

BTI 2014 | Senegal Country Report

	scale	score	rank	trend
Status Index	1-10	6.00	# 51 of 129	
Political Transformation	1-10	7.12	# 36 of 129	↗
Economic Transformation	1-10	4.89	# 82 of 129	→
Management Index	1-10	6.25	# 24 of 129	

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	13.7	HDI	0.470	GDP p.c.	\$	1944.0
Pop. growth ¹	% p.a.	2.9	HDI rank of 187	154	Gini Index		40.3
Life expectancy	years	63.0	UN Education Index	0.402	Poverty ³	%	55.2
Urban population	%	42.9	Gender inequality ²	0.540	Aid per capita	\$	52.5

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

The most important element of democratic and economic transformation from 2011 to 2013 has been the peaceful change of government in March/April 2012 after Macky Sall won the presidential elections.

Between 2009 and President Sall's election, Senegal underwent a period of political disputes that distracted attention away from the real problems of the country, stalling development. The pre-electoral period, which began in 2011, was very tense and marked by violent riots and fierce repression by security forces. However, the tumultuous period of the last few years has come to a peaceful end. The elections resulted in the victory of a broad opposition alliance over the former ruling party, which had begun to show authoritarian tendencies and had become increasingly ineffective and widely characterized by corruption and illegal enrichment. On the national level, as well as in regard to its foreign relations, Senegal has regained its stability and international credibility. This renewed status may help authorities find necessary financial support from development partners for the funding of its key reform program in the energy sector.

The new government did not hesitate to offer its political, military and logistical support for the international intervention in Mali at the beginning of 2013. Senegal continues to be very engaged in regional politics in order to contribute to stability and positive developments.

Historically, Senegal has been a model country for democratic institutions and a market economy in West Africa. Despite only modest economic success and very scarce natural resources, the country has remained politically stable and has enjoyed uninterrupted civilian rule since gaining its independence. In 2000, after 40 years of reign of the Socialist party, long-time opponent Abdoulaye Wade came to power and Senegal underwent its first peaceful transition to a new political party's rule. While Wade's first term was marked by high hopes, promises and encouraging achievements, the political and economic system became increasingly unstable during his last years in office. Then 85-years-old President Wade had lost his appeal as a reformer

and was no longer a symbol of hope and optimism. The political system and its leaders were losing credibility and support, within both the country, the region and worldwide. Sall inherited a host of economic and structural problems. Despite some successes in sectors such as telecommunications, construction and services, the economic situation has not substantially improved for the majority of Senegalese citizens during the review period. Annual economic growth has slowed down considerably since 2009. In the longer run, given the high number of youth who seek employment on the labor market every year, Senegal is at risk of losing its former relatively positive conditions for maintaining political stability and economic opportunity. Difficult environmental framework conditions, high aid dependency and deteriorating public institutions leave little room to maneuver. In 2011 and 2012, a variety of factors, including natural disasters such as heavy rains and drought; mounting oil and food prices; problems in mobilizing international financial support; and energy supply problems have caused slow economic growth. The deteriorating power grid infrastructure has needed urgent investment for years, and deficits in management and a lack of financial resources represent a heavy handicap for the development of small- and medium-sized enterprise. Moreover, development efforts have been concentrated on the capital region of Dakar, and peanut production, which is the vital economic basis of Senegal's rural population, has suffered accordingly. Economic alternatives for national agriculture and the stability of rural areas have not been developed. In the last years, mounting discontent with economic prospects and the electoral campaigns in 2011 and 2012 triggered riots in Dakar and other major cities. Macky Sall's victory in the presidential election in March 2012 has calmed down the crisis and created conditions for the continuation of the necessary socioeconomic reform programs, even if their implementation is likely to occur at a slow pace.

President Macky Sall leads a broad coalition of political parties and civil society representatives. He is trying to build up a participative and inclusive system of government, open for dialogue and negotiations, even with the separatist rebels in the Southern Casamance province.

Although Senegal is considered to be a reliable partner internationally, the government may face questions from external partners again about audit reports that cast light on insufficient public expenditure management and a lack of implementation capabilities.

History and Characteristics of Transformation

Since gaining its independence in 1960 Senegal has figured as a politically exemplary country in West Africa. Even during a relatively short period of one-party rule, the first president of Senegal, Leopold Senghor, maintained a relatively liberal regime and stepped down voluntarily in 1980. Senghor's party, which was renamed the Parti Socialiste (Socialist Party or PS) in the 1970s, ruled the country for over 40 years. The beginning of the country's political transformation dates back to 1976, when the former one-party state authorized the existence of three political parties. The party system was fully liberalized in 1981, which led to numerous subsequent party foundations and regroupings. In the late 1990s, debates about necessary economic reforms and personal

rivalries over the control of increasingly scarce resources strengthened the forces of fragmentation within the PS.

The macroeconomic situation deteriorated in the early 1990s until the 100% devaluation of the regional currency, the CFA franc, in 1994. Afterwards, the macroeconomic situation improved, but the living conditions of the average Senegalese evidently worsened. Since 2000, approximate annual growth rates have been around 5%, but this was not enough to meet the needs of a growing and increasingly urban population. Since 2009 economic growth has gone down significantly. In 2001, Senegal was reclassified as a least developed country (LDC). Life for many Senegalese has become particularly difficult in times of high oil and food prices, as Senegal is highly dependent on energy and other imports.

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

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

Seck was replaced by Macky Sall, who in turn was replaced three years later by another politician without strong party support who was soon afterwards also replaced. In end effect, President Wade went through six prime ministers during his twelve years of reign. Sall was publicly humiliated, dismissed as president of the National Assembly and as the PDS’s deputy secretary-general and narrowly escaped judicial accusations for corruption. In 2008, he founded his own political party, the Alliance pour la République (APR), which became part of a vast opposition alliance, the “Benno Siggil Senegal,” arrayed against the president’s PDS and his intentions to build up his son, Karim Wade as his successor.

Following Wade’s re-election in 2007, the political climate in Senegal soured and political conflict became more pronounced. The president’s son, Karim, was promoted by his father to become a

“super minister” in the government (in charge of the ministries of international cooperation, air transport, infrastructure and energy), a position that wielded control over more than 40% of the national budget. The opposition parties suspected him of having non-transparent business interests and other corrupt international connections, supposed to have begun when he was the organizer of the international Islamic Conference in 2008, heavily financed by Arab countries.

Public discontent with the politicking of the political class and disillusion over the problem-solving capacities of the political system were rising. In the last few years, there have been several spontaneous riots in Senegal as urban youths in particular face dwindling prospects of a better life.

In 2009, just after heavy losses in the municipal elections, incumbent President Wade, nearly 85, announced his renewed candidacy for the 2012 elections². In so doing, he defied those critical of his dynastic succession plans and the supposed legitimacy of his third presidency, which was finally validated by the Constitutional Council in 2012.

In 2011, the different opposition forces against a third Wade presidency and his intentions to install his son as his successor unified. Following a particularly tense electoral run-up to the first round of elections that feature riots and outbursts of violence, Macky Sall and Abdoulaye Wade reached the second ballot. The twelve opposition candidates of the first round supported Macky Sall against Wade.

