

BTI 2014 | Mali Country Report

Status Index	1-10	4.09	# 106 of 129	
Political Transformation	1-10	4.25	# 90 of 129	↓
Economic Transformation	1-10	3.93	# 110 of 129	↓
Management Index	1-10	4.19	# 89 of 129	
	scale	score	rank	trend

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2014. It covers the period from 31 January 2011 to 31 January 2013. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

Population	M	14.9	HDI	0.344	GDP p.c.	\$	1214.5
Pop. growth ¹	% p.a.	3.0	HDI rank of 187	182	Gini Index		33.0
Life expectancy	years	54.2	UN Education Index	0.257	Poverty ³	%	78.7
Urban population	%	35.6	Gender inequality ²	0.649	Aid per capita	\$	64.0

Sources: The World Bank, World Development Indicators 2013 | UNDP, Human Development Report 2013. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Presidential elections were scheduled for 28 April 2012 to determine the successor to Amadou Toumani Touré (commonly known as ATT), who did not plan to run for elections due to the constitution's two-term limit. However, on 22 March 2012, Captain Amadou Haya Sanogo announced the abrogation of constitutional order on air, via the national television station ORTM. The military coup was motivated by the Malian army's poor capacities in facing a new Tuareg rebellion, which broke out in January 2012. However, the coup could not hinder the rebel group's advance, and just a few days later, two-thirds of Mali's territory was occupied by non-state groups. Despite mediation attempts by the Economic Community of West African States (ECOWAS) and the installation of a transition government, democracy could not be restored by the end of the review period. It was only in January 2013 that a French-led military intervention began to regain control of the northern part of Mali.

The year 2012 was marked by power struggles between the junta and transition-period President Dioncounda Traoré. Although both camps agreed on the main priorities – restoration of territorial unity and democracy – persistent disagreement on means and timeframes hindered the implementation of these priorities. Whereas Traoré believed that external military intervention was necessary to face the rebellion in the north, supporters of the former junta favored a military offensive conducted by the Malian army. In theory elections could have put an end to this stalemate, but holding elections across the entire country was not feasible due to the rebel occupation of northern Mali.

Among the many consequences of the coup d'état and the war in northern Mali have been a deterioration in the human rights situation in many areas and setbacks to socioeconomic development.

Human rights were violated in three particular arenas during the review period. First, extralegal detentions of politicians, journalists and soldiers were conducted in Bamako. Second, Islamist

groups introduced a fundamentalist version of Shari'ah law in northern Mali, punishing adultery with stoning, for example. Third, massacres were committed by various warring factions; for example, between 80 and 100 Malian soldiers were executed in January 2012 in Aguelhok, and Malian soldiers executed alleged supporters of Islamist groups after the start of the French intervention.

Ranked at 175th out of 187 countries in the Human Development Index 2011, Mali is one of the world's poorest countries. Although production of gold, Mali's main export commodity, was maintained and served to support economic performance somewhat, the IMF estimated that the country's economy shrunk by 1.5% in 2012. The fight against poverty has suffered from serious setbacks due to three reasons. First, the transition government was unable to pursue strategies tackling socioeconomic problems, as it was distracted by disputes over the restoration of peace and democracy. Second, the transition government lacked sufficient resources, as OECD development partners suspended their provision of aid in reaction to the coup d'état. Thus, the implementation of the new growth and poverty reduction strategy for the 2012 – 2017 period, agreed upon at the end of 2011, is on hold. Finally, the war in northern Mali created serious new problems, as for instance the displacement of about 400,000 people.

History and Characteristics of Transformation

Transformation toward a market-based economy began in the 1980s under military dictator Moussa Traoré, who sought to cooperate with the IMF and liberalize the economy. In the beginning of the 1990s, popular resistance against austerity policies grew, in particular among the politically powerful labor unions, the education sector and women's unions. Given the decline in living conditions and a perceived and actual enrichment of the political elite, violent protests broke out in the beginning of 1991, culminating in Traoré's fall. He was overthrown by pro-democratic parts of the military. Remarkably, General Amadou Toumani Touré, the head of the military interim government, stepped down and paved the way for free presidential elections. Mali experienced an extraordinarily participatory transition to democratic order by holding a constitutional National Conference with ample participation of all sectors of society. Thus, the ground was laid for a legitimate democratic order by the end of 1991.

The newly elected president, Alpha Oumar Konaré, concentrated on economic and political reforms. The negotiated settlement ending the second Tuareg rebellion (1992 – 1996) in the north is considered to be one of the government's major political successes. Initially intended to grant the northern part of the country a certain degree of unique autonomy, decentralization also began in the southern part of the country and has since been accelerated. During this period, the government dismantled state-owned enterprises in sectors such as electricity, water, textiles and telecommunications, and freed the market of state intervention in pricing. The latter proved particularly important for the agricultural sector, where unregulated prices served as an incentive to increase production. The government also opened the mining sector to foreign investment,

enabling commercial development of Mali's potential. It also established commercial courts and attempted to facilitate administrative procedures to attract foreign investment.

After a short domestic political crisis, President Konaré was re-elected in 1997. He then followed a stipulation in the Malian Constitution limiting presidents to two terms, and stepped down in 2002. This act strengthened faith in democratic procedures and enhanced Mali's international credentials. His successor, the "popular hero of democracy's hour of birth," General Touré, continued the process of economic and political reform, and was re-elected in 2007. Having qualified for the IMF's Highly Indebted Poor Country (HIPC) program in 1999, Mali was granted debt relief of roughly \$540 million in 2005. According to Mali's poverty reduction strategy paper (PRSP), formulated in 2002, these funds were to be invested primarily in education and health. Whereas investments in education have shown some initial positive results, the health sector still suffers from worrying deficits. Yet despite the IMF's overall satisfaction with Mali's current poverty reduction and growth facility (PRGF), Mali's political success contrasts with a failure to bring economic growth with equity. Overall, Mali will not reach its mid-term objectives in socioeconomic development due to fundamental structural constraints.

Since 2007, the principally Algerian group Al-Qaeda in the Islamic Maghreb (AQMI) has operated on Malian territory, contributing to a criminalization of the Sahel zone by trafficking in drugs, arms and human beings as well as by abducting Western foreigners. ATT proved reluctant to implement a military strategy against AQMI, which led to a diplomatic crisis with Algeria and Mauritania. The influx into Mali of combatants and weapons from the former Libyan army after the breakdown of the al-Qadhafi regime in 2011 triggered a new Tuareg rebellion at the beginning of 2012. A few days after the Bamako coup d'état on 22 March 2012 that toppled President Touré – ironically itself a reaction to the rebellion – two-thirds of Mali's territory was occupied by the Tuareg National Movement for the Liberation of Azawad (MNLA) and its allies (Ansar Dine, AQMI, Movement for Unity and Jihad in West Africa (MUJAO)). The Islamist groups Ansar Dine, AQMI and MUJAO captured the rebellion and introduced Shari'ah law in northern Mali. The political scene in Bamako was meanwhile blocked by power struggles between the junta and transitional President Dioncounda Traoré, and thus could not effectively conduct international support for a military and political offensive against the rebel groups. In January 2013, a French military intervention aimed at supporting the Malian army in an offensive against the Islamist groups was launched.

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

Transformation Status

I. Political Transformation

1 | Stateness

Beginning in March 2012, the Malian state lost control over large parts of its territory. Three northern Saharan regions (Gao, Kidal, Timbuktu), which together account for two-thirds of Mali's territory, fell under the control of armed non-state groups. Thus, several intertwined conflicts challenged the integrity of the Malian state and its monopoly on the use of force during the period under review. First, the overthrow of President Touré destabilized the Malian regime, with internal disputes dividing Malian political and military elites hindering effective governance. Second, the long-running conflict between the Malian state and radical Tuareg groups re-escalated in January 2012. In October 2011, Tuareg including former fighters in Muammar al-Qadhafi's army founded the National Movement for the Liberation of Azawad (Mouvement National de Libération de l'Azawad, MNLA) and called for an independent state to be carved out of Mali's northern territory. Iyad Ag Ghali, a key player in former Tuareg rebellions, created Ansar Dine in December 2011 after failing to secure the leadership of the MNLA. Ansar Dine did not share MNLA's secessionist agenda, but demanded a higher level of autonomy for northern Mali and the application of Shari'ah law. Third, Al-Qaeda in the Islamic Maghreb (Al-Qaeda au Maghreb Islamique, AQMI) and its splinter group Movement for Unity and Jihad in West Africa (Mouvement pour l'Unité et le Jihad en Afrique de l'Ouest, MUJAO) gained power. These two groups are led by transnational actors mainly from Algeria and Mauretania. During the period under review, the abovementioned non-state groups forged temporary alliances, and their combatants changed camps as the power balance shifted. The MNLA was marginalized over time, and effectively lost its military power by June 2012. French and Malian forces reconquered the cities of Kidal, Timbuktu and Gao in January 2013. Armed groups subsequently withdrew from these cities and installed themselves in remote areas of the Sahara, where borders are permeable.

Question
Score

Monopoly on the
use of force

3

Building on the historic empires of the Mandé, Peulh and Songhai, the modern state of Mali has been relatively successful in creating a national identity. The majority of Malian citizens affirm the official concept of the nation-state. However, this identity has failed to fully include the nomadic Tuareg, Moor and Arab communities in the remote northeastern part of the country. The Tuareg community accounts for 5% of the Malian population overall. In 2012, the Malian nation-state experienced a serious crisis when a minority of the Tuareg, organized under the umbrella of the MNLA, declared the independent state of Azawad on April 6. However, MNLA subsequently dropped its claim for an independent Azawad as it lost military power, and tried instead to improve its prospects for negotiations with the Malian government.

