

# BTI 2014 | Chad Country Report

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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	12.4	HDI	0.340	GDP p.c.	\$	1492.9
Pop. growth <sup>1</sup>	% p.a.	3.0	HDI rank of 187	184	Gini Index		39.8
Life expectancy	years	50.2	UN Education Index	0.223	Poverty <sup>3</sup>	%	83.3
Urban population	%	21.9	Gender inequality <sup>2</sup>	-	Aid per capita	\$	29.8

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 period under review was dominated firstly by the elections in 2011 and 2012, and secondly by unrest in the Sahel region. Both issues had some impact on the Chadian economy. In the run-up to the elections, the government tried to present Chad to the inside and outside world as a pacified country. Investments in infrastructure (roads, buildings) aimed at presenting voters with a picture of a country in which the entire population was finally profiting from the oil revenues. As expected, the governing Patriotic Salvation Movement (Mouvement Patriotique du Salut, MPS) party and its allies won the National Assembly elections in February 2011 – the first legislative elections since 2002 – with a comfortable majority of 133 out of 188 seats in parliament. International observers from the African Union and the European Union declared the elections to be legitimate despite the opposition parties' accusations of irregularities. The presidential elections in late April 2011 were won by incumbent President Idriss (Itno) Déby. The three opposition candidates boycotted the poll. The first municipal elections in the country were held on 22 January 2012, ending the practice of appointment of mayors by the president. The governing party won in almost all cities. Voter turnout was very low, at little more than 20% (compared to 57% for the legislative and 55% for the presidential elections).

With the comfortable election victories and no real threat by rebel movements at the borders as in the past, government continued to tighten its grip on opposition inside the country (targeting the political opposition, critics within civil society, journalists and so on). Months-long strikes by civil servants continued until the end of 2012, as agreements on pay raises concluded in November 2011 (originally specifying a 115% salary increase as of January 2012) were not respected.

Construction work (often not well planned or coordinated) along with public and foreign investment have stimulated the economy to a certain extent. However, consumers have faced high food prices due to droughts in 2011 and floods in 2012. The gap between the rich and poor is widening. High international oil prices improved Chad's fiscal and external balances.

Chad did not manage to diversify its economy during the period under review, and remains heavily dependent on oil revenues. The IMF and World Bank continue to push for broader economic diversification. The opening of new oil fields might temporarily lessen fiscal vulnerability, but is not a long-term solution.

Sudanese and Chadian authorities kept to the terms of the 2010 peace treaty. The joint border control is working. Since the withdrawal of the U.N. Mission in the Central African Republic and Chad (MINURCAT) refugee camps, settlements of internally displaced persons and international aid personnel are protected by the weak Chadian police (Détachement Intégré de Sécurité, DIS).

The crisis in Libya did not lead to an infiltration of rebel groups or armed conflict in northern Chad as first feared by some observers and Chadians. The Chadian government is working with the new Libyan government to address security issues concerning crime within the border region and the Sahel. During the fighting in Libya, around 70,000 expatriate Chadians had to be repatriated. Libya under Qadhafi was an important investment partner that also provided soft loans, but China seems to have filled Libya's place as an investor today.

The crisis in Mali and French pressure for a military intervention gave the Chadian government an opportunity to position itself as an important regional player.

In summary, Chad is nowhere close to being a liberal democracy with a socially responsible market economy.

## History and Characteristics of Transformation

In the early 1990s, Chad took its first steps, more or less simultaneously, toward economic and political transformation. Foreign funding in the mid-1980s had helped reconstruct the state and its institutions in the wake of a devastating civil war.

Shortly after its independence from France in 1960, Chad plunged into civil war, with battle lines drawn roughly between the Muslim north and the Christian/Animist south. While this north-south conflict continues to define Chad's political landscape, tensions within the major ethnic groups are also a factor. Individual political leaders also play significant roles in violent conflicts.

After years of civil war, Idriss Déby, an ethnic Zaghawa and former army chief of staff, overthrew President Hissène Habré in 1990 and promised political transformation. In 1993, a national conference led to a constitutional referendum, and ostensibly competitive presidential elections were held in 1996. Déby won the presidency under dubious conditions. Multiparty parliamentary elections in 1997 established the hegemony of his party, the Patriotic Salvation Movement (Mouvement patriotique du salut, MPS).