Macky Sall won the elections by a vast majority, and Wade immediately accepted his defeat. Macky Sall came into office in the beginning of April 2012. He formed his first government, taking into consideration all relevant forces of the vast opposition alliance against Wade, including political parties and citizen movements or groups. Since this peaceful change of power, Senegal has restored its reputation as a model case for democracy and a model in respecting the legal constitutional framework.

The elections for the National Assembly resulted in an even clearer defeat of the former governmental party, the PDS, which has since split up. Several leading members of the former regime, including Karim Wade, are under accusation of corruption and illegal enrichment.

Currently, President Macky Sall and his government enjoy international political and financial support, especially from France and the United States.

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

Question
Score

With the exception of a separatist movement in the southern province of Casamance, the Senegalese state maintains its monopoly on the use of force. The political movement in Casamance and its paramilitary wing have been fighting for the independence since 1982. Initial effects of a 2004 armistice agreement have faded away since the renewed outbreak of armed conflict in 2010, which followed the rearmament of the separatist guerrillas. Violence, banditry, drug commerce and military fighting are again characteristic of the situation in Casamance. In 2012, a new round of negotiations with the separatist rebels began. One of the four factions of the rebel forces has accepted the terms of peace talks, which were mediated by the Italian Sant'Egidio association in Rome, a catholic laymen's organization, and supported by the Vatican and several European countries.

Monopoly on the
use of force

7

For many years, the region has suffered from very poor governmental, public and economic infrastructure. Villagers in some areas have left their homes due to the fighting and harassment on both sides of the conflict.

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

Senegal has a long tradition of state structures modeled on the French colonial experience, which dates back into the mid-nineteenth century. The country is proud of its status as the former seat of government of French West Africa and in the long-term political linkages of the "four communes" (i.e., Dakar, Rufisque, St. Louis and Gorée) to France. These entities were considered integral parts of France, and its citizens were eligible, under certain conditions, to be elected to the French National Assembly. Among the French-speaking countries in West Africa, Senegal was more influenced by France than any other country in the region. Only the southern region of Casamance, south of the English-speaking neighboring country of Gambia, came

State identity

9

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

Senegal is 95% Muslim and the influence of conservative Muslim influence groups has become stronger in recent years, partially under external influence from Salafist preachers whose religious thinking hails from Saudi Arabia and other Arab countries. These developments have occurred even though former President Senghor, who was a Catholic, successfully limited the role of religious faith in politics and enforced the principle of "laïcité," or the notion of a secular state. Since independence, the political leaders of Senegal have continued to build on Muslim brotherhoods when reaching out to the rural areas while, at the same time, maintaining the predominance of the state over religious groups. In order to maintain its links with Muslim brotherhoods and to obtain the support of religious organizations during electoral campaigns, the Senegalese state offers privileges and financial aid to the brotherhoods, especially to the Mourides, one of the two major ones. So, despite the constitutional separation of church and state, these brotherhoods exert political influence that, to some extent, limits the legal provisions that prescribe the "laïcité." Nowadays, the big brotherhoods refrain from giving open endorsements, in contrast to what they did during the first decades of the Senegalese republic.

Clerics, whether Muslim or Catholic, are accorded high moral authority in everyday life. Moral convictions and political decisions – for instance, on homosexuality or abortion – are closely related to religious faith and traditions. The former president, Abdoulaye Wade, belongs to the Mouride Muslim brotherhood. While Wade was rhetorically a strong defender of laicism, he did not hesitate to show his submission to the leader of the Mouride brotherhood in public. Since 2010, the brotherhoods' political support for President Abdoulaye Wade's electoral ambitions shrunk as social protest and unrest grew. Wade tried in vain to mobilize some Muslim sects and violent political militias.

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

No interference of religious dogmas

7

State administration is present throughout most parts of the country, although less so in the rural areas far from the capital. The functioning of the administration is at times deficient due to a lack of adequate (human) resources and increasingly poor infrastructure. During the past years, decentralization efforts at the local level have advanced. However, social services are still very limited, and their provisioning is not guaranteed throughout the territory and to all parts of the population. In recent years, educational and health care services have suffered heavily from neglect, poor administration and a lack of financial resources, despite promises such services would be improved.

Basic
administration
6

The decentralization process, which began in 1996, and the transfer of certain responsibilities to the local authorities, have not improved the delivery of services to the population in rural areas. In general, the transfer of responsibilities has not entailed the transfer of the necessary decentralized budgets to implement effective policies. Also, there is still a lack of competence and training at the local level. However, decentralization has created more space for individual initiatives.

The lack of accountability when it comes to officeholders has created additional problems. Corruption and incompetence became increasingly widespread in the civil service under Wade. Since 2009, Senegalese politics was dominated by a continuous electoral campaign, especially since the defeat of the Wade's political party of in the municipal elections in March 2009, when the alliance of opposition parties took over the capital city and the majority of the biggest towns.

2 | Political Participation

Elections in Senegal have long been considered largely free and fair. These characteristics were reconfirmed in 2012. In March 2012, voters elected Macky Sall president for a seven-year term in an election deemed largely free and fair by domestic and international observers. According to the U.S. State department, there were isolated reports of minor irregularities, such as insufficient equipment or late openings at some polling stations. In July 2012, Sall's Benno Bokk Yakaar coalition also won the majority of seats in National Assembly elections. These legislative elections were also considered free and fair by international observers. Also, according to U.S. sources, the 150 registered political parties generally operated without restriction or outside interference. However, in early 2012, the Constitutional Council disallowed three candidates from running in the presidential election for not collecting the 10,000 signatures required.

Free and fair
elections
8

Before the last elections, Senegal's prospects of continuing its democratic tradition was looking grim due to Wade's apparent dynastic aspirations and his desire to stand for a third term in presidential office, despite widespread misgivings and passionate debates on the constitutionality of this ambition. In the past, there had also been fierce

and frequent political battles over the composition and mandate of the electoral commission. In 2001, the constitution was subsequently amended in order to block the possibility of a president serving more than two terms in office. This was approved in a free and fair nationwide referendum. However, the strong role of the president was not reduced. Later on, the constitutional amendment restricting the president to two terms was rescinded once again. Then, the Constitutional Council gave its green light for the candidature for a third presidency of Mr. Wade, which caused violent protest and questions regarding the motivations of the constitutional judges.

In 2007, the opposition boycotted parliamentary elections after Wade's re-election, claiming electoral fraud. This weakened the legitimacy of parliament. Since then, opposition parties have questioned the correctness of electoral lists. Macky Sall, the head of Wade's presidential campaign in 2007, publicly claimed that there had been electoral fraud in 2007 in regard to the electoral register. In spite of all these allegations against the correctness of the electoral register, the 2012 presidential and parliamentary elections were held in a fair and transparent way and the opposition forces defeated Wade overwhelmingly.