State identity
5

The Malian state is defined as a secular state, given that one of the constitution's core provisions is the existence of a laic political order. Furthermore, political parties with a religious orientation are prohibited. The majority of Malian Muslims practice a moderate and peaceful Islam. Islamist criminal groups attempted to introduce Shari'ah law in the northern part of Mali in 2012, but were pushed back in early 2013 with the help of international forces. The High Islamic Council (Haut Conseil Islamique, HCI) strongly condemned this fundamentalist interpretation and application of Islamic law. As in established OECD democracies, religious and traditional leaders and associations are interest groups that play an influential role in Malian politics. They have been successful in blocking legislative reforms such as the proposed abolition of the death penalty in 2008, or the reform of the family law since 1996, due to faith-based reservations with regard to bringing women's rights closer to a status of equality. Furthermore, the HCI succeeded in occupying political positions: in autumn 2011 the general secretary of the HCI was appointed president of the independent electoral commission (Commission électorale nationale indépendante, CENI), and in August 2012, the transitional government in Bamako introduced a ministry for religious affairs. Islamic leaders also played an active role in negotiations that followed the outbreak of political and security crisis in 2012.

No interference of
religious dogmas
5

In principle, state ministries and their regional and local representatives in eight regions and 703 municipalities are established all over the territory. Indeed, establishing a formal administrative structure is one achievement of the donor-supported decentralization process, which began in 1993. Nevertheless, the administration's functioning and performance varies considerably across the national and local levels. Whereas the central administration is comparatively powerful, local administrations remain to an extent noninstitutionalized, as plans to devolve resources to regional and municipal administrations have been insufficiently implemented to date. Whereas ministries and local administration bodies did function throughout the political crisis, some state structures have been harmed, particularly in northern Mali. Many government employees fled to the south, and services at the village level were maintained by community leaders. In addition, the suspension of foreign aid led to a curtailment of government services all over the country.

Basic
administration
4

2 | Political Participation

Presidential elections had been scheduled for 28 April 2012, and legislative elections for 1 July 2012. The military-led coup d'état of 22 March 2012 toppled the government of Amadou Toumani Touré (commonly known as ATT). After the Economic Community of West African States (ECOWAS) negotiated an agreement with coup leader Amadou Sanogo, which included the official resignation of President Touré, the constitutional court installed National Assembly president Dioncounda Traoré as transitional president of the country on 12 April 2012.

Free and fair elections

3

The Malian constitution stipulates that any such transitional period should last a maximum of 40 days, with the government to be led by the president of the national assembly. However, elections could not be conducted within this time span due to the occupation of about two-thirds of Mali's territory by non-state actors. Thus, Traoré's legitimacy quickly became limited, as his mandate as deputy of the national assembly ran out and the constitutional provisions were stretched. Following the reconquest of the northern occupied territories, the Malian transitional government established a roadmap for general elections to take place in July 2013. The first round of the presidential election was scheduled for July 7. Legislative elections were set for July 21, to be held in parallel with a second round of presidential balloting if a run-off was needed.

Elections have been held regularly in Mali since 1992. Although election processes have suffered from low voter turnout (36.2% in the 2007 presidential elections) and organizational deficits, in particular with regard to the electoral register, they have generally been considered to be free and fair by international election observers.

Since the coup d'état, the military, in particular the former junta and its supporters, has been a powerful veto player. This contrasts with the previously pro-democratic attitude of the military since the coup d'état of 1991. Captain Sanogo officially transferred power to transitional President Traoré on 12 April 2012. However, he remained quite powerful after that time, receiving political decision makers in the military camp of Kati, which served as the junta's headquarters. Former Prime Minister Cheick Modibo Diarra (April – December 2012) used to have breakfast with Sanogo. Sanogo's power became obvious when he forced Diarra to resign in December 2012.

Effective power to govern

3

The constitutional right to assemble was granted after democratization in 1991. After April 2012, repressive non-state groups restricted public meetings in the three (sparsely populated) northern regions, while association rights remained active the rest of the country. In reaction to the coup d'état, various new political groupings have emerged, in particular the Front for the Protection of Democracy and the Republic (Front pour la sauvegarde de la démocratie et de la république, FDR) and

Association / assembly rights

7

the Coordination of the Patriotic Organizations (Coordination des Organisations Patriotiques du Mali, COPAM). Both movements are coalitions of political parties, civil society organizations and trade unions. The FDR condemned the coup d'état and was in favor of an external military intervention, whereas COPAM supported the junta and opposed an external intervention. The number of demonstrations increased in 2012. Demonstrations started in January when wives of soldiers protested the extreme conditions faced by their husbands in their fight against rebel groups. After the coup d'état, Bamako saw several waves of demonstrations by FDR, COPAM and the wives of presidential guard soldiers who were arrested after an attempted counter-coup. Although a number of these demonstrations resulted in violence, the most prominent such incident was certainly the beating of transitional President Traoré in May 2012. Moreover, FDR-leader Kassoum Tapo was arrested by soldiers and brought to the Kati military camp in April 2012.

Before March 2012, Mali had an exemplary record with regard to freedom of the press. But freedom of expression has since been severely harmed. Freedom House rated Mali in its Freedom of the Press Index 2012 as the best performing country in sub-Saharan Africa. However, in Reporters without Borders' Press Freedom Index 2013, Mali fell to rank 99 from rank 25 in 2012. On 22 March 2012, the state-run television organization ORTM was occupied by the junta, which declared its seizure of power via this channel. Reporters without Borders reported that in the immediate aftermath of the coup, two foreign journalists from the Associated Press and the BBC were detained at the military barracks in Kati. In May 2012, the editors of *L'Indépendant* and *Le Prétoire* were detained and interrogated by state security officers, and another journalist was arrested for several days. In July 2012, the editor of *L'Indépendant* was abducted from the newspaper's headquarters by armed men and was seriously injured.

Reporting on the occupied north of Mali was also distinctly constrained. Many journalists fled from northern Mali in April 2012, a fact which limited access to information. In June 2012, soldiers hindered the private TV channel Africable from broadcasting an interview with the MNLA's assistant general secretary. In June, a journalist working for the last remaining radio station in Gao was beaten to death by MUJAO rebels. In January 2013, journalists were not allowed to approach closer than 100 kilometers to the French and Malian army combat areas, according to Reporters Without Borders.

3 | Rule of Law

The separation of powers continues to be weak after the coup. The National Assembly has debated and adopted laws; the constitutional court was asked for advice by the transitional government, but made only one decision in 2012, that on the vacancy of the presidency on April 10. Despite their functioning after the coup, these institutions

Freedom of
expression

5

Separation of
powers

3

did not serve as true counterweights to a transitional government that itself had only limited power in 2012. Even under the democratic regime, the National Assembly had only limited power to control the executive. This was due to the consensus politics pursued by former President Touré that incorporated almost all opposition parties into the government. By the beginning of 2012, only three legislators (members of the African Solidarity for Democracy and Independence (SADI) party) could be regarded as opposition in a parliament of 147 seats.

The Malian judiciary suffers from insufficient material resources and professional training as well as from corruption. Corruption in the judiciary has been prosecuted only in the case of highly public cases. The judiciary can furthermore be easily influenced by the high judicial council (Conseil Supérieur de la Magistrature), which is chaired by the president of the republic and steers judicial careers.

Independent
judiciary
4

The transitional Minister of Justice Malick Coulibaly is known for his moral integrity, as he resigned from his position as public prosecutor at the trial court in Kati in 2008, protesting against executive interference via the general prosecutor. In September 2012, he initiated a major reshuffle of the judiciary's personnel aimed at restoring trust in Mali's judicial system. In the course of this reform, 41 new judges and prosecutors were appointed. These new jurists have reputations for high moral integrity and sound legal education. In 2012, a competing judicial system was introduced by MUJAO, AQMI and Ansar Dine in parts of northern Mali. In Timbuktu, an Islamic tribunal was installed that adopted decrees and judged cases brought to the tribunal by the Islamic police.

Office abuse is rarely sanctioned. The office of the Public Auditor (Vérificateur Général) was de facto established in 2005 to identify misuse and embezzlement of state resources. Recommendations by the Public Auditor have to date been only partly addressed, but efforts to strengthen the office's capacity to implement its mission have been undertaken. In 2011, the office of the Public Auditor consisted of 100 staff members and four regional offices in Kayes, Ségou, Mopti and Sikasso. The incumbent Public Auditor continued his work after the coup d'état, and his report for 2011 was released in November 2012. In 2011, among other focuses, the processing of tax revenue in Bamako and the allocation of land parcels in Kati were subject to oversight. The report revealed financial irregularities in the total amount of XOF 10.1 billion. It was furthermore noted that in the aftermath of the coup d'état, a significant quantity of administrative documents were destroyed, a fact that will hamper the future work of the Public Auditor.

Prosecution of
office abuse
3

In principal, the Malian constitution of 1992 guarantees civil rights. However, since the beginning of the rebellion in January 2012, serious civil rights violations have taken place in various areas, committed by a number of different actors. In the aftermath of the 2012 coup d'état, politicians loyal to the toppled President Touré were arrested. Among those arrested were former Prime Minister Cissé Mariam

Civil rights
4

Kaidama Sidibé and former Minister of Foreign Affairs Soumeylou Boubèye Maïga. These individuals were detained without any official charge at the military camp of Kati, the junta's headquarters. Although ECOWAS ultimately negotiated the release of these politicians at the beginning of April, about 20 politicians were rearrested on 16 April 2012. Another wave of illegal detainments comprising more than 40 people occurred after the attempted counter-coup by Touré's presidential guard on 30 April and 2 May 2012. At the end of January 2013, 28 were released.

In the north of Mali, serious civil rights violations were committed by several armed groups. Amnesty International reported several cases of women being abducted and raped by MNLA fighters in Menaka and Gao. The armed groups of Ansar Dine and AQMI furthermore introduced Shari'ah law. They additionally imposed dress codes that obliged women to wear a veil and socks to cover their feet, closed bars and prohibited nonreligious music. Compliance with these provisions was monitored by an Islamic police, and violations were punished by beatings. In Timbuktu the amputation of accused thieves' hands was reported, and in Aguelhok a couple accused of adultery was stoned to death.