In the 1990ies, various politico-military movements with guerrilla activities in peripheral regions challenged the central government's power. A combination of repression, physical elimination of

rebel leaders, concessions and co-optation, including numerous peace accords, brought these groups only partially under control.

The presidential and legislative elections of 2001 and 2002, which were neither free nor fair, confirmed Déby and the MPS in power. In May 2004, members of the Zaghawa ethnic group, Déby's principal power base, staged an attempted coup in response both to the government's restraint in the Darfur crisis in neighboring Sudan and to Déby's plans to change the constitution by a referendum in 2005, which would allow him to run for an unconstitutional third term. A wave of desertion within the highest military ranks weakened Déby's regime and facilitated the creation of new and diverse rebellion groups operating from Sudanese territory with Sudanese support. In April 2006, a coalition of rebels launched a major attack on the capital, N'Djamena. Only French military support (and the rebels' strategic mistakes) saved the regime from being overthrown. Nevertheless, Déby easily won the presidential elections in May 2006, which were boycotted by the opposition. Negotiations between the government and opposition leaders (but no civil society representatives), held in August 2007 under the auspices of the European Union, yielded an agreement to reform the electoral process and postpone legislative elections until 2009. This agreement was made between the government and a number of opposition parties comprising a coalition founded in 2002, the Coordination of the Political Parties for the Defense of the Constitution (Coordination des partis politiques pour la défense de la constitution, CPDC).

After further delays and a disputed census, the Independent Electoral Commission was established in 2010. Déby appointed several of the commission's members, creating a body in which the governing MPS party was overrepresented. The legislative and presidential elections held in 2011 were thus boycotted by the opposition, and resulted in victories for Déby and the MPS.

Armed rebel groups operating from Sudan had threatened the regime in Chad. A peace treaty between Khartoum and N'Djamena in January 2010 ended frequent attacks. A rebel alliance – the Alliance Nationale – launched an attack on the capital in February 2008 that nearly proved victorious. Thousands of inhabitants fled to Cameroon. Déby managed to withstand the attack only with the support of French troops based in Chad. He also used the opportunity to silence opposition and civil society. Rebel attacks and counterattacks followed, with Chad and Sudan each using particular rebel groups as proxies. In the government reshuffles that followed, Déby followed his usual tactic of co-opting opposition and individual leaders into the government.

In January 2009, a new coalition of Chadian rebels was formed, uniting eight major rebel groups under the banner of the Union of the Forces of Resistance (Union des Forces de la Résistance, UFR). President Déby's nephew Timan Erdimi was elected as leader. However, as early as July 2009, Ahmat Hassaballa Soubiane left with his troops and joined the government forces. In May 2010, Mahamat Nouri broke with the UFR and formed his own coalition, the National Alliance for Democratic Change (Alliance nationale pour le changement démocratique, ANCD). A further splintering within the rebel community occurred when a second alliance, the National Movement for the People's Salvation (Mouvement national de salut de peuple, MONASAP) was founded by former UFR members in June 2010.

On 15 January 2010, Chad and Sudan agreed to expel rebels from their territories and protect their shared border. Some leaders were arrested in Chad, but Déby granted an amnesty on the 50th anniversary celebration of Chadian independence.

From mid-March 2008 to December 2010, an EU mission (European Union Force, or EUFOR) and then a U.N. mission (U.N. Mission in the Central African Republic and Chad, or MINURCAT) were present in eastern Chad with the aim of stabilizing Chad's border with Sudan and protecting around 250,000 refugees from Darfur and 180,000 internally displaced persons. Chad set up a tripartite security arrangement comprising: 1) mixed Chadian-Sudanese units to carry out joint border patrols, 2) mobile units of the Chadian army and the gendarmerie tasked with securing the wider border region, and 3) a police unit formed and trained by the United Nations called the Integrated Security Detachment (Détachement Intègre de Sécurité, DIS), which is responsible for providing security in and around refugee camps and internally displaced persons' sites.

Internal conflict precluded any steps toward a market economy until the Déby era. Starting from scratch in practically every respect, Chad had to seek external assistance and successfully completed an enhanced structural adjustment facility (ESAF, 1996 – 1999) with the IMF. This set the stage for a poverty reduction and growth facility (PRGF, 2000 – 2003) which, along with a poverty reduction strategy paper (PRSP) completed in June 2003, was necessary to qualify Chad for access to the Highly Indebted Poor Countries (HIPC) debt relief initiative. In November 2004, the IMF and the Chadian government agreed on a new PRGF for 2005 – 2007. Erratic performance by the Chadian government, however, led to the suspension of a tentatively planned 12-month extension of the PRGF (from February 2008). In June 2010, Chad presented the IMF with the second PRSP (2008 – 2011), which focused on restoring security, improving governance, achieving greater economic diversification, strengthening institutional capacity and promoting human development. Irregularities in the execution of these reforms, particularly in the form arms purchases and corruption, signal the government's limited commitment to market-economic reforms.