As has been the case since the first transfer of power to President Wade in 2000, private media (newspapers, radios and TV) have freely covered the electoral process and have played a significant role in communicating the results from the polling stations.

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

Religious groups come nearest to a veto power. They are listened to when it comes to matters of public morale, but nowadays the main Muslim brotherhoods refrain from intervening directly in politics or giving endorsements. Small groups attempt to intervene but their support in political elections does not determine political outcomes. Although they played a strong political role in the 1980s, the Muslim brotherhoods refrained in 2012 from intervening openly into the electoral campaign. The "holy city" of Touba constitutes a special case, where the Khalif, the highest religious authority of the Mourides, dominates local politics and asks for and receives taxes and other privileges. Still, the last khalifs have been rather discreet in political matters on the national scale, preferring to focus on moral questions. After Macky Sall's election, the state even gave a strong signal that times of impunity for religious leaders were over. Authorities started investigating popular Mouride leader Cheikh Bethio Thioune for his alleged involvement in a murder, and his detention continued

Effective power to govern

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even after his followers staged violent protests. President Sall declared publicly that religious leaders were citizens like others and subject to the same laws as others.

Officeholders are strongly subordinate to the president and prime ministers and ministers have frequently been replaced. The president's dominant role creates contradictions and other inherent limitations. Issues beyond the focus of the president cannot be expected to be carried out in due time and according to the appropriate process. Administrative capacities are also limited when it comes to implementing legal rules.

Landowners and wealthy entrepreneurs have no real veto powers, as they are directly dependent on the political leadership of the country. Government contracts play a decisive role as a tool for individual profit making. Recently, until early 2012, corruption among state administrators and high military officers had become widespread. The new government team has repeatedly confirmed its willingness to bring this to an end and has taken some strong symbolic action against corruption and misgovernance.

The right to assemble and to organize peaceful demonstrations is constitutionally guaranteed. During Wade's last years in power, these rights were abridged several times by imposing administrative obstacles, especially with regard to activism by opposition groups. During the presidential campaign in 2012, when the opposition movement M23 was demonstrating on a daily basis, cases of arbitrarily arresting and detaining peaceful activists, or using excessive force, were frequent but this has come to an end with the new government.

Association /
assembly rights
9

Senegalese civil society covers a wide range of interests and groups. Political parties can form freely, even though some face a long waiting period, as in the case of the registration of Macky Sall's political party.

The plethora of civil society groups is often linked to funding opportunities provided by political alliances, migrant networks or – last but not least – donor funds. Nevertheless, some of the Senegalese NGOs, including human rights networks and citizens groups defending civil rights and good governance, are among the most vocal and active in West Africa. For the most part, they can assemble freely, with the notable exception of HIV/AIDS support groups active in the gay community. About three years ago, a number of people belonging to such groups were condemned to long prison sentences before being released from prison after international protest.

Freedom of expression is traditionally guaranteed and respected. The press and radio stations are numerous and represent diverse interests and opinions. When the National Assembly no longer offered a platform for opposition political parties to critique government – as punishment for the opposition's boycott of parliamentary elections in 2007 – political magazines and some of the daily newspapers took over and became a platform for continuous criticism of political events. In several cases,

Freedom of
expression
9

members of the media have been prosecuted for spreading misinformation and engaging in defamation. Yet thanks to broad support by leading forces in civil society, the press institutions continue to function as a platform for information on the corruption of officeholders and the abuse of government responsibilities. The overall situation of the media improved considerably in 2012.

However, media reform legislation has been blocked since 2010 by the National Assembly because of doubts about the planned decriminalization of journalists' professional activities. At times, the former strict media laws have led media sources to be extremely cautious when covering issues involving major officeholders and religious leaders. Although this might foster self-censorship to some degree, there are no systematic limitations on reporting, and the media are outspoken and critical when it comes to unveiling major political scandals. They continue to provide the most important platform for public criticism and reporting on government mistakes and weaknesses.

In Freedom House's Global Press Freedom Index 2013, Senegal has been upgraded considerably and is now considered "free".

3 | Rule of Law

The balance of power remains in favor of the executive, that is, the president and his office, on the basis of the French model. Wade had created a parallel structure of ministerial decision-making within the president's palace fully under the control of the president and his entourage. In 2012, this parallel system was widely abolished. The legislative branch continues to be weak, however, and there is a lack of political leadership. The 2012 parliamentary elections resulted in an overwhelming victory of the governmental alliance of political parties. The size of the opposition parties in parliament does not speak in favor of strong opposition activities. The main opposition party suffers from internal divisions and diminished credibility, as there are ongoing criminal investigations into figures of the previous administration for illegal enrichment.

Although a system of checks and balances is constitutionally provided for, it does not function properly. A political willingness of the executive to encourage separation of powers exists, but in practice, the judiciary does not balance the executive.

The judiciary is built on the French model. Although its professional reputation is relatively good, its functions are limited. It does not function independently, particularly in cases of investigations within the political system or regarding large economic interests. Corruption remains a problem. In addition, complicated, long and expensive procedures often lead the courts to defer decisions to traditional means of conflict resolution, particularly – but not exclusively – in more remote rural areas.

Separation of powers

6

Independent judiciary

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Poor Senegalese often revert to traditional forms of settling civilian disputes because of deficiencies in the legal system, as well as for cultural reasons. The new government has created two special courts: one to fight illegal enrichment and corruption and the other an international court of justice, formed by judges from Senegal and other African nations, to deal specifically with the human rights accusations against the former dictator of Chad, Hissène Habré.

Corrupt officeholders at the lower levels of administration rarely attract public attention and petty corruption is a fact of daily life. Until 2012, charges of corruption were often filed against political rivals. This happened several times during Wade's presidency. Former "crown princes" who had fallen into disgrace, such as Idrissa Seck and Macky Sall, faced corruption charges after being removed from office, which led the public to strongly suspect that political motives were at play. After the end of the Wade regime in 2012, leading personalities of his governments have been investigated for corruption and illegal enrichment. President Sall reactivated a special court dealing with cases of illegal enrichment which had been created in 1981 by then-president Abdou Diouf, but had been dormant for the last decades. This court is meant to fulfill the popular yearning for punishment of widespread corruption at the head of the former government. Time will tell if these efforts result in better oversight and control of illegal enrichment.

Prosecution of
office abuse

6

Civil rights are generally respected in Senegal. Though the former government violently cracked down on opposition parties during the last campaign period, no one was imprisoned for political reasons. The violation of civil rights is legally subject to criminal punishment, including practices such as female circumcision, which is still widespread especially in rural areas. However, reported abuses by state agents are frequently not investigated and remain unpunished, as in the case in past (and still ongoing) human rights violations in the conflict-ridden region of Casamance. Homosexuals' civil rights are limited; they are denied the right to organize officially and may be subjected to legal prosecution. Equality before the law, equal access to justice and due process under the rule of law are enshrined in national legislation. In practice, however, these rights suffer from social, economic and cultural restrictions.