Islamist groups have detained, tortured and killed soldiers of the Malian army. The most prominent example was the execution of 80 to 100 Malian soldiers, whose throats were slit in January 2013 in Aghuelok. There is no clear evidence as to which group committed this crime, but Ansar Dine and AQMI are suspected. The Malian army also committed serious human rights violations. Amnesty International reported on the arrest and torture of alleged MNLA supporters in Kidal and Menaka in February and April 2012. Alleged MNLA supporters were extrajudicially killed in Sévaré in April 2012. Although the French-led intervention apparently relieved the human rights abuses in the northern cities, Malian army soldiers have been accused of executing 13 Islamist supporters in Sévaré and Konna in January 2013.

4 | Stability of Democratic Institutions

The political crisis of 2012 weakened the functioning of democratic institutions. Previously, these functioned with varying degrees of effectiveness. Bureaucratic strife and frictions between institutions, in particular among ministries, continued and was exacerbated by rivalries between transitional President Traoré, Prime Minister Diarra (April – December 2012) and junta leader Sanogo. The mandate of the National Assembly was extended through the transitional period, but the parliament had no ability to control the transitional government effectively. Despite a small population of between 14 million and 15 million people, Mali has 30 ministries, and the transitional government formed three cabinets in the course of 2012. Furthermore, the mediocre performance of democratic institutions is exacerbated by the frequent overlap of institutional responsibilities, with several state organizations often working on similar issues without palpable results. International donors have tended

Performance of
democratic
institutions

3

to weaken the performance of democratic institutions. Although they financially and technically strengthen state organs and administrative structures, they undermine them by substituting their own functions. Some ministries' main de facto aim was to acquire as much external financing as possible in order to increase their influence and satisfy their respective clients.

The National Committee for the Recovery of Democracy and Restoration of the State (Comité national pour le redressement de la démocratie et la restauration de l'Etat, CNRDRE) that launched the coup d'état in March 2012 claimed that it aimed to reestablish democracy and free the country from corrupt elites. Insofar as this was true, CNRDRE's supporters did not question democratic principles in theory. However, the junta seriously harmed democratic rights through the extralegal detentions of journalists, political actors and presidential guard soldiers. Furthermore, the junta did not de facto hand over power completely to transitional President Traoré, who had at least a limited democratic legitimacy, as the constitution of 1992 assigns the role of transitional president to the president of the national assembly. The MNLA, which initiated the occupation of northern Mali, did not accept the central state's democratic institutions, but instead demanded the creation of new democratic institutions for the independent state of Azawad. Other non-state actors in northern Mali, such as AQMI and Ansar Dine, demonstrated no such democratic ambitions.

Commitment to
democratic
institutions
3

5 | Political and Social Integration

Mali's system of political parties is fairly fragmented and poorly institutionalized. Party splits are common, and volatility is high. Furthermore, parties are personalistic in their structure, show low levels of internal organization despite state funding and lack a programmatic profile. In parliament, 14 of the more than 133 officially registered political parties are represented, with frequently shifting allegiances. They rarely fulfill an intermediary function between state and society, while more "traditional" parties such as the Alliance for Democracy (Alliance pour la Démocratie au Mali, ADEMA) or the RPM (Rassemblement pour le Mali) fail to aggregate broad social interests. Obviously the large majority of parties represented in parliament failed to aggregate popular discontent with the malfunctioning of democratic institutions and the performance of democratically elected representatives. In an opinion poll of 385 people in Bamako, conducted by the Friedrich Ebert Foundation in November 2012, 41% of respondents considered the weakness of the political parties to be a major contributor to the political crisis.

Party system
4

The party system has been weakened by two trends in the last decade. First, the number of independent individuals in government and parliament increased between 2002 and 2007 (from six parliamentary seats in 2002 to 15 in 2007). A similar increase was observed in the local elections of 2009. Second, an ongoing blurring of the lines between engagement in civil society organizations and participation in

political parties can be observed, with the former now often used as a stepping-stone into politics.

Interest groups form a relatively close-knit network of economic (trade, agriculture, hunting), ethnic (community of Lebanese origin, Peulh) and social (Islamic, NGOs, education) activity. New alliances of interest groups emerged as a reaction to the political crisis of 2012. The most prominent include the FDR, which condemned the coup d'état, and COPAM, which supported the junta. Both movements served as coalitions of political parties, civil society organizations and trade unions. Another important interest group in the current situation is the Collective of Northern Citizens (Collectif des Ressortissants du Nord, COREN). COREN tried to position itself as mediator between the Malian government and MNLA at the beginning of the rebellion in January 2012. The group claims to articulate the grievances of the northern victims of the security crisis while declaring the territorial integrity of Mali to be non-negotiable.

Interest groups
7

Three particularities characterize the manner in which diverging interests are balanced in Mali. First, a dialogue-based political culture of consensus dominates. Second, a system of so-called jocular relationships exists that cuts across the various ethnic groups. In the event of tensions, these relationships create a moral boundary and ensure that dialogue with the “other” group is maintained. Both characteristics make it difficult for foreign observers to detect social conflicts, which often disappear behind the “veil of consensus.” Third, a culture of public protests was established during Mali’s democratization, taking shape in the early 1990s. Thus, FDR, COPAM, COREN and religious actors could easily mobilize street protests in Bamako to express their positions with regard to the political order in Bamako and the occupation of northern Mali.

No up-to-date data on democratic attitudes deriving from representative opinion polls exists in Mali. According to representative opinion polls by Afrobarometer in 2008, 74.5 % of the population preferred democracy to any other regime type. However, half the population was unsatisfied with the way democracy functioned Mali; by contrast, 22% were highly satisfied, and almost 30% fairly satisfied. A majority of 82% evaluated democratic elections as the most important institution in choosing political leaders. This figure appears not to have changed drastically. In an opinion poll conducted by the Friedrich Ebert Foundation in November 2012, surveying 385 people in Bamako, 81% of respondents declared that they intended to participate in the next elections. However, asked to identify non-negotiable points in negotiations with non-state groups, only 16% mentioned democracy, in contrast to a respective 75% and 49% of respondents who cited the country’s territorial integrity and the laic character of the state.

Approval of
democracy
n/a

Levels of mutual trust and the ability to self-organize are high among Malians, the latter particularly in rural areas where 73% of the population lives. The extent to

Social capital
7

which recent turbulences have reduced this level of trust can only be a matter of speculation. According to Afrobarometer opinion surveys in 2008, 71% of Malians stated that one could trust fellow citizens, whereas 20% thought that one must be careful or not trust at all (7.3%). The high level of solidarity is evident in the way displaced persons from the occupied northern territory have been treated, the majority of whom have been hosted in private homes. The family network is the most important social reference point for most parts of society. In Malian society, the concept of family refers to the extended family, which includes remote relatives as well as close friends. Self-help is organized in the familial context, by means of a sophisticated system of self-regulation between various family members. This tradition holds high potential for social capital as well as for preferential treatment between family members in public affairs (corruption), which is likely to burden the common welfare of society as a whole. A robust network of civil society organizations such as NGOs and associations has been established across the country. Associations and NGOs, often financed by international donors, serve both as welfare-oriented organizations and as “small enterprises” providing individual income. Particularly in the rural parts of the country, associations supply the population with basic services, substituting for the state’s role. High levels of self-help remain a legacy of the authoritarian regime, which did not integrate rural areas into the country’s socioeconomic development effectively. In the political crisis and during the occupation, many community leaders tried to organize basic public services.

II. Economic Transformation

6 | Level of Socioeconomic Development

Being poor in Mali is the norm, not the exception: According to the Human Development Report, 51.4% lived in extreme poverty (less than \$1.25 per day) in the 2000 – 2009 period. Overall, poverty is a factor of economic rather than of primarily social exclusion. To date, the success of governmental and international efforts in reducing extreme poverty has been limited (according to World Bank data, this rate fell from 61% to 50% between 2001 and 2010). Despite steady macroeconomic growth through 2011, poverty reduction will continue to be limited due to fast population growth (an annual rate of 2.4% between 2005 and 2009, with estimates of 3.0% per year between 2009 and 2015). Moreover, Malian society faces major structural obstacles, since poverty is much worse in rural than in urban areas and income distribution is uneven. Mali’s income Gini coefficient is estimated at 39.0 (2000 –2011). The high level of subsistence farming makes for better living conditions than figures suggest. However, agricultural production is highly

Question
Score

Socioeconomic
barriers

1

vulnerable to weather conditions. Providing sufficient food for its population remains one of Mali's major problems, although the share of the population deemed to be undernourished decreased from 27% between 1990 and 1992 to 12% for the 2006 – 2008 period. The recent droughts, warfare and displacement will certainly lead to an increase in this share, however.

Although achieving high rates in primary enrollment (2001 – 2010: 97.2%) Mali's literacy rate is still low, at just 26.2% for the 2005 – 2010 period. Gross enrollment rates for secondary (41.6%) and tertiary (6%) education remain low in comparison to primary enrollment. Inequality between men and women is substantial. On the UNDP's 2011 Gender Inequality Index, Mali is assigned a value of 0.712 (rank 143), considerably worse than the sub-Saharan African average of 0.61. Whereas it can be considered as a success that 88 girls per 100 boys attended primary education in 2011, the labor force participation rate demonstrates remaining inequalities: only 37.6% of women in comparison to 67% of men engage in the formal labor market.

Despite having improved by an average of 2.74% per year in the UNDP's Human Development Index (HDI) between 1990 and 2011, Mali's HDI value (0.359 in 2011) remains lower than the African average (0.463). Compared internationally, Mali's level of human development is one of the lowest worldwide, scoring near the bottom of the HDI in 2011 with the rank of 175 out of 187. Altogether, it must be noted that the reliability of socioeconomic data on Mali is weak. For instance, data for the United Nations' Millennium Development Goals could not be collected for 27 out of 61 indicators.