Hopes that Chad would witness substantial socioeconomic improvement following a 2000 World Bank agreement to provide considerable funding for the construction of the Chad-Cameroon pipeline were short-lived. The agreement stipulated that the government allocate 72% of its oil revenues for education, health infrastructure and larger development goals, including an account for future generations. Given the relatively limited amount of proven oil reserves in Chad (30 years), these investments were considered key to ensuring long-term development. These anti-poverty spending targets were never met. By 2008, the World Bank pulled out of the project after Chad agreed to repay \$140 million ahead of schedule. A Chinese-Chadian consortium constructed an oil refinery and Chinese funding has enabled road network developments designed to link together some provincial towns.

After the beginning of substantial oil production in 2003, Chad has replaced its former dependence on agrarian commodities, particularly cotton and cattle, with oil revenues.

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

Compared to previous years, the state's monopoly on the use of force improved during the period under review.

Monopoly on the  
use of force

7

These gains are due to external and internal factors. Significantly, the rapprochement between Chad and Sudan that resulted in a peace treaty in January 2010 seems to have held. There were no new rebel attacks from Sudanese territory during the review period.

Threats that Chadian rebel groups might use the crisis in Libya in 2011 to begin operating across the Libyan-Chadian border, invading the country from the north, were countered by President Déby through the movement of troops. The threat seemed to be real, as the government in N'Djamena had remained allied with Qadhafi until a very late shift to support for Libya's National Transitional Council. Fears that former dictator Hissène Habrè's Toubou ethnic group might align with Libyan Toubou to overthrow Déby did not materialize. The Chadian and Libyan governments are both concerned about the security threat posed by crime in their border region and in the Sahel, particularly since the crisis in Mali.

Long-awaited elections that promised to give the government a more democratic veneer were held in 2011. It was therefore in the interest of the Chadian government to present an image of nationwide control, so as not to risk a poor showing at the ballot box.

Baba Laddé, leader of the Popular Front for Recovery (Front populaire pour le redressement, FPR), returned to N'Djamena and signed a peace contract with the government in September 2012. He had led 3,000 fighters in the Central African Republic, but was not considered a threat to the state.

However, insecurity continued in the refugee camps in eastern Chad, particularly for women and children. Both Chad and Sudan recruit child soldiers, according to Amnesty International.

Citizenship and access to citizenship are not politically relevant issues despite the country's ethnic and religious diversity. Apart from administrative shortcomings, especially in border regions, there are few problems in defining citizenship and who qualifies as a citizen. All citizens formally have the same civil rights and identify themselves with the state, but only a minority align themselves with its leadership.

State identity  
8

However, the distribution of power, structure of power relations and access to economic power increasingly follow ethnic and religious lines. Preferential treatment is primarily given to members of the ruling clan and the family of the president, then to other northerners and Muslims. Christians and people practicing traditional African religion (Animist) encounter discrimination on many levels, although they work as civil servants or in government in secondary roles. The current prime minister is from the south, following the unwritten rule that the state's two highest positions should be split between the northern and southern regions. The legitimacy of the nation-state and its borders are generally not questioned, but the January 2011 referendum in South Sudan drove many southerners to envision a similar development in Chad, even if most do not see this as a realistic option.

Following the French example, the secular constitution guarantees the separation of state and religion. Muslims (about 55% of the population) dominate the government and are overrepresented as government officials. Muslim and Christian holidays are public holidays for all and are equally celebrated. Interreligious dialogue between the religious leaders of the country takes place regularly. Religious extremists have to date commanded little political influence. However, religious ideas have some influence on societal issues such as the role of women. Reports of al-Qaeda and Boko Haram activities in Chad remain vague (the media recently cited rumors that some 500 Boko Haram members had infiltrated the country, which Chadian security denied and most observers doubt). It is believed that the networks recruit in Chad and it has been speculated that al-Qaeda-related groups are involved in illegal trade activities in the north. The Chadian government, like other governments militarily involved in Mali, sees al-Qaeda as a potentially destabilizing force.