Civil rights

7

4 | Stability of Democratic Institutions

Democratic institutions have existed in Senegal for a long time. However, their performance is hindered by a number of factors. Since the opposition's boycott of the 2007 parliamentary elections, the parliament has no longer been the key forum for political debate and has to regain its institutional role. At the same time, the media and several civil society associations play an active role in spurring debate by the public.

Performance of
democratic
institutions

7

Decentralized government institutions, from the regional to the community level (conseils régionaux, communes and communautés rurales), have been strengthened recently. However, they still lack competence as well as sufficient financial resources. On the state level, fiscal mismanagement limits the government's effectiveness when it comes to planning and implementing activities. The critiques from the opposition parties and civilian interest groups are directed against the deterioration of the functioning of democratic institutions.

The country's democratic institutions are generally respected by all relevant actors. Despite the authoritarian tendencies of the previous president, the outcome of the last national election in 2012 reconfirmed the credibility of Senegal's democratic institutions, and in turn, enhanced the overall commitment to the democratic process. There is no substantial exercise of political power by actors other than elected leaders. Religious leaders generally respect the predominance of state institutions and the democratic process, as do the military and civic associations.

Commitment to democratic institutions

9

5 | Political and Social Integration

Since President Wade came into power, the party system in Senegal has been characterized by high fragmentation and high volatility at the fringes. Party platform disputes are not the focus of political debate, nor are there profound ideological differences between parties. Rather, personal disputes in parties are what often lead parties to splinter. Splits from the ruling Socialist Party (PS), for example, were to a certain degree responsible for the political changes in Senegal in the 1990s. The same process is now occurring within the Senegalese Democratic Party (PDS), the political party that ruled from 2000 to 2012 under Wade. Since its electoral defeat in 2012, the PDS has suffered from splits and lack of political leadership. Therefore, it will not be able to perform as a strong opposition party. The PDS was under the personal rule of President Wade, and ambitious PDS leaders who challenged Wade were sacked from office. Some of them formed new political parties under their personal leadership during President Wade's presidency, like Macky Sall and Idrissa Seck. Others split from the party after the 2012 elections defeat, like Pape Diop, the former president of the Senate. All of these splits weakened and undermined the basis of the PDS, and by all accounts the PDS is disintegrating at the moment; some even predict its complete implosion. The recently created political party of President Macky Sall – the Alliance for the Republic (APR) – has taken over and attracts many followers from the former PDS. The small party of the president of parliament, Moustapha Niasse, has begun to integrate itself into the ruling APR. In most cases, political parties do not have specific social roots within society. Senegal has a multitude of political parties (around 100). Most of them are insignificant, have little programmatic background and are nothing more than electoral movements around a leading personality. On the national scale, at the moment, only three political parties

Party system

4

are based on a nationwide organizational infrastructure: the PDS of former President Wade, the PS and the new APR of President Sall. Apart from the PDS and its splinter party, the Convergence Démocratique Bokk Guiss Guiss, there is no significant opposition at the moment, as all the main opposition parties to former President Wade built an alliance around Macky Sall to win his election and are still represented in the consensus government. Other political parties do not play any significant role and their existence contributes to the weakening and discrediting of political parties as important actors within the political system of Senegal. It is possible that the representation of small Islamic parties in parliament (9 out of 150 seats) is an augury of a rise in influence of religious political parties.

The network of interest groups is relatively thin and concentrated in urban areas (where more than 40% of the population resides), and these networks are especially concentrated in greater Dakar. Rural representation has been difficult to achieve. However, in recent years, decentralization efforts have strengthened the position of leaders from rural areas. International groups have been able to use their leverage to pressure decision makers. Interest groups do not play the role of mediator between specific and public interests. It is generally difficult to organize activity around issues rather than personalities in Senegal. Associational life, however, is rich by the standards of sub-Saharan Africa.

Interest groups
5

Trade unions are quite active and well-organized along the lines of the French model, but, as only a fraction of the working population is employed in the formal sector, their real impact remains rather insignificant. However, trade union leaders have occasionally played an important role in moments of national crashes and crisis, as occurred during the electoral campaign against Wade in 2011 and 2012.

The outcome of last year's elections and the peaceful handing over of power to newly-elected President Macky Sall has reinforced the acceptance of democratic procedures considerably. However, survey data relating to the review period was not available at the time of this writing (June 2013). The last round of Afrobarometer surveys in 2008 revealed that authoritarian alternatives, such as a one-party state and military rule, continue to be strongly rejected by 90% and 69% of respondents, respectively. The dynastic aspirations of former President Wade to establish his son as his successor did not have support among the general public, an additional indicator that suggests a high degree of consent to democratic norms and procedures.

Approval of
democracy
n/a

Self-organizations, such as savings groups ("tontines"), hometown associations and religious groups centered on a religious leader (marabout) are numerous and important for matters of self-help and solidarity within Senegalese communities. Civilian leaders not affiliated with political parties have gained support among the better-educated urban youth.

Social capital
7

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

Socioeconomic
barriers
2

Senegal was reclassified as a least-developed country in 2001. In 2011, the Human Development Index once again classified Senegal as having low human development (rank 155 out of 187 countries). Senegal's 2011 HDI score has remained constant which signifies, for the most part, stagnation in human development. Economic growth rates over the last decade have hovered around 4%. Relatively high population growth and the effects of growing social and economic disparities have sharpened poverty and social inequality. Urbanization continues to be a major trend. Migration from rural areas to the capital city of Dakar and to foreign countries has drastically increased due to the abandonment of peanut farming and the general neglect of state infrastructure, particularly of educational and health care facilities, in rural areas. Poverty is endemic in rural areas. Also, the mostly arid Sahelian area of Senegal is extremely exposed to the effects of climate change and soil deterioration, which is accelerating migration into urban centers. Population centers are almost all located in the densely populated coastal areas, particularly in the urban conglomeration of Dakar. Yet urban centers offer little opportunity for those who migrate there, and social exclusion and marginalization due to poverty are strikingly visible in urban areas. Despite some limited success stories in the service, banking, building and telecommunications sector, the formal economy is far from providing the population with sufficient employment. Moreover, the educational system is largely insufficient and has long been neglected. Recently, more than 13,000 students were not admitted to universities. Nearly 50% of the adult population remains illiterate, and women have far worse illiteracy rates (more than 60%). On the gender inequality index Senegal tops the countries in West- and Central Africa. However, the low value of 0.566 indicates that gender remains a critical factor when it comes to determining access to education and life prospects.