Economic indicators		2009	2010	2011	2012
GDP	\$ M	8964.5	9422.3	10656.4	10308.1
GDP growth	%	4.5	5.8	2.7	-1.2
Inflation (CPI)	%	2.5	1.1	2.9	5.4
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	1.1	0.3	1.7	-
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	-654.9	-1189.9	-	-

Economic indicators		2009	2010	2011	2012
Public debt	% of GDP	24.7	28.7	32.9	32.0
External debt	\$ M	2210.7	2464.0	2930.7	-
Total debt service	\$ M	68.5	61.6	68.0	-
Cash surplus or deficit	% of GDP	-2.1	-2.5	-	-
Tax revenue	% of GDP	14.7	14.6	-	-
Government consumption	% of GDP	17.3	16.9	17.1	-
Public expnd. on edu.	% of GDP	4.4	4.3	4.7	-
Public expnd. on health	% of GDP	3.1	2.8	3.1	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.6	1.6	1.5	1.4

Sources: The World Bank, World Development Indicators 2013 | International Monetary Fund (IMF), World Economic Outlook 2013 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2013.

7 | Organization of the Market and Competition

Market competition operates under a weak institutional framework. According to the World Bank's annual Doing Business Report, Mali's ease of doing business deteriorated after a slight improvement in 2012 from a rank of 148 out of 183 in 2011 to 151st out of 185 in 2013. Improvement was achieved in the field of credit and paying tax. Amendments to the Organization for the Harmonization of Business Law in Africa (OHADA) Uniform Act facilitated access to credit. Taxpaying became to some extent less costly through a reduction of the corporate income tax, compensated for by the introduction of a new tax on land. Furthermore, the taxpaying process was simplified through the introduction of a single form for the payment of several taxes. Generally, the informal economy remains large, with commercial activity as its core. Most retailing and trading activities take the form of street and market activities and are thus not reflected in official statistics.

Market-based
competition
4

There are rules and regulations prohibiting monopolies and oligopolies, but corruption severely hampers their implementation. As a result, wholesale price-fixing oligarchies exist in many areas of the economy, such as trade in grains or the activities of the Office du Niger. Retail prices are competitive, and the informal sector is large and vibrant. However, the "modern" retail distribution system is limited.

Anti-monopoly
policy
5

Mali has been a WTO member since 1995, although it has not completed its notifications to WTO. In the Doha round, Mali particularly tried to negotiate the abolishment of subsidies for cotton exports. Mali is furthermore a member of the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS). A large part of its trade framework is determined within these organizations. Mali participates for instance in WAEMU's Common External Tariff, which according to the WTO Trade Policy Review 2010 levies an average tariff of 12.1%. However, Mali still levies a special tax on certain products including spirits, livestock and mining products of any origin including the WAEMU-zone. Additionally, Mali imposes a special duty on sugar imports from non-WAEMU states. Mali does not subsidize exports, but enterprises exporting above 80% of their production enjoy tax concessions. Gold and cotton exports are taxed at 3%. The transitional government raised this tax for gold exports to 5% in May 2012. However, government officials often demand illegal "fees" from those transporting goods across the border. Fraud through the use of import licenses that create preferential rules for individual companies is widespread. In order to improve its export strategy, Mali is currently establishing an Export Promotion Agency for Malian firms.

Liberalization of
foreign trade

6

Mali enjoys ACP (the Group of African, Caribbean and Pacific countries) privileges under the Cotonou Agreement. In negotiations for an economic partnership agreement with the European Union, Mali is represented by ECOWAS and WAEMU. This negotiation process has stagnated, as government officials fear a loss of about 32% of Mali's customs revenues under the current partnership agreement.

Institutional foundations for a banking system have been laid, but there are vulnerabilities due to extreme dependence on outside factors. There are 13 commercial banks operating in the country. Although the second-largest bank, Banque International du Mali (BIM), has been privatized, the degree of foreign ownership of banks remains low. The state and regional institutions such as the Banque Centrale des États de l'Afrique de l'Ouest (BECAO) hold significant stakes in the Malian banking sector.

Banking system

7

The Malian banking sector is subject to regular oversight by the WAEMU Banking Commission. WAEMU obliged its member states to increase the minimum capital requirement for banks and other financial institutions. The benchmark was XOF 10 billion on 31 December 2012, which was achieved by Malian banks. Although the financial system has sufficient liquidity, Malian banks lack resources for long-term financing. Nonperforming loans have decreased to 10% of outstanding loans according to the African Economic Outlook 2012. In 2010, this ratio was 23.5%. In May 2011, the government created a private-sector guarantee fund (FGSP) in order to provide banks with guarantees for medium- and long-term loans (between two and

seven years) made to small and medium-sized enterprises. Additionally, a capital-stock investment company (SICR) was created to take shareholdings in companies.

The WAEMU exchange rate mechanism does not restrict payments and transfers connected with current international transactions.

8 | Currency and Price Stability

Mali is a member of the African Financial Community (Communauté Financière d'Afrique, CFA), which is guaranteed by the French Treasury and does not control its own monetary policy. The CFA franc is pegged to the euro. Decisions are made by the Banque Centrale des États de l'Afrique de l'Ouest (BCEAO), which has maintained generally low inflation rates over the past few years. This trend was interrupted in 2008, when inflation in the CFA region rose to 5.6%. In 2011 inflation was kept below 4%.

Anti-inflation /
forex policy
7

In Mali, growing conditions and food production quantities are the most influential factors in determining inflation. Agricultural production decreased in 2011 due to irregular rainfalls. Furthermore, external shocks like the Libya war, rising oil and food prices, and the post-electoral crisis in Côte d'Ivoire contributed to an increase in the consumer price index by 3% in 2011. The Malian political crisis led to a further 7.2% increase in 2012, according to a World Economic Outlook estimate.

In principle, Mali had a stable macroeconomic framework under the leadership of President Touré. Cooperation with the IMF and World Bank as well as with other international donors was the backbone of macroeconomic stability. However, the political crisis in 2012 disrupted cooperation with OECD donors.

Macrostability
4

Public debt reached 26.8% of GDP in 2010, further increased to 27.5% in 2011 and was expected to grow to 28.1% in 2012. Public debt is to a high degree financed by external lenders. In 2010, outstanding external debt totaled 24.4% of GDP, decreasing slightly to 23.4% in 2011. The debt service's share of exported goods and services was 4.9% in 2010, 4.2% in 2011 and 5.0% in 2012. The current account deficit decreased from 7.5% of GDP in 2010 to 5.4% in 2011 and was projected to decline further to 4.8% in 2012 by the African Economic Outlook. Pro-poor macroeconomic growth constitutes one of the main pillars of the new national strategy to reduce poverty, the Strategic Framework for Growth and Poverty Reduction (Cadre Stratégique pour la Croissance et la Réduction de la Pauvreté, CSCRP), which was adopted at the end of 2011. Its implementation had not yet begun by the close of the review period.

9 | Private Property

Property rights and the regulation of the acquisition of property are well defined in principle. A center for industrial property, Centre Malien de Promotion de la Propriété Industrielle (CEMAPI) is responsible for the implementation of the legal property rights protection regime, including the World Trade Organization (WTO) Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) treaties. However, there are problems with implementation due to widespread corruption within the Malian bureaucracy. In the important area of the land rights, three major factors hinder implementation. First, most land remains uncovered by allotment (even in local areas); second, ubiquitous corruption results in high additional transaction costs for anyone seeking a legal title; and third, divergent concepts of property and customary access rights, particularly between nomads and the settled population, result in frequent clashes in rural areas. The Malian opposition has accused the government of supporting “land grabbing” in Mali. It is difficult to obtain reliable information on the scope of foreign land acquisition. The Oakland Institute estimated that in October 2010, 370,000 hectares of land were leased or under negotiation for lease to external investors. However, political developments in recent years have affected the implementation of these investments. The much-criticized Malibya project, under which 100,000 hectares of land were to be leased to Libya in the zone of the Office du Niger, has not currently been implemented due to the overthrow of the al-Qadhafi regime. The political crisis in Mali has led to further withdrawals of foreign investment.

Property rights
5

General registration of property was eased in 2008 as a result of administrative reforms. Costs for property registrations decreased from 20% of the property’s value in 2010 to 12% in 2012 according to the Doing Business Report 2013.

Generally, private enterprises bear limited relevance in the economic system. The majority of private companies in Mali are small and employ few staff members. These companies encounter economic and political barriers including insufficient infrastructure and corruption. However, in 2011, the government adopted a new investment code designed to foster private business. In addition, the National Investment Promotion Agency (Agence nationale pour la promotion des investissements) established in 2009 has launched an e-regulation website. This website is meant to facilitate administrative procedures necessary for private businesses such as the establishment of a company, registration as a trader or the acquisition of land.

Private enterprise
5

As previously mentioned, several privatization processes have been undertaken. In 2011, the privatization of the state-owned Compagnie Malienne pour le Développement du Textile (CMDT) cotton firm achieved its first results, as two of four subcompanies were sold. Furthermore, the Malian government in 2011 sought

advice on the privatization of housing bank Banque de l'Habitat du Mali (BHM), which was supposed to be carried out in 2012. Due to the political crisis, it will be difficult to attract private investors to buy state enterprises in the near future.

10 | Welfare Regime

State measures guaranteeing economic inclusion or providing compensation for exclusion are quite limited. Broad segments of society have insufficient health care and social infrastructure. There are almost no functioning capital-funded schemes to guarantee welfare. However, guided by the IMF, the Malian government has approved some reforms to the civil service pension fund in order to reduce its operating deficit. Given its limited service capacity, the Malian state is not able to systematically combat poverty on its own. However, the Touré government launched a campaign to increase cereal production through input subsidies in an effort to achieve self-sufficiency in basic food supply.

