit country for drug trafficking.

Donors should further harmonize their approaches and align the priorities set by the current Togolese government, namely health, education, road infrastructure and good governance.

In order to overcome some of Togo's endemic development problems (i.e., over-centralized decision-making processes, the ruling party's dominance, rulers' distance from on-the-ground realities, regionalism), support for the thorough implementation of the formulated decentralization policy should be enhanced. This should be accompanied by support to CSOs at local and national levels.

Last but not the least, it seems important to support the process of regional integration in West Africa. Any attempts to undermine sincere African political initiatives for regional integration (e.g., by special arrangements within the current negotiations on EU Economic Partnership Agreements (EPAs)) should be prevented. Greater exchange – in both economic and political terms – would benefit all stakeholders. Support should be given to measures aimed at reducing problems at the borders and thereby reducing transaction costs. In addition, peacekeeping initiatives and observation measures in the West African region should be promoted.

In the light of recent developments in countries like Tunisia and Egypt one cannot deny that there is still a high-level of frustration in Togo, especially in the south. Unless the Gnassingbé clan substantially shares out power, Togo will remain a politically unbalanced country which continues to stifle innovation and individual drive which could carry the nation economically forward.