Economic indicators		2009	2010	2011	2012
GDP	\$ M	12769.0	12855.3	14448.4	14159.8
GDP growth	%	2.1	4.1	2.6	3.7
Inflation (CPI)	%	-1.1	1.3	3.4	1.4
Unemployment	%	-	-	-	-

Economic indicators		2009	2010	2011	2012
Foreign direct investment	% of GDP	2.6	2.1	2.0	-
Export growth	%	-7.5	5.6	3.1	-
Import growth	%	-19.0	3.5	6.9	-
Current account balance	\$ M	-853.8	-600.0	-	-
Public debt	% of GDP	34.2	35.7	40.0	45.0
External debt	\$ M	3741.7	3911.5	4319.6	-
Total debt service	\$ M	200.2	302.6	357.5	-
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	8.7	8.7	8.7	-
Public expnd. on edu.	% of GDP	5.6	5.6	-	-
Public expnd. on health	% of GDP	3.2	3.3	3.5	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.6	1.6	-	-

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

The institutional framework for a market economy is quite basic in Senegal. Still, economic freedom is largely guaranteed, and the state has increasingly withdrawn from economic activities in the last decade. (Though, recently, this process has slowed down.) The informal sector creates far more jobs than the formal economy and is the key to the survival of most Senegalese. The freedom to set up a business is legally provided for, but hampered by poorly functioning public institutions and growing corruption, as was especially the case during the last years of the Wade government. Since 2012, though, the government has taken significant action to fight widespread corruption. Implementation deficits in the field of strengthening the market economy mean that rules are not uniformly applied for market participants. In the Heritage Foundation's Index of Economic Freedom 2013, Senegal has slightly improved, ranking 116th out of 179 countries and 19th out of 46 countries in sub-Saharan Africa.

Market-based
competition

4

Monopolies persist in some crucial sectors. Given the small size of the formal economy, monopolies are easily established, though they are not actively fostered by the state. A large number of state monopolies (e.g., peanut marketing) have been broken up over the last decade. This has not necessarily resulted in improvements for producers or consumers, though, as market regulation and oversight require basic state functions. These reforms are far from being fully implemented due to major mistakes in management and difficulties in finding investors in some sectors, especially in the case of the electricity company and the energy sector in general. Macky Sall's government is expected to present plans in 2013 to improve the energy supply, with assistance from development partners.

Anti-monopoly
policy
6

The opening of external trade is relatively advanced, although the negotiation process on a regional economic partnership agreement with the European Union (free trade and development agreement) did not advance in 2011 and 2012. Senegal is one of the Sahelian countries that does not have natural resources and strongly opposes the E.U. conditions. The opening of the market will result in a moderate loss of state revenue, and in a context of already very tight budgets, these losses are particularly feared. A number of decisions (e.g., those regarding tariff reductions) are made by the West African Economic and Monetary Union (WAEMU) and are increasingly discussed within the larger ECOWAS region.

Liberalization of
foreign trade
6

Senegal is trying to diversify its economic and trade partnerships. The country recently concluded trade agreements with China, for example. On a more micro-level, small businesses continue to suffer from administrative impediments and corruption.

The banking sector is diversified and situated under the auspices of a strong supranational regional bank (i.e., the Central Bank of West African States, BCEAO). The sector was restructured in the mid-1980s and is stable. Foreign banks dominate the banking system. As the sector is largely detached from global financial flows, the global financial crisis has had no important direct effect on the Senegalese market. Access to small loans remains a problem, particularly for small entrepreneurs. The microfinance sector has developed during the past decade and is undergoing a restructuring process initiated by the government at the moment. According to the World Development Indicators, non-performing loans comprised 20% of debt in 2010, while 16.2% of all loans were non-performing in 2011.

Banking system
5

8 | Currency and Price Stability

Currency policy is determined by the supranational BCEAO and characterized by prudent policies. The West African CFA franc is guaranteed by the French treasury and thus pegged to the euro. Inflation rates have traditionally been very moderate, and they have usually met euro stability pact criteria. Nevertheless, inflation surged in 2007 and 2008 due to steep increases in energy and food costs – by 5% to 6% on

Anti-inflation /
forex policy
8

average – as Senegal is an oil importing country. After a considerable decline in 2009 (according to Economist Intelligence Unit estimates: -1.1%), inflation increased again in 2011, to 3.4% as oil and food prices climbed. For political reasons, Senegal began to subsidize food and other basic commodity prices at the end of 2010 in order to defend itself against social unrest. It is heavily subsidizing the electricity supply. In 2012 these subsidies were financed with the help of massive foreign financial support. This will put additional stress on the tight national budget in coming years.

In 2010, the IMF urged Senegal to bring its public deficit down to 4% of GDP, from 5% in 2009. However, public debt grew again in 2011 and the 2012 deficit target was raised by the government and IMF from 5.6% to 6.4% of GDP. Senegal has made real efforts to pay off its debt to private contractors. The settlement of internal debts within Senegal has enabled the country to avert an acute financial crisis. The extra-budgetary spending of the Senegalese government under President Wade has come to an end. As Senegal is heavily dependent on foreign donor aid, international monitoring institutions maintain their control in order to help Senegal comply with international rules.

Macrostability
6

9 | Private Property

Property rights are guaranteed and usually respected in urban areas. In rural areas, however, property rights quite often are not protected. Here, property rights and land registration procedures are unsecure and slow. Legal defense of property rights is unsatisfactory due to shortcomings in the judiciary. The administration of property title and land registration procedures is uneven outside of urban areas, as land titles in rural areas are still based on traditional rules and colonial statal land property.

Property rights
7

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

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

Private enterprise
6

In theory, the state tries to encourage private enterprise through its strategy for accelerated growth (SCA), but its output has been rather poor. The official commitment to develop private enterprise is high, but in practice, Senegal's

macroeconomic reality does not encourage important private investment, with the exception of the real estate and construction sectors. In 2009, Senegal was able to move up 19 ranks in the World Bank's Doing Business Report and was listed as one of the three African countries with major economic reforms, but it has lost ground since then. In 2012, due to the political crisis and corruption characteristic of Wade's last years as president, Senegal ranked only 166th out of 185 countries.

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

As a result, there are persistent problems in some important sectors of the economy, most notably, electricity, which affects many small businesses.

10 | Welfare Regime

Since the welfare regime is basic and covers only employees in the formal sector, the vast majority of Senegalese are not covered by welfare schemes. As a result, many people have no health care or pension coverage. Extended family networks serve as the only safety nets in the absence of social welfare. In this context, international migration is providing major sources of income and can be viewed as a livelihood strategy for families. At the same time, the massive social pressure on more financially successful family members creates difficult conditions for individual economic advancement and personal development. Family social networks suffer from overstress and, therefore, their traditional role is threatened.

Social safety nets
4

Women are de jure equal to men, with a few exceptions in family legislation (e.g., no authority over children without written consent from the husband). In urban areas gender equality has improved considerably in recent years. A provision on gender equality was introduced into the constitution in December 2007. The low rate of women in parliament and assemblies has triggered a 50% quota system for elections in 2010 that was successfully tested during the 2012 elections for National Assembly. Traditional and cultural restraints on women's options persist, though, and illiteracy among women remains high at 61.8%, versus less than 40% among men.

Equal opportunity
5

Religious and ethnic groups are not treated in a systematically different manner, although Muslim brotherhoods like the "Mourides" offer social and economic promotion through their widespread networks. Conversely, the Christian minority complained about discrimination during President Wade's last years in power.