The political crisis, its subsequent suspension and the war have further weakened the country's social infrastructures. Thus, a large part of the Malian population has to rely on the private social welfare systems provided by the extended family, a factor highlighted by the Report of the African Peer Review Mechanism (launched in 2010), among others. In addition, donor-financed NGOs and Islamic welfare associations provide basic social services.

There are several barriers to equal opportunity in Mali. Malian society is based on personal connections; thus social differences play an enormous role and shape prospects for economic success. Women do not enjoy the same opportunities as men in Malian society. Structural inequality between men and women is legally anchored in the widely contested family law (Code de la Famille). Inequality becomes apparent when examining literacy rates. According to the World Bank, 43% of male adults were literate in 2010, as compared to just 20% of female adults. This gap only slightly narrows in the younger generation: here, 56% of young males (aged 15–24 years) and 34% of young females were able to read and write in 2010. In 2011, 88 girls per 100 boys attended primary education, but only 37.6% of women engaged in the formal labor market, in comparison to 67% of men. However, women's engagement in the informal economy is substantial, since they are very often the ones who sell products at market. Women's high engagement is not reflected in their rates of participation in state affairs. Although women occupy leading positions within the state bureaucracy, their presence in parliament (10% of all seats) and government (two female ministers out of 30 positions) is limited. During the occupation of northern Mali, women's rights were curtailed substantially. For instance, in Timbuktu women had to follow a strict dress code and were not allowed to ride motorbikes and cars without being

Social safety nets

3

Equal opportunity

3

accompanied by male relatives. However, neither religious nor ethnic background hinders participation in Malian society.

11 | Economic Performance

After rising growth rates of 4.6% and 5.8% in 2009 and 2010 respectively, GDP growth fell to 2.7% in 2011 (total GDP: XOF 5.0 trillion) due to a decline in food production caused by poor rainfall. The political crisis of 2012 also seriously affected the economy. The suspension of external aid led to a decline in public spending, the occupation of the north damaged agricultural production as well as trade relations, and tourism further declined. Only the mining sector – in particular gold mining, which benefited from rising gold prices and the opening of new gold mines in Kondiéran and Tabakoroni in the second half of 2011– could partly absorb the effects of the crisis. Thus, the overall economy is estimated by the IMF as having shrunk by 1.5%. The poor harvest of 2011 and trade disruption due to the political crisis also affected inflation rates. The consumer price index rose by 3% in 2011 and 7.2% in 2012. The general government gross debt stayed stable according to the IMF at about 30% of GDP in 2011 (XOF 1.53 trillion) and 2012 (XOF 1.48 trillion). The current account deficit decreased from 10.2% of GDP in 2011 to 5.4% of GDP in 2012. According to the United Nations Conference on Trade and Development (UNCTAD) foreign direct investment decreased from \$406 million (23.8% of GDP) in 2010 to \$178 million (8.2%) in 2011.

Unemployment rates are high and affect in particular the young population, which represents the highest share of the overall population (49% of the population is younger than 15, and 30% is between 15 and 35 years old). The African Economic Outlook indicates that the unemployment rate for 2011 was 9.6% of the overall population. For the population between 15 and 39 years old, the rate was between 7.6% and 15.4%, while 1.7% to 6.9% of the population between 40 and 64 was unemployed. Unemployment is caused by poor economic growth rates in combination with a population growth rate among the world's most rapid, as well as by unsuitable job training.

12 | Sustainability

Mali faces enormous environmental challenges including desertification, loss of biodiversity and water pollution, and is extremely exposed to the effects of climate change. Efforts to tackle these challenges have been rated as weak thus far. The Environmental Policy Index (EPI) 2010 assigned Mali a rank of 156th out of 163 countries (EPI score: 39.4). The EPI 2012 did not provide data on Mali.

Output strength
4

Environmental
policy
4

A formal institutional framework for environmental protection has existed since the 1990s. The right to a healthy environment and its provision by the state is included in the constitution (Article 15), and the government established a comprehensive legal framework in its environmental rules of 1998, the National Environmental Protection Policy (Politique Nationale de Protection de l'Environnement, PNPE). Furthermore, the national growth strategy of 2007 – 2011 used the PNPE as a crosscutting issue, and environmental as well as climate issues were mainstreamed in the preparation of the 2012 – 2017 poverty reduction strategy paper. In spite these efforts, environmental problems have not been adequately addressed to date. A national Environment and Sustainability Agency (Agence nationale de l'environnement et du développement durable) was created in 2010, and in 2011 Mali was included in the Climate Investment Funds' Scaling Up Renewable Energy Program in Low Income Countries (SREP) program as a pilot country. However, given the political and security crisis, environmental protection is low on the transition government's agenda.

Lack of education is one major factor in the country's relatively slow socioeconomic development. There is no reliable data despite the high relevance of education on the political and donor agenda. The U.N. education index assigned Mali a score of 0.27 in 2010 and 2011. According to the World Bank's World Development Indicators, 22.6%, 16.7% and 18.2% of government expenditure was devoted to education respectively in 2009, 2010 and 2011. This corresponds to a GDP share of about 4% (2009: 4.39%, 2010: 4.38%, 2011: 4.83%). To date, educational policies have shown only moderate results. On the one hand, input indicators show noteworthy improvements; for example, as measured by the UNDP, primary enrollment increased from about 26% of eligible children in 1991 to 97.2% in 2001 – 2010. Here, the spread of state-regulated Islamic schools (médersas), funded partially by Arab states, was decisive. Furthermore, given Mali's traditional culture, it can be considered a success that in 2011, 88 girls per 100 boys attended primary education. However, ensuring regular school attendance and examinations remains a major challenge due to regular and long-lasting strikes for better professional conditions by teachers and professors. The situation is further aggravated by a lack of trained professionals; only 2% of the Malian population has a university degree. On the other hand, output indicators remain extremely low. According to the UNDP's 2011 Human Development Report, adult literacy rates have made little progress (18.8% of adults were literate in 1990, as compared to just 26.2% in 2005 – 2010); a significant gap between urban and rural literacy rates remains. However, according to the World Bank, progress has been achieved with regard to youth literacy. In 2010, the literacy rate of people aged 15 to 24 was 44.3%. In 1990, the youth literacy rate was just 27.6%. There is no significant spending for research and development in Mali.

Education policy /
R&D
3

Transformation Management

I. Level of Difficulty

Grave international and domestic structural constraints hinder the effective governance of transformation processes in Mali. Geographically, Mali's landlocked position complicates access to overseas markets and makes the country vulnerable to developments in neighboring countries (such as political upheavals in Côte d'Ivoire in 2011). Almost two-thirds of Malian territory falls into the Sahel zone. Although the humid inner Niger delta makes Mali better off than its neighboring states, the country is highly vulnerable to climate changes. Heavily dependent on agriculture, which makes up the largest share of national income, Mali's economic well-being requires consistent and sufficient rainfall. But a continuous cycle of droughts and inundations regularly affects the northern and eastern regions of the country. Despite a good harvest in 2012, food insecurity persisted because of high food and commodity prices, the dependence on food and oil imports, and the consequences of the violent conflict in the north. The conflict additionally limited access by humanitarian organizations to those who were in need and blocked the road to Algeria, the most important route for the supply of food to the Kidal region.

Structural
constraints
8

Domestically, Malian society faces two main cleavages. First, a striking socioeconomic gap between better-off urban areas and rural regions, where most of the poor people live, divides Malian society. Extreme poverty (according to World Bank data for 2010, 50.0% of the population lived on less than \$1.25 per day, and 78.8% lived on less than \$2 per day) and the lack of an educated labor force (according to the International Labor Organization, at least two-thirds of non-agricultural employment is informal) hobble socioeconomic development in Mali. As mentioned above, education has received considerable funding, but poorly managed transfers have yet to yield notable results. In addition, the small domestic pool of internationally trained experts prefers to work in government or with the international donor community rather than taking commercial risks.

Finally, international factors constrain the country's economic and political governance. First, being one of sub-Saharan Africa's most aid-dependent states, Mali's economy relies on the logic of rent-seeking. A structural constraint emerges from the double-bound accountability of the Malian government. It is effectively held accountable by powerful donors, while the domestic population's knowledge and

capacities are too limited to hold the government accountable. Consequently, the Malian sovereign is often overruled by international donors. Second, Mali's economic transformation capacity is limited by the country's very low degree of integration into the world economy. In addition, international companies dominate key sectors such as gold extraction and telecommunications. The state-owned cotton company is being privatized, and land is sold to international investors on a large scale. The profits made by international investors and companies largely bypass public financial systems, and thus does little to contribute to domestic socioeconomic development.

Civil society organizations mushroomed during the democratic change period of 1991 – 1992. Ever since, they have contributed to a strengthening of pluralism in Malian society. Previously, syndicates were the only form of permitted associations, though these were often co-opted by the authoritarian regime. Despite this fact, unions (especially of peasants, educators and women) were the first to oppose the one-party system openly, contributing to Moussa Traoré's weakening. Since 1991, a kind of "NGO business" has emerged, thanks to the massive financial support provided by OECD donors and NGOs. Muslim organizations represent an exception to this trend, as they are often financed by Arab states.

Civil society
traditions

4

Three types of civil society organizations can be observed today. These groups are engaged in politics to varying degrees. First, large and medium-sized organizations represent specific interests of groups such as women or students, or engage in advocacy on particular issue areas such as land grabbing. Second, small-scale business-like NGOs are active in the social sector (e.g., education, health), where they are involved in service delivery. They usually do not pursue political objectives. Third, new organizations emerged in the context of the recent conflict, positioning themselves like COPAM and FDR in favor of or against the junta, or claiming like COREN to represent the interests of the northern population. COPAM and FDR each encompass politicians as well as civil society organizations. Each of these organizations managed to mobilize popular support for large demonstrations, thus drawing attention to their respective positions.