No interference of  
religious dogmas  
8

State representatives enforcing law are found in important locations, but it would be misleading to say that state services are universally provided, as the administration functions poorly and is highly inclined to corruption at the expense of the local population (e.g., concerning pension payments or the distribution of other funds).

Basic  
administration  
3

Communications, transportation and other basic infrastructures are provided in the capital and increasingly in provincial towns, but not in rural regions. The run-up to the 2011 elections was marked by the intense but uncoordinated construction of

infrastructure (schools, universities, hospitals, prestige buildings for local governors, roads). In many cases, personnel to run these facilities and even students were lacking, and the buildings remained empty.

Basic schooling is often provided, but is run and paid for by parents themselves. Health service of a low quality is available. Only 13% (2010) of the population has access to improved sanitation facilities, and 51% (2010) to an improved water source.

## 2 | Political Participation

Universal suffrage, the right to campaign for office and democratic elections exist on paper but not in practice. Violations of the principles of free and fair elections have consistently marred elections, although the European Union and the African Union certified the 2011 legislative polls as free and fair aside from logistical problems. Legislative elections due in 2006 had been postponed several times. An agreement between the ruling party and the opposition parties under the auspices of the European Union was reached in 2007 that emphasized the need for electoral reform, the composition of an independent electoral commission and a revised census.

Free and fair  
elections

4

Legislative and presidential elections finally took place in 2011, and municipal polls in 2012. The governing MPS party won 117 of 188 parliamentary seats. Including its allies, its governing bloc comprises 133 seats. The weak and divided opposition had little visible presence, and had limited ability to campaign outside the capital due to a lack of finances and access to the media. Political party financing was part of the 2007 agreement, but neither the opposition parties nor the parties aligned with the ruling MPS had yet received any payment of their state funding allocations as of the time of writing.

The presidential elections were boycotted by the opposition due to controversy over new voter cards. Déby won with 88.7% of the valid votes. The opposition candidates were longtime rivals of Déby, including Saleh Kebzabo, former minister and deputy spokesperson of the Coordination of Political Parties for Defense of the Constitution (CPDC); Ngarley Yorongar, who placed second in the 2001 presidential elections; and former minister and southern-region leader Wadel Abdelkader Kamougué, who died during the boycott campaign in May 2011.

The president controls access to patronage, and the governing party is the only one operating nationwide. Low voter turn-out (57% for the legislative polls and 55% for the presidential elections), generally a sign of frustration, can be interpreted as courageous resistance on the part of the population, as social pressure to go to the polls is quite high.

Aside from noting logistical problems, the final report of the EU observer commission on the quality of the most recent elections criticized: 1) the strong



centralized nature of the electoral commission (CENI), along with insufficient communication between the CENI and its branches; 2) frequent delays in the electoral schedule; 3) the high percentage of invalid votes (almost 15%) and the incorrect documentation of ballot counts due to poll-station clerks' lack of training; 4) the material and financial inequality between the MPS and other parties; 5) the MPS's dominance of the media; and 6) breaches of neutrality by administrative representatives in some localities in favor of the MPS.

While democratically elected in formal terms only, the current government for the most part has the effective power to govern. The government originally emerged from the ranks of the armed forces. The security apparatus is not under civilian control and remains something of a veto actor. As commander in chief of the army, the president is the de facto decision maker. Repeated dissolutions of parliament and military reshuffles have helped to consolidate his power.

Effective power to govern  
2

During the period under review, fraud accusations and repeated arrests of members of the government and high-ranking members of the administration, none of which would have been possible without the president's consent, demonstrated his ambition to prevent the emergence of potential rivals.

Citizens are allowed to form independent political and civic groups, and can assemble relatively freely. They use this right especially for social activities, but the lack of resources and funding hinders the efficiency and efficacy of nationwide actions.

Association / assembly rights  
4

Assemblies and protests critical of the government were repeatedly forbidden during the period under review. In September 2012, a march in N'Djamena organized by civil rights organizations, protesting threats against journalists and civil rights activists, was blocked by the minister of interior.

Chad's constitution allows for freedom of expression. Private newspapers are available only in N'Djamena and seldom reach the rural population, which relies mainly on radio broadcasts for information. The High Council of Communication, which is responsible for granting licenses, is considered to be influenced by the government. The state owns the only television station. In December 2012, the National Assembly unanimously voted to create a state-funded daily paper in French and Arabic, including an online version.