11 | Economic Performance

Annual economic growth decreased considerably in recent years because of high oil prices, difficulties in agricultural production, high food prices and the effects of a political crisis. According to estimates from the Economist Intelligence Unit, GDP grew by 3.9% in 2010 and by 2.6% in 2011. As a country lacking natural resources, Senegal has not been able to benefit from the surge in oil prices.

Normally, prices are relatively stable, except for price rises in crude oil (energy costs) and food prices. Electricity prices are heavily subsidized by the state and contribute to the fiscal deficit. Inflation rates have grown again, reaching 3.4% in 2012. No data are available on employment, but estimates assume very high levels of unemployment and underemployment. As already noted, the Senegalese budget runs persistent deficits. The trade balance is continuously negative and volatile due to fluctuations in energy prices (imports) and in harvests (exports).

The persistent struggle between separatists and the military in the fertile southern province of Casamance, along with demographic developments, has created a dependency on imported rice and other basic food products for many years.

Output strength
5

12 | Sustainability

The government considers environmental concerns to some extent in its policy-making. The Minister of Environment has a cabinet position. His position and the capacities of his ministry were considerably reinforced in 2012, and environmental regulations are better than those of neighboring countries. Senegal ranks 98th out of 132 countries on the Environmental Performance Index and outperforms many other West African countries. Still, the ministry cannot fulfill its transversal role due to a lack of adequate political structures. Another difficulty is that the ministry, in contrast to other decentralized competences, does not receive at least adequate decentralized budgets. The government wants to promote renewable energy and is working on a national legal framework to do so, but procedures designed thus far are inauspicious. Under these circumstances, the necessary foreign investors cannot be attracted. International agreements have been signed regarding a national legal framework for environmental protection, and the frail environmental balance in Sahelian Senegal ensures a comparatively high level of public awareness for environmental concerns. However, there is no deeply engrained awareness among the Senegalese public of the environment or of nature conservation. Also, given high levels of poverty in Senegal and weak economic growth, environmental concerns are often secondary to concerns about the economy.

Environmental
policy
5

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

The current situation is a major source of public disgruntlement and continues to draw fire from critics in civil society, as Senegal has been traditionally renowned for its relatively good educational infrastructure and high standards. Investment in the education sector has modestly increased and is just around 5% of GNI. R&D, however, is largely underfunded (0.9% GNI in 2005, new figures not available), despite a handful of centers of excellence in research, mostly in Dakar. The public school system suffers from widespread neglect. Teachers' salaries are low, and payment of salaries in rural areas is very often delayed, which also happens in other poor countries of the region. Frequent teacher strikes further debilitate the quality of education, especially in the secondary system and in the universities.

The registration of new university students for the current academic year was not yet finished as of January 2012, which is a somber indicator of the weakness of public administration. In several universities, courses had not even begun by February 2013. During recent years, university teachers' have complained about the negative impact of conservative religious students' associations on campuses. The country has not faced such a deterioration of its education system since independence.

Education policy /
R&D
3

Transformation Management

I. Level of Difficulty

Senegal faces a large number of structural challenges. Despite being a coastal country, it is situated in the Sahel, and its territory comprises largely arid or semi-arid zones. Senegal faces very high levels of poverty with relatively high population growth rates. It is exposed to heavy soil deterioration and has already been negatively impacted by climate change. The country has few natural resources other than phosphate and rich fishing grounds, which are exploited quite often by foreign fishing vessels that do not respect international rules. The traditional fishing fleet of Senegal has suffered tremendously, and fish has become an expensive product. Another structural constraint regards energy. No substantial energy resources have been found, and exploiting the sustainable energy resources (e.g., wind and solar energy) requires investment, a legal framework and relatively high levels of formal training, all of which Senegal lacks at the moment. In addition, infrastructure remains largely insufficient, not only in the area of energy supply. Some efforts have been made to improve transportation infrastructure, but such capital-intensive activities face strong constraints. At least, HIV/AIDS has had a limited impact on the Senegalese population due to early educational policies. On a positive note, efforts to take advantage of Dakar's favorable geographic position and transform it into a regional service center have advanced, but the construction of new roads, new international airport facilities and new container port infrastructure are not yet completed.

Structural
constraints

7

Traditions of civil society have a long and strong history, but are mostly limited to urban areas. Social engagement in the community has been valued since colonial times (in the “quatre communes”). Likewise, community activities have traditionally been highly valued in the Muslim brotherhood system in rural areas. Civil society, however, remains highly focused on urban areas and is weakened by a lack of resources. The significant NGO scene in urban areas often relies substantially on donor funding, as in all other poor Sahelian countries, which may undermine their credibility in the eyes of the government and parts of the population. During the political crisis from 2011 to 2012 around the presidential elections, many civil society organizations played a vital role. After the rioting and social unrest around the campaign, these groups played a large role in the peaceful change of power in

Civil society
traditions

4

March/April 2012. President Macky Sall has since co-opted some of them have been into government positions.

In general, there are no pronounced ethnic or religious conflicts in Senegal, but clashes continue between security forces and the Casamance separatist movement. For a long time, concerns over a predominance of the Wolof ethnic group were nurtured in southern Casamance, and may be one of the factors that led to past conflicts. The Casamance peace agreement has failed to settle the political conflict despite an armistice accord in 2004. While fighting each other in 2007 and 2008, rebels from the Movement of Democratic Forces of Casamance (MFDC) and a splinter group, the Movement for the Liberation of the People of the Casamance, killed civilians, committed robberies and harassed the local population. Since 2010, military struggle has intensified again. Rebel forces have acquired new armaments and recruited militias; these groups are financed in large part by international drug trafficking and receive silent support from neighboring Guinea-Bissau and the anti-Senegalese interests of the Gambia.

The Casamance problem is difficult to resolve because it is directly linked to difficult situations in neighboring countries, including Guinea, Guinea-Bissau and the Gambia (e.g., drugs and arms trafficking, and failed or failing states). In 2012, President Sall started a new initiative to find a negotiated solution for the Casamance conflict, inviting the rebel forces to join the negotiation table under the co-mediation of the Italian Catholic Sant'Egidio laymen's association based in Rome.

However, only one of the four factions of the MFDC forces has accepted this invitation thus far due to internal conflicts between the rebel groups. It therefore remains to be seen if this process can move forward. The Gambian and Senegalese governments are at least trying to diminish their long lasting political differences and antagonism, which has hindered all political and military efforts in the past.

In the urban areas, the potential for conflict is on the rise due to youth unemployment and a sense of marginalization among some groups. Social conflicts erupted spontaneously in 2008, leading to riots and fights with police in Dakar. This has been aggravated since 2009 because of increasingly frequent electricity cuts, the government's lack of willingness to find a solution for the population living in flooded areas during and after the rainy seasons, and the political crisis in 2011 – 2012. After the peaceful change of government in April 2012, social conflicts have calmed down considerably, but they may restart again if the government does not succeed in its reform efforts. Under the prevailing circumstances, the spontaneous character of these complaints means that they will be much harder to settle than previous social conflicts that were channeled by interest groups (e.g., Muslim networks in the rural areas and trade unions in urban centers).