Malian society is traditionally characterized by tolerance and a political culture of dialogue. The former is very much emphasized in public discourse and is a source of pride for most Malians. The aforementioned "jocular relationships" help to facilitate communal relations. Accordingly, the report of the African Peer Review Mechanism (APRM, published in 2010) emphasizes the Malian culture of peace and tolerance.

Conflict intensity

9

Nevertheless, two conflicts escalated in 2012. First, the secular Tuareg MNLA movement started a rebellion in northern Mali in January 2012. The Islamist groups Ansar Dine, AQMI and MUJAO entered in MNLA's wake, and in June 2012 pushed the MNLA out of northern Mali and introduced a fundamentalist version of Shari'ah law. France intervened in January 2013 to support the Malian army in repelling a

further offensive by the Islamist groups. In early 2013, at the close of the review period, a full-scale war was being fought in northern Mali.

Second, the paradigm of consensus politics was abolished on the central level when the military entered the political sphere by overthrowing President Touré in March 2012. Subsequently, political actors, civil society and the military were divided into a pro- and an anti-putsch camp. Although a transitional government was installed, this conflict blocked the restoration of peace and democracy.

Furthermore, the war in northern Mali threatens to exacerbate ethnically motivated violence between the light-skinned Tuareg and Berabiche Arabs and the black population. During the Tuareg rebellion in the 1990s, the Ganda Koy militia committed extrajudicial killings of light-skinned North Malians. Reports on executions of alleged supporters of Islamist groups committed by the Malian army suggest that such crimes could continue to occur in the current war.

II. Management Performance

14 | Steering Capability

Since the start of the political crisis, Mali has been confronted with new challenges that thrust even its previously demanding and complex development challenges into the background. The transitional government defined two priorities in its transitional roadmap of July 2012: the management of the crisis in north Mali and the organization of democratic elections. These priorities were not tackled in 2012, but were confirmed in the transitional plan adopted in January 2013. The transitional government has maintained both of these priorities, as they are both urgent and inevitable, and because other challenges cannot adequately be tackled as long as these are not solved. The organization of democratic elections also ranks high on the agenda of external actors, and Mali is currently more than ever dependent on external support.

In December 2011, the new growth and poverty reduction strategy (Cadre Stratégique pour la Croissance et la Réduction de la Pauvreté, CSCRP) for 2012 – 2017 was adopted by the Malian government in cooperation with its international development partners. The new CSCRP declares as its medium- and long-term goal to make Mali “an emerging country and an agricultural power with a good quality of life for its people, both men and women.” Thus, the Malian government succeeded in emphasizing its own priority to foster agricultural production in the policymaking process with the international donors. This has been a contentious point in negotiations with OECD donors. In the last two decades, a tension has existed

Question
Score

Prioritization
4

between the Malian government's desire to formulate its policies independently in response to its people's wishes, and its dependence on external aid linked to political conditions. In 2011, about 50% of the Malian budget was donor-financed.

However, it is uncertain if the priorities of the CSCR 2012 – 2017 will persist in the near future. After a return to democratic order, any new government will be faced with new challenges such as the repatriation of displaced people and reconciliation. Further long-term strategic objectives are impossible to gauge as the character of the future Malian government remained unknown as of the time of writing.

The transitional government was effectively blocked in much of its activity for several months. Disagreement as to the proper length of the transitional period and power struggles between junta leader Sanogo, Prime Minister Diarra and transitional President Traoré hampered the search for effective implementation strategies. These tensions became visible when transitional President Traoré was beaten up by demonstrators at the presidential palace on 21 May 2012. In the aftermath, Traoré spent almost two months in France for medical treatment. During his absence, no visible progress in managing the security crisis in the north or the overall crisis of democracy was made. Although the transitional government's policy priorities were clearly spelt out in July, diverging opinions on the appropriate measures to tackle the crisis remained. A national convention intended to bring together different political and civil society groups to specify a transitional road map was repeatedly postponed in the second half of 2012 due to disagreements over the proper participants, procedures and agenda. While Sanogo and his supporters claimed that the security crisis could and should be solved by the Malian military, which for success would simply need access to military equipment blocked at the ports of Conakry and Dakar, Traoré and his loyalists preferred cooperation with external actors such as ECOWAS, the African Union and the European Union. External actors were not able to plan their support for the Malian government, as no official demands were articulated. Demonstrations in Bamako blamed ECOWAS for undermining Malian sovereignty by organizing an external military intervention. It was only in September 2012 that Traoré officially asked ECOWAS for military assistance. This demand prepared the ground for military assessment missions and diplomatic preparations by ECOWAS, the African Union and the United Nations, as well as with bilateral and multilateral partners such as the United States and the European Union.

Implementation
4

The transitional government's ability to learn from policy failures of the previous government will become evident with the organization of democratic elections slated to be held by July 2013. Although various evaluations from the administration, civil society groups and the OECD donor community have highlighted administrative and institutional challenges of electoral administration in detail, lessons learned through past experience remained poorly implemented in the organization of the national elections in 2007 and in the preparation for the planned 2012 elections. The

Policy learning
5

production of a complete and transparent voter registration system remains a major and persistent challenge, for instance.

In another example of missed learning opportunities, the Malian government sought to integrate ex-militant Tuareg rebels into the special military forces in 2009, tasking them with securing the Sahelian borders. In 2010, in cooperation with the European Union, the government started planning a program complementing the military strategy at the border region, aiming this time to foster socioeconomic development so as to dissuade border populations from turning to criminal activities. Although these civil-military programs are convincing in theory, they ignore the lessons learned from the disarmament and integration programs of the 1990s.

Media freedom, the presence of mostly functioning markets and the culture of demonstrations in urban areas give the government enough feedback to gauge the impact of its policies and eventually change its tactics. This became evident during the public debates over external intervention in the north of the country. The former government's record in terms of innovation is less positive. The high incidence of rent-seeking elites profiting from access to external funds and international investments in primary sector mega-projects has made it difficult to tackle some of the root problems of corruption. The political leadership has internalized dependence on foreign aid to a very high degree, and does not seem willing to change this basic approach in favor of greater self-reliance. Although transitional President Traoré shifted the Malian security strategy from a dialogue-based form of conflict management to the use of force in the north, the government still depends on external support to solve its security crisis. The French military intervention in January 2013 is one example of the lack of self-reliance.

Finally, Mali has adapted to external pressure from international OECD donors, and has learned from previous negotiation processes. The government exhibited growing self-confidence in its dialogue with international donors between 2009 and 2012, in particular in the policy dialogue over the composition of Mali's budget.

15 | Resource Efficiency

Mali's resource efficiency is unsatisfactory. The last Amadou Toumani Touré government included 29 ministries. Such a high number for a country of 14 million citizens is hardly a sign of frugal management. The year 2012 witnessed three cabinets in the aftermath of the coup d'état. While the first transitional government of April 2012 reduced the number of ministries to 24, the transitional government of August 2012 included 31 ministers, while that of December 2012 held 30 ministers. The political changes in 2012 led also to replacements at government agencies' management level.

Efficient use of
assets

4

Ministries and government agencies continue to suffer from a high rate of absenteeism. Until 2012, auditing remained a serious problem for Malian ministries, despite strong foreign and internal efforts to improve transparency in alliance with the Malian Ministry of Finance. Nevertheless, the work of the Public Auditor (Vérificateur Général) has improved, and has become more visible since 2009. This office's annual reports have triggered substantial public debate and have forced spotlighted ministries and offices to explain themselves in public. However, irregularities discovered in the audits have not been officially punished. In 2011, steps to improve the country's institutional framework were taken. The government adopted a national internal budget strategy. Furthermore, a Court of Auditors was planned to be introduced by a constitutional referendum scheduled for 2012. In 2011, the accounts section of the Supreme Court was strengthened with additional staff. Although the Public Auditor continued his work after the coup d'état, the auditing process experienced setbacks, as many government documents were destroyed.

Improvements in the country's financial management system could be observed prior to the coup d'état. Expenditure systems at the central and decentralized levels have been connected, allowing for the improvement of budget documents and the provision of real-time information on the state budget's execution. Moreover, the use of medium-term expenditure frameworks translating the Growth and Poverty Reduction Strategy Paper's sectoral strategies into budgetary terms was extended.

Policy coordination continues to be a challenge in Malian politics, and became even more complicated following the political and security crisis of 2012. Four phenomena aggravate policy coordination. First, the high degree of interagency strife in Mali is directly related to the prevalence of overlapping responsibilities among the large number of ministries and donor agencies. Ministries often argue over project control and the ability to distribute favors to their constituencies rather than over actual policy content. The government fails to coordinate interests, and avoids conflict by allowing ministries to seek funds from international donors more or less directly. For example, in working groups on governance or agricultural development, a variety of agencies frequently present new proposals without prior coordination. OECD donors, despite being involved in regular coordination activities, often act in parallel and pursue diverging objectives, thus deepening the lack of policy coordination. In particular, conditionalities for financial disbursements to the Malian budget are still poorly harmonized, representing inconsistent donor policies. Given the OECD donors' role as strategic veto players in Malian policymaking, they indirectly hinder effective policy coordination within the Malian government. However, overall coordination efforts have been improved in the areas of decentralization, education and electoral assistance. Second, new support programs from China have increased the difficulty of policy coordination. For instance, China's successful support of the rice initiative and of infrastructure development has taken place completely outside the scope of OECD activities. Third, donor-financed NGO activities further undermine policy

Policy
coordination
4

coherence. Over the last decade, an “NGO industry” has emerged and has successfully sought access to international financing. In 2007, the government reacted with a new law to regulate NGO financing by means of a comprehensive reporting system. But this law has had little effect due to the high number of uncoordinated and independent NGOs. Fourth, the security crisis widened the scope of relevant multilateral actors in policy formulation and implementation, bringing the African Union, ECOWAS and the United Nations in particular into play. Coordination between the policies of these multilateral actors, the Malian government and donors remains a challenge.