Freedom of expression  
2

Pressure on the independent media continued in 2012, especially against the independent journal N'Djaména bi-hebdo and its director, Jean-Claude Nekim. Along with the president and the vice-president of the Union des Syndicats du Tchad (UST), Nekim was accused of incitement to hatred after pointing out the mismanagement of funds, corruption and social crisis prevailing in Chad. The journal was forbidden to publish for three months, and the accused were fined and sentenced to 12 to 18 months on probation, and then taken directly back to prison. Trade unionist Betar Mbailo died in custody in December 2012. A journal of solidarity produced by

journalists was forbidden. Independent newspapers increasingly face financial burdens, as it is becoming increasingly difficult for them to attract advertisers, in part because of government pressure.

In October 2012, Michel Russo, the Catholic bishop of Doba and an Italian national, was expelled from the country after using a Sunday service to criticize the fact that the majority of Chadians do not benefit from the country's oil revenues.

Chad ranked 166th out of 197 countries and was deemed "not free" in Freedom House's Freedom of the Press 2012 survey.

### 3 | Rule of Law

The separation of powers exists in Chad from a de jure perspective, but is weak in practice. The president appoints the prime minister, the members of the constitutional court and Supreme Court, and other bodies. The passage of a constitutional amendment in 2005 granted him the ability to run for the presidency an unlimited number of times. There is thus no de facto separation of powers and no efficient system of checks and balances. Transformation and reforms are hindered by the dominance of the executive branch as well as by the lack of an independent and efficient judiciary. The president's governing party exerts a hegemonic control over the parliament. The opposition sometimes offers a countervailing voice in public debates, but is weak and with few exceptions has been co-opted into the government. The president prevents internal opposition from developing through the use of repeated cabinet reshuffles.

Separation of  
powers

2

As reported by Radio France International (RFI) in January 2013, the government is preparing constitutional changes that would allow it to remove magistrates from office.

Should these constitutional changes be approved by parliament, as is likely, the government would be able to change magistrates and judges at will.

The judiciary is institutionally differentiated in formal terms, but its decisions and doctrine are subordinate to the government. It is vulnerable to executive intervention, lacks adequate resources and is permeated by corruption. Judges acting independently face severe intimidation or dismissal; this was demonstrated clearly in May 2012, when a judge who dismissed charges against opposition parliamentarian Gali Ngothe Gatta (accused of poaching warthogs) on grounds of procedural error was suspended and accused of violating the confidentiality of court proceedings.

Independent  
judiciary

2

Government officials and other influential persons, especially members of the governing-party clan, often enjoy impunity. In those cases when they are sentenced

or fined, it is clear that the punishment is the result of behind-the-scenes power struggles.

Ordinary citizens generally avoid the courts, as they do not trust the judicial system and fear that any charges filed might backfire against them.

The sudden move of N'Djamena's central prison to Moussoro in December 2011, with all its inhabitants and the penal court, subjected prisoners to severe hardships. Moussoro is 300 kilometers away from the capital, rendering access for lawyers and families (who often have to provide food to imprisoned family members, as the state does not fulfill this obligation) extremely difficult, and climatic conditions there are harsh.

Corrupt officeholders rarely attract adverse publicity from civil society, the media or opposition parties, and are not prosecuted adequately under the law. The few personalities who did denounce corruption and abuse of office during the period under review (e.g., some union leaders, the director of N'Djamena Bi-Hebdo and Bishop Russo) paid a high price for their actions, being imprisoned, fined and in some cases temporarily expelled from the country.

Only on one occasion was a court case against an office holder successful. Here, farmers in the oil region succeeded in reclaiming the 10% share of their compensation payments that the district's chief had taken for himself.

In June 2012, the minister of interior announced the launch of Operation Cobra, officially described as a program designed to fight corruption and promote good governance. Outside observers consider it to be an instrument by which to marginalize opponents. During the period under review, several high-ranking officials were arrested, including Mahamat Saleh Annadif, a high ranking Chadian diplomat and former general secretary of the presidency, foreign minister, African Union and European Union representative; Mahamat Zène Bada, the former director of projects of the president and mayor of N'djamena; and Ahmadaye al-Hassan, the former minister of morality. While Mahamat Saleh Annadif was released without charges in July 2012, and was nominated as the African Union's special representative for Somalia three months later, the two others remained in prison as of the time of writing. In an interim report in late November 2012, the minister of justice and good governance announced that XAF 25 billion (about €38 million) had been recovered thanks to the anti-corruption campaign. However, corruption has become institutionalized on all levels. This represents a huge burden in the everyday life of citizens, as for example when they need to access administrative services or want to assert a legal right. Corruption extends beyond the need to pay small bribes in order to pass police or traffic monitoring points. It is common, for instance, for a mobile customs unit to confiscate a bicycle or motorcycle unlawfully, or for the government to expropriate a house.