Conflict intensity

5

II. Management Performance

14 | Steering Capability

Question
Score

Senegal's leadership is by and large committed to the constitutional order and its democratic system. Sall's government is making honest attempts to reduce poverty levels over the long term. After all, poverty reduction is the central objective of Senegal's policy measures. The first poverty reduction strategy (Document de Stratégie et de Réduction de la Pauvreté) was adopted in 2002. It had gradually been adapted ever since and was replaced by the national strategy for economic and social development 2013-2017 (SNDES) after the political change in 2012, marked by the government's efforts to rewrite its strategic priorities. Again, Senegal has proven itself to be a stable country within a region riddled with deep political crises. Foreign countries, donors and donor agencies have recently improved their attitude in favor of Senegal.

Prioritization
6

As elsewhere in Africa, implementation deficits are obvious in Senegal. Plans are announced, but schedules are hardly ever kept. Structural changes require determination in order to be pursued over the long term. In a fragmented political landscape such as Senegal's, coalition-building skills are necessary to garner national support for reforms with long-term effects. Additionally, they need strong external support, which most often involves funding. In a highly aid-dependent country like Senegal, the government must shoulder the additional burden of managing expectations and sustaining support from external donors. Since the national elections in 2012, the Senegalese government's willingness to cooperate with donors has grown. However, its implementation capacities remain weak.

Implementation
6

The institutional focus on the presidency reduces the institutional settings (and incentives) for creating consensus and puts the burden of policy learning almost exclusively on one person: the new president, Macky Sall. Institutional reforms have not been carried out when the opportunity presented itself in the past. While the previous president weakened the efficiency and solidity of the state's institutions, the new president is trying to build up his reform-minded government team on the basis of a vast coalition. He has refrained from unnecessary political provocations and spontaneous policy changes as his predecessor often did. The political set-up of the country has thus been stabilized, even though there are no clear and credible reform plans being developed or implemented. At least, this new government is showing its willingness to learn from past mistakes.

Policy learning
6

15 | Resource Efficiency

Under Wade's presidency, the cabinet was very frequently reshuffled despite the ruling coalition's clear majority in the National Assembly. Personal rivalries between a hands-on president and prime ministers led to many dismissals. While the new president has not been in power long, use of assets already appears to be more efficient. Macky Sall fulfilled his electoral promise to reduce the size of government, abolishing a multitude of parallel state structures. The government is still a large body composed of numerous politicians who need to be co-opted into its ranks. Decentralization policy efforts have advanced during recent years, even if governing the country has become more complicated and the efficient use of (scarce) resources more stressed than before. Also, newly created regions lack financial resources and cannot provide sufficiently attractive positions to draw the necessary human resources into their ranks. Regarding the overall budget, resources are insufficiently monitored and are not managed as effectively and efficiently as they could be, even though some sectors already dispose of a medium-term expenditure framework. Looking forward, the end of the parallel government structures within the president's office should facilitate a more effective system.

Efficient use of assets

5

The role and power of the regular portfolio ministries has been strengthened since 2012 and there is less overlapping by parallel structures. The process of reorganization of ministries is not yet finished, but should improve coordination. The final say in key political questions remains with the president. Widely approved by the public and without rivals, Sall's position is very strong. Up till now, his government has displayed the capacity to create a more coordinated system and to find solutions for conflicting objectives. Nevertheless, extreme political centralization does not resolve basic problems. The challenges remain significant and demand complex political skills.

Policy coordination

7

During his campaign, Macky Sall promised, if elected, to curb corruption and to investigate corrupt politicians from Wade's government. In recent years, audits revealed the government's poor performance in tracking funds within the system, which raised a red flag among the donor community. Some went so far as to threaten to withhold funds and to block budget aid. Since Sall came to power, anti-corruption policies have been enforced. Sall's new government has also created a special court to deal with illegal enrichment and corruption, and thus far Sall has not been criticized of political revenge. A former journalist and critic of illegal enrichment and political corruption has been nominated Minister for Good Governance. In February 2013 - after the period under review - the first corruption case came to court. Meanwhile, however, reports have begun to surface that members of the new president's family have been nominated to attractive posts within the government. The media have proven their capability to investigate and report on these developments, and the

Anti-corruption policy

5

public is watching closely. The recent electoral campaign revealed just how unpopular illegal enrichment and corruption are among the Senegalese public. Despite modest public procurement procedures, accountability and audit mechanisms remain weak and have raised many concerns.

16 | Consensus-Building

The democratic credibility of the government was becoming more questionable during Wade's last years in office, but it has improved since the 2012 elections. All relevant actors in Senegal are committed to the principles of democracy and to the goal of building a successful market-based economy. In general, ideology plays less of a role in political disputes than personality. In fact, the actions of political parties often run counter to their supposed ideological platforms. For example, when the Socialist Party was still in power, it carried out privatizations and liberalizations, admittedly under pressure from the Bretton Woods institutions. Likewise, President Wade's nominally liberal party did not shy away from state intervention when it was deemed to be politically advantageous or necessary (as in the case of the failed privatization of the electricity company).

Consensus on goals
8

As outlined elsewhere, the government's commitment to democracy and market economy is not without limitations. Potentially anti-democratic actors, however, such as the military, continue to be firmly under the control of the civilian president. The Muslim brotherhoods and other religious forces are not necessarily forces for democracy, but the political system has successfully warded off radical religious groups. However, recently, under the tacit protection of former President Wade, some near obsolete religious groups and militias have sprung back to life. The new government has taken legal action against some of them and the political system in Senegal has partly been able to marginalize them with a firm reference to constitutional settings.

Anti-democratic
actors
8

The war in Mali and the spread of extremist Islam is a danger to the stability of the whole region.

If the civilian government fails to provide a credible solution to the country's major socioeconomic problems, the military and the Muslim brotherhoods could present themselves as the last remaining forces of public order able to prevent chaos, disorder and the breakdown of the state.

For the most part, Senegal's political leadership prevents cleavages from widening. For a long time, it successfully limited the intensity of the conflict in the Casamance region. Wade's government did little to bring a final resolution to the Casamance problem, however, and since the end of 2010, the situation in Casamance has threatened to get out of hand again. Until 2011, the government viewed the

Cleavage /
conflict
management
7

Casamance conflict as merely a national problem, though many domestic and international observers and experts agree that it is linked to problems in the neighboring states of Guinea, Guinea-Bissau and The Gambia – namely drug and arms trafficking, and lack of governance. President Wade finally acknowledged this reality toward the end of his last term. President Macky Sall started a new initiative for national and international peace talks in 2012 and is pursuing new ways to improve relations with neighboring Gambia, a country that plays a critical role in the Casamance problem.

Senegal has a long tradition of co-opting opposition figures, which has prevented the alienation of many politicians. It is, however, also a tool to keep opponents at bay and out of political power. This is done within the legal limits of an electoral democracy.

In keeping with this tradition, Macky Sall's government is trying to formulate and follow an inclusive and participatory policy toward political opponents.