High levels of corruption among the Malian political elite and bureaucrats has long prompted popular dissatisfaction with the democratic regime. With this in mind, fighting corruption continues to be on the agenda of the transitional government. Indeed, this goal was explicitly identified in the January 2013 road map for the transition. The former government of Mali rhetorically avowed a strong commitment to fighting corruption, but showed limited success. For instance, the office of the Public Auditor (Vérificateur General), an office set up to investigate but not prosecute cases, was financially and organizationally strengthened. The Public Auditor regularly complains about the lack of prosecution, despite the office’s identification of several cases, with detailed evidence, in which the government had experienced massive financial losses. The Public Auditor’s report of 2011 clearly presented the cases transferred by the office to the Prosecutor General. The constitutional revision draft originally slated to be put to the voters in a 2012 referendum foresaw the creation of a Court of Auditors (Cour des Comptes), which was supposed to monitor the implementation of budget laws. Separately from the Public Auditors’ report, health grants by the Global Fund to Fight Aids, Tuberculosis and Malaria and the Global Alliance for Vaccines and Immunization were respectively suspended in 2009 and 2011 due to massive corruption. In August 2011, progress with regard to transparency in the mining sector was achieved; Mali was accepted as a member of the Extractive Industry Transparency Initiative (EITI), which demands the disclosure of both government and company revenues related to the extraction of natural resources. However, the report for 2011 had not been delivered by the time of writing. Corruption remains rampant at all levels of society, and a rent-seeking mentality persists. There are four levels of corruption: 1) Small bribes are extracted by public officials in everyday life, which feeds resentment and threatens political stability. 2) Economic stakeholders are bribed to acquire contested public offers. Because this kind of corruption often entails a Malian “loser,” it occasionally becomes public and the guilty party is punished. This form of corruption occurs regularly in public procurement. 3) Money is embezzled from donor funds. Unless donors themselves are vigilant in tracking funds, this form of corruption is rarely punished. 4) Public officials receive bribes from organized drug traffickers to prevent them from

Anti-corruption
policy

4

prosecuting these crimes. Such arrangements were apparently in place in north Mali, and were tolerated by the central level through 2012.

16 | Consensus-Building

Rhetorically, the main political actors in Bamako agree on democracy as a mid-term and long-term goal. Among the non-state groups occupying northern Mali in 2012, only MNLA explicitly declared its adherence to a democratic agenda (despite having rebelled against a democratically elected regime). However, there was substantial disagreement with regard to the nature of the transition. In particular, the length of the transition period and the proper transition institutions were points of contention. The former junta and its supporters favored the organization of national conventions. These were inspired by the National Conference that was successfully held during the first democratic transition period at the beginning of the 1990s. Accordingly, national conventions would serve as legislative control institutions with respect to the transition government. For their part, transitional President Traoré and the parliament's deputies argued that the parliament elected in 2007 should be retained for the duration of the transition period.

Consensus on goals
5

A commitment to market economic principles is more difficult to detect in the current situation, as economic topics are not currently of high importance in the political debate. Previously, political actors, syndicates and strong civil society associations were engaged in debate over economic principles. There was vociferous opposition to liberalization, which often reduces privileges held by trade unions or the managers of state-run enterprises. There have been delays and even reversals in privatizing major utilities, such as the state cotton company and the water and electricity provider. In addition, nobody questions the feasibility of imposing state planning for key sectors of agricultural production, as indicated by the government's initiative to foster cereal production through subsidies, a policy that was continued by the transition government.

A gap exists between current political actors' rhetorical commitment to democracy and their actual behavior. First, the CNRDRE justified the coup d'état by arguing that democratic institutions had been eroded and that democratically elected representatives were corrupt. Nevertheless, the junta came to power through undemocratic means, and CNRDRE head Captain Sanogo did not hand over power completely, but rather continued to interfere with the transition government on a regular basis. Moreover, CNRDRE violated democratic rights through the extralegal detentions of journalists, politicians and soldiers of the presidential guard. Second, transitional President Traoré does not enjoy the absolute confidence of the population, and has been frequently criticized for pursuing personal interests. Third, the Islamist groups (Ansar Dine, AQMI and MUJAO) that occupied northern Mali until January 2013 oppose democratic principles and are not incorporated in efforts

Anti-democratic
actors
4

to restore democracy. Fourth, ECOWAS reacted immediately to the coup d'état by exercising pressure on the junta through sanctions and serving as a mediator. However, in particular in the initial phase of these mediations, ECOWAS failed to include all relevant political actors, and negotiated one-sidedly with CNRDRE.

Two groups slowed democratic consolidation before the political crisis of 2012. First, Islamic leaders and associations, including women's groups, hindered liberalization by publicly and proactively opposing the reform of the family law in 2009. Although they have no formal veto powers, their opinions are highly respected and followed by the majority of parliamentarians and executive. Overall, their power is limited because they are fragmented in small groups and weakly organized. Islamic players apart from the fundamentalist groups in northern Mali are generally committed to democratic practices such as public deliberation, but most of them oppose some principles of liberal democracy such as equal rights for women. In so doing, they represent the views of the majority of the Malian society. Second, international donors intervened in Malian internal affairs and have de facto veto power in the formulation, budgeting and implementation of policies. They indirectly and unintentionally hinder democratization. For instance, they hold the government accountable and at the same time weaken the government's capacity to be accountable to the people.

The events of 2012 revealed and aggravated existing cleavages and also created new tensions. Previously existing cleavages included the following: first, the divide between marginalized northeast and central regions; second, tensions between the light-skinned Tuareg and Arab population and the black population of northern Mali; and third, the persistence of socioeconomic gaps between the large poor part of the population and urban elites. In 2012, different camps evolved that held divergent views on the junta, the proper character of the transition and the proper strategy in addressing the occupation of northern Mali.

Although Mali's former President Touré usually tried to build consensus between different groups of society, he also exploited intraregional rivalries in order to manage the conflict in northern Mali. Whereas his predecessor Konaré (1992 – 2002) systematically favored traditionally powerful Tuareg clans for public positions, Touré instead turned to members of the Arabic and Songhai community. Furthermore, he is said to have made a pact with AQMI to tolerate their presence on Malian territory as long as they refrained from terroristic acts within Mali. This pact allowed his loyalists within the state apparatus to benefit from smuggling and trafficking in northern Mali. Touré's strategy did not succeed in containing northern Mali's conflict potential. Post-coup political leaders mobilized demonstrations in order to demonstrate their popular support. Thus, they contributed to the creation of additional cleavages.

Cleavage /
conflict
management
3

The degree of civil society participation in the management of the transition process has been a contentious issue. Civil society organizations were heterogeneous in their positions toward the political crisis in Bamako and the security crisis in northern Mali. The overall blockade of the transitional government was also reflected in the failed attempts to include the various civil society organizations. The first agreement negotiated by ECOWAS on 6 April 2012 did not take voices from civil society into account; neither did the first transitional government. After the stalemate induced by the attack on transitional President Traoré, ECOWAS applied pressure to form a new transitional government of national unity. The transitional government formed on 20 August 2012 included members of the anti-putsch movement FDR, the pro-junta COPAM and the COREN collective of northern citizens. This government was supposed to organize a national convention following the model of the 1991 national conference, which would then specify the transition road map. This national convention was supposed to include political and civil society representatives from all camps. The first attempt to organize such a national convention was initiated by COPAM in May 2012. However, groups such as FDR that opposed the coup d'état refused to participate in this event. Between September 2012 and January 2013, several dates for a national convention were scheduled, but all were postponed because relevant groups canceled their participation. Disagreement persisted as to the appropriate participants, procedures and agenda. FDR criticized Prime Minister Diarra (April – December 2012) for letting only his closest allies steer the process and thus biasing the convention. In January 2013, the Civil Society Forum (a coalition of around 50 civil society organizations) asked transitional President Traoré to postpone the convention, as the coalition feared that the convention would worsen the institutional crisis instead of finding a way out of it.

Civil society participation
5

Violence and human rights abuses deepened existing cleavages in Malian society in 2012. Reconciliation between different groups at the regional and local level will be a precondition for restoring social peace in the Malian nation. The non-state groups Ansar Dine, AQMI, MNLA and MUJAO committed human rights violations and terrorist acts during their occupation of northern Mali and after the France-led military intervention. As a consequence, prejudice among the remainder of the population grew against the Tuareg and Arab minorities. The Malian army was also accused of committing serious human rights violations against alleged supporters of the abovementioned non-state groups. Furthermore, CNRDRE conducted extralegal detentions in Bamako. Against this background, the January 2013 road map for the transition called for the establishment of a National Commission for Dialogue and Reconciliation (Commission Nationale de Dialogue et de Réconciliation) in February 2013. As conceived, this commission would organize the return of the administration to the northern regions, foster dialogue between communities, facilitate the return of displaced people and fight against impunity.

Reconciliation
n/a

17 | International Cooperation

Mali cooperates closely with bilateral and multilateral international donors from the OECD world. As Mali is among the most aid-dependent states in sub-Saharan Africa, this comes as no surprise. According to the OECD and World Bank, Mali received \$71 in transfers per capita in 2010. This means that the country's degree of aid dependency has doubled since 2000 (\$36) despite Mali's rapid population growth. In total, OECD donors spent \$1.09 billion in net official development assistance in 2010. Continuously increasing international support has been based on the widely shared assumption that Mali is a success story of democratization and has demonstrated a stronger commitment to development than other sub-Saharan African aid recipients. However, Mali's reputation as African poster child came to an end when the military toppled President Touré in March 2012, and when the country's security situation worsened. As a consequence of the coup, the largest OECD donors (e.g., World Bank, United States, European Union, France, Canada) suspended their foreign aid to Mali. Whereas most aid programs were stopped, humanitarian assistance and cooperation with non-state actors continued and partly increased. For instance, the United States (aside from \$70.4 million in 2012) and the European Union (€250 million in 2012) suspended most aid programs and focused on humanitarian assistance (US: \$119.3 million; EU: €15 million). OECD donors have been unclear as to preconditions for resuming aid programs in Mali. Although there seemed to be an agreement that aid delivery would be contingent on new democratic elections, donors disagreed as to the appropriate date for elections. For instance, the United States insisted that they should take place in April 2013, whereas most other donors supported the January 2013 transition road map, which called for elections in July 2013. As of the end of the review period, the Malian transitional government lacked the capacities – as did the previous government – to organize elections efficiently and effectively without international support. In addition, international cooperation focused on the security situation in Mali's north. Donors and other international actors such as the African Union and ECOWAS met at an international fundraising conference at the end of January 2013. A total of 40 states and international organizations here pledged \$455 million to support the African-led International Support Mission in Mali (AFISMA) and the Malian Defense and Security Forces, as well as to aid with humanitarian assistance.

Expanding beyond the OECD, Mali has successfully sought to diversify its international relations through cooperation with China and India in Asia, as well as with Libya in North Africa. While Malian relations with China have progressively deepened throughout the last decade, the Arab Spring hindered further cooperation with North African regimes. In particular, al-Qadhafi's fall in 2012 slowed or stopped Libyan investments in infrastructure and food security in the Niger delta. China's support is composed mainly of unconditional concessionary loans and infrastructure

Effective use of
support
5

aid. For example, China is financing the construction of a third bridge in Bamako (estimated €160 million), which is vital for the country's economy. Moreover, it agreed to contribute to a motorway from the capital Bamako to the regional economic hub Ségou.

The effectiveness of international support was widely questioned after the military coup in 2012. Although outcomes in specific sectors such as education and health have improved according to donor evaluations, the effectiveness of support has overall been limited. Problems with implementing long-term strategies have emerged due to rent-seeking and policy inconsistencies in the Malian administration. In the past, outside actors failed to acknowledge the Malian regime's problems of poor governance, and instead rewarded Malian elites with more financial assistance and aid. Moreover, donors contributed to this limited effectiveness through a lack of sensitivity to local conditions and a lack of coordination between donor policies. Although policy dialogue improved the harmonization of donor activities and their alignment with Malian policies, there are still less-coordinated programs which work in parallel to harmonized policies such as general and sectoral budget support. The effectiveness of humanitarian assistance and AFISMA support will depend on whether the north can be made accessible, on the redeployment of administrative structures to the northern regions, and on the capacity of African forces, in particular from ECOWAS and the African Union, to take over a leading role in the military operations initiated by France at the beginning of 2013.

Before the coup d'état in March 2012, Mali enjoyed a good reputation as a reliable partner on the international level. This was underscored by intensive cooperation with OECD donors and high levels of official development assistance. However, this reputation had already suffered somewhat after the discovery that funds provided by the Global Fund to Fight Aids, Tuberculosis and Malaria and the Global Alliance for Vaccines and Immunization had been embezzled in 2011.

Credibility
5

The year 2012 was marked by a power vacuum on the central level. International partners therefore lacked a national counterpart for cooperation. Credibility was not easy to convey, since for months it was not clear whether transitional President Traoré, Prime Minister Diarra or Captain Sanogo actually held the reins of power in Bamako. Disagreements among these actors with regard to solving the security crisis in the north and the appropriate length of the transition period worsened the situation. Given the complexity of the situation, President Traoré cooperated closely with regional and international partners in autumn 2012, as well as at the beginning of 2013 in planning a military intervention in northern Mali. In doing so, the transitional government regained some reputation for credibility. However, future credibility will depend on the transitional government's capacity and willingness to effectively implement the transition road map.

Mali's former governments were actively engaged in international and regional organizations, and promoted regional integration. Former President Konaré was the chairperson of the Commission of the African Union between 2003 and 2008. Moreover, importance was given to international peacekeeping missions. Mali has contributed troops to peacekeeping missions in Burundi, Rwanda, Haiti, Darfur (Sudan) and the Central African Republic.

Regional
cooperation
5

In 2012, Mali's role changed from a promoter of regional integration to a target of regional crisis management. The African Union and ECOWAS immediately suspended Mali's memberships in reaction to the coup d'état on 22 March 2012. Furthermore, ECOWAS imposed economic sanctions, selected Burkina Faso's President Blaise Compaoré as mediator in the crisis, and as early as March 2012 considered sending ECOWAS troops to Mali. ECOWAS actively negotiated with CNRDRE in Bamako; advocated within the African Union and the United Nations as well as with other relevant external actors for responses to the Malian crisis; was supposed to host the (ultimately cancelled) negotiations between the Malian government, Ansar Dine and MNLA in January 2013 in Ouagadougou; and started to deploy its troops in January 2013. However, the ECOWAS mediation was criticized by elements of the Malian population, mainly by COPAM. Several demonstrations in Bamako expressed the perception that ECOWAS was hurting Mali's sovereignty by intervening on Malian territory. Nevertheless, transitional President Traoré officially asked for ECOWAS support in September 2012, and actively participated in ECOWAS crisis management efforts, such as the extraordinary session of ECOWAS heads of state and government on 19 January 2013 in Abidjan.

Strategic Outlook

Mali is no longer the poster child for democratization in sub-Saharan Africa. The military coup of March 2012 caused a continuing political crisis in the capital and even intensified the security crisis in the north of the country, although the coup was itself a reaction to the handling of the crisis. Economic progress ground to a halt during the period under review because of the conflict situation and the persistence of major structural constraints such as dependency on foreign assistance, relatively minimal levels of undiversified production and rent-seeking within the administration.

Managing the democracy and security crisis will be the main task of the transitional government, political class, civil society organizations, the military and Mali's international partners in 2013 and 2014. The two crises are interlinked; one will not be solved without progress in the other. Such crisis management must combine a political, economic and military approach. It should focus on four key short- and long-term elements: restoring the democratic order, combining military and civilian measures to meet the security problem, making economic and social progress, and improving the efficiency of the international (OECD) donor community's actions.

First, restoring Mali's democratic order not only requires that free and fair elections be held, but also that the democratic commitment of political elites be strengthened and civil-military relations be reformed. Whether it will be possible to hold democratic elections effectively by July 2013 remained an open question at the time of writing. It is certain that the timeline of the January 2013 road map for Mali's transformation is too ambitious with regard to elections. Given the deficits of electoral organization before the planned elections of April 2012, it is unlikely that major challenges such as electoral registration will be surmounted until March 2013. Moreover, the presence of 400,000 refugees will make it difficult to guarantee the right to vote to all Malians. If elections are to lead to lasting democracy, political elites must commit to democratic processes and behavior. This is difficult, because old political elites have persisted with only minimal renewal. Even the new political groupings such as COPAM and FDR that emerged during the crisis are partly composed of old elites. A democratic renewal can only take place if the rule of law is guaranteed by holding old elites responsible for their past corrupt activities. In addition, the Malian military has reemerged as a political player. Civil-military relations must be democratized in order to guarantee the constitutional order.

Second, reducing threats to stability in the northern regions remains one of the main challenges, even after reconquering the territory at the beginning of 2013. Effective military presence is a precondition for holding back new attacks by transnational actors in northern towns, in particular on the part of AQMI, MUJAO and Ansar Dine. If this is to be accomplished, the Malian military must be reorganized and effectively trained. Anti-corruption training and improved salaries might help in preventing cooperation between the Malian military and criminal forces in the Sahel. In creating anti-terrorist measures, it must be considered that most of the non-state parties to the

conflict are economically motivated and participate in criminal networks. Fighting these groups must include activities with regard to the supply (e.g., intelligence information about criminal activities) and demand (markets in Europe and North Africa) of illegal products. But military and police intervention must be combined with dialogue, reconciliation strategies and conflict prevention. This includes negotiations with groups that do not challenge Malian territory; fostering dialogue between different population groups across the country to avoid acts of revenge against Tuaregs and Arabs; and long-term measures to address the creation of employment and adaptation to extreme climate conditions.

Third, efforts to manage the political and security crisis must not ignore economic and social policies. Providing public goods will be a precondition for legitimizing and strengthening democratization, as well as avoiding a deepening of conflict in the long run. In order to facilitate socioeconomic development, anti-corruption measures must be strengthened, and an integrated and effective demographic, education and agriculture policy must be created. The country needs to address some basic challenges. First, as long as population growth continues unabated, even significant economic growth will not translate into palpable poverty reduction. Second, agricultural productivity still remains low, although it increased substantially between 2010 and 2011. These growth rates should be maintained, but are heavily dependent on external influences such as weather conditions. Third, the illiteracy rate of more than 80% reflects a crippling lack of education. Fourth, a rent-seeking mentality permeates all levels of the governing class and hinders economic growth. This mentality is also responsible for the sharp contrast between the amount of development aid given to the country and the lack of improvement in output indicators. Tackling one of these problems alone will not bring socioeconomic growth. Thus, short-term prioritization of single policies must be replaced by a long-term strategy that integrates these policy fields in a coherent manner. Reactivating and adapting the Malian growth strategy (2012 – 2017) is one option for doing so.

Finally, foreign actors have often raised expectations to unrealistic standards, feeding discontent and in the end threatening to erode the political freedoms gained in Mali over the last few decades. OECD donor policies reward good governance and economic progress. In accordance with this logic, they rightly focus on advances made by the recipient government. In the case of Mali, they tended to openly admit problems such as endemic corruption within the state bureaucracy and the growth of criminal activities in the Sahel zone. In addition, donors' initial reactions to the military coup of March 2012 set unrealistic standards by calling for democratic elections by April 2013. Powerful OECD donors could contribute in a positive way to development by openly acknowledging the problems of poor governance. The political and security crisis that has racked the country since 2012 shows that there are indeed forces in the country that desire change.