Prosecution of  
office abuse

3

Civil rights are guaranteed by the constitution. The equality of men and women is emphasized, and propaganda that has an ethnic, tribal, regional or religious basis is forbidden. The state has a secular foundation. De facto, however, civil rights exist only on paper. This is due in part to the administration's abuse of power and force, to the lack of political will for reform, and to the executive's control over the judiciary.

Civil rights  
2

Women's rights are routinely violated. Cases of abuse or domestic violence are rarely taken to authorities, as women have nowhere to turn for shelter if they accuse members of their own family. Cases of rape have been reported in and around the refugee and internally displaced person (IDP) camps in eastern Chad.

#### 4 | Stability of Democratic Institutions

Democratic institutions exist on the national, regional and local levels, but their scope for action is very limited, as they depend on the will of the president and the ruling party. Little is known about the working of the government's inner power structures. Parliament and the executive branch seem to be functional, but the administrative system and judiciary work quite poorly due to a lack of capacities, the prevalence of political appointments, and interference by the executive. As the public service offers one of the few means by which a sufficient income can be secured, it could be called a nationwide patronage system. During the period under review (in 2011, and again beginning in July 2012), civil servants repeatedly went on strike for higher wages, which the government agreed upon in principle in 2011 but never paid.

Performance of  
democratic  
institutions  
3

As long as the ruling clan shows no interest in democratic development, no change can be expected in the future. Even the local-level elections held in January 2012 for the first time cannot be considered to be a substantial democratic advance, as they were marred by irregularities in favor of the governing party. Mayors previously appointed by the president are now chosen by local counselors in most towns, though not in N'Djamena.

In a formal sense, all of Chad's relevant political actors and civil society members accept democratic institutions and structures. However, the government frequently overrides democratic rules and procedures, and much of the opposition is co-opted into the government and is either uninterested in democratic norms or is too weak to do anything about violations. The few outspoken members of parliament belonging to opposition parties live under constant threat, with their parliamentary immunity not respected. Civil society and Catholic Church leaders tend to offer criticism, but given the dominance of the ruling regime and the shortcomings of the judiciary, these critics do not have enough influence to promote compliance with democratic standards.

Commitment to  
democratic  
institutions  
2

Opposition outside the country – that is, leaders of the military opposition – show little esteem for democratic institutions. Some originally belonged to the Déby clan's inner power circles.

Electoral preparations were supported by all political parties. However, misconduct during the February 2011 legislative elections prompted opposition leaders to boycott the presidential election two months later.

## 5 | Political and Social Integration

The country's press noted the presence of 130 political parties in the run-up to the 2011 parliamentary elections, with 101 finally taking part in the balloting. However, the only party that is socially rooted (though not in all social and ethnic strata) is the ruling MPS, which holds a hegemonic position in an unbalanced party system and operates offices across the country. Members of the MPS can gain access to state resources or contracts. Opposition parties suffer from lack of organization and funding. Some of them have strong personality-based and ethno-regional roots, while others are considered pseudo-opposition parties created with government support. Most have been particularly weak since 2008 – when, for instance, Ibni Oumar opposition leader Mahamat Saleh disappeared while in government custody – and most of their leaders have at one point or another been co-opted into the government. Public funding for parties was agreed upon in an August 2007 accord, but this has never been paid. Opposition parties' public visibility is consequently weak, limited mainly to the capital and regional strongholds for those that have a regional base. Resource limitations render campaigning difficult, as was evident during the election campaigns. The three opposition candidates in the presidential elections organized the ballot boycott together.

Party system  
3

There are few established interest groups in Chad. The interests of the rural population, vulnerable groups and women are underrepresented or even undermined by institutionalized pseudo-representative groups.

Interest groups  
3

The constitution and labor code permit the foundation of and membership in trade unions, which are organized under three umbrella unions. The biggest one of these, the Syndicate of Trade Unions of Chad (Union Syndicale du Tchad, UST) represents 30 trade unions and associations. In