Former President Wade contributed to a deterioration of relations between Muslims (95% of the population) and Christians (4%) with some characteristically injudicious remarks regarding the Christian religion, which in late 2009 even triggered violent youth protests in the streets of Dakar. Despite this, the two main religious groups peacefully coexist. And, in contrast to Wade, Sall is following a more inclusive and peaceful path, even though his stunning political career was buoyed by his more divisive predecessor.

Civil society participation was hampered under Wade due to his non-inclusive governance style. The end of his regime and the electoral victory of the opposition alliance has reconfirmed the role of civil society organizations in Senegal. President Macky Sall maintains strong political and personal relations with civil society leaders and representatives of the media, and he is inclusive of their aspirations and supportive of their activities. In short, they are well-integrated into his political framework of power sharing.

Civil society participation
7

Serious human rights abuses have been reported during periods of the conflict in Casamance. The conflict was brought temporarily under control, but a 2004 peace agreement failed to bring a final resolution to the conflict. Since the peace process stalled in 2007, and armed fighting began again in 2010, attempts to initiate a process of reconciliation have been abandoned. Only after the presidential elections in 2012 did the new government start a fresh, but cautious, initiative to negotiate with the separatist rebels. The government has not taken any action to resolve cases of disappearances in the Casamance region that were linked to governmental security forces. Victims of disasters, such as the sinking of the state ferry that was on its way to the Casamance in 2002, have not had an opportunity to take legal action against those responsible.

Reconciliation
6

17 | International Cooperation

Senegal has been a reliable partner within the international community. President Sall continues to be an advocate for the partnership in relations with industrialized countries in America, Asia and Europe and across the African continent. Relations with the IMF and other international donors have at times been strained due to differences in political priorities, and Senegal's questionable auditing and public procurement procedures. Under the presidency of Macky Sall, these tensions have widely diminished, however. Financial support from Arab countries, which was developed by the previous government, faded considerably after 2010 when Arab donors lost interest. The amount of new funding that could be mobilized from non-traditional donors remains an open question. Initial reactions by the Chinese government were reportedly hesitant owing to Senegal's suboptimal investment climate. Nonetheless, Senegal continues to be regarded as a regional actor that is politically important to Chinese interests in the region of West Africa. Senegal has traditionally had good relations with France, and since Sall's inauguration, that positive relationship has intensified. Because Senegal supports the French and international intervention in neighboring Mali, Senegal, according to analysts' predictions, will receive more financial support from France and the European Union, especially in the field of energy. An obstacle to the success of foreign aid is the multitude of intervening actors and the lack of coordination between them.

Effective use of
support
8

Although Senegal is generally considered a reliable partner in international politics, questions have emerged about the reliability and credibility of its economic strategy. International trust in Senegal's public finances was undermined by audit reports in 2008 and has been further complicated since. Thus far, some of the big infrastructure projects of Wade's government have not proceeded past the planning phase. Other construction projects, such as a toll-funded highway from central Dakar to Diamniadio (on the way to Thiès), a new international airport on the outskirts of Dakar, and a new international seaport, have stalled due to problems in mobilizing foreign funds on time. The government of President Macky Sall has at least demonstrated a better understanding of and relationship with foreign partners.

Credibility
8

Traditionally, international links are particularly strong with France and the European Union, despite occasional harsh political rhetoric from Dakar (e.g., against the European Union's insistence on creating regional economic partnerships, or against the presence of three French military bases in Senegal). As of 2011, France maintains one military base in Senegal with about 600 troops. The foreign policy of Senegal since 2012 is characterized by the intensification and improvement of relations with France and the United States within the context of the deep political crisis in Mali and the western Sahel region.

Senegal has tried to maintain its position as an important anchor of stability in the region. In the past, Senegal has intervened diplomatically and militarily in crises in neighboring Guinea-Bissau and Guinea, and has traditionally gotten involved in stabilization processes in weak neighboring countries. The instability and weaknesses in the West African region are of permanent concern in Dakar. When, in 2009, Guinea-Bissau's president and the head of the armed forces were killed, Senegal provided initial support. In addition, Senegalese troops have regularly participated in U.N. peacekeeping missions throughout Africa and beyond. Now, in 2013, Senegal is providing political, military and logistical support for the international military intervention in Mali.

Otherwise, Senegal is generally regarded as one of the drivers of change on the African continent, pushing for policy goals for regional integration.

Regional
cooperation
9

Strategic Outlook

Senegal faces tremendous transformation challenges. Difficulties in economic development and political reform have continually worsened. However, the situation has improved slightly since the peaceful change of government in 2012. The long period of political crisis and transition that began in 2009 has come to an end. The country has maintained its status as a beacon of stability within a turbulent region. Politically, it has reconfirmed its credibility as a reliable regional partner.

This will improve Senegal's capacity to mobilize international financial support, which is critical for internal stability.

Yet Sall's government, and indeed the Senegalese population, is facing numerous challenges, notably deteriorating infrastructure, youth unemployment, an energy crisis, and national and regional political conflict, and a weakened agricultural sector –worsened by climate change.

(Climate change is expected to bring about a combination of drought and torrential rainfall, and will increase the frequency of floods, such as those experienced every year since 2007.)

The current global financial crisis will likely result in decreased external funding to Senegal from developed countries, in the form of both development aid and FDI. The economic downturn may also slow the flow of remittances to Senegal, a major source of income for many Senegalese households. In the long run, additional funding from so-called emerging donors will also depend on economic sustainability and business gains. Therefore, it is essential for Senegal to bolster itself internally by completing political and economic reforms.

One of the political priorities for the new president should be to organize an inclusive and participatory government in order to stabilize the political system. This effort will not necessarily result in harmonious politics, nor would it mean the end of political competition. It should, however, foster a more constructive and results-orientated political culture in Senegal than existed before.

The ever-rising level of discontent and disillusionment with the state's ability to solve problems is another crucial challenge for the Senegalese elite. Violent conflict (in addition to the strife in the Casamance region) may become a real threat to stability. Urban youth are becoming less and less patient, and demanding immediate changes that will bring about jobs and improved livelihoods. If demands are not met, social unrest and riots could occur with increasing frequency. (They have calmed down since March 2012.) Such unrest could poison the political culture and diminish Senegal's attractiveness as a travel destination (an important source of revenue for the country), which is based on its geographical proximity to Europe and, more importantly, its reputation for peace and stability. These features are also what draw long-term investors. As

Senegal has been one of the regional state models in Francophone Africa for the past 60 years, instabilities in the country could have regional implications.

In addition, the government must urgently find solutions for the energy sector. There is a huge deficit of power supply and the country is heavily dependent on crude oil imports, which is hindering the development of small and medium-sized enterprises and has been a reason for violent riots during recent years. Furthermore, after many years of politicking, the Senegalese elite must deal with political challenges that are serious and widespread. The armed conflict in the southern province of Casamance has escalated after years of low-intensity conflict. There may be a certain positive chance to find a solution if Senegal is able to organize international support from abroad and from the Gambia and present itself as a credible partner for negotiations with the rebel factions.

A new constellation of political leadership has arrived to create a space for constructive political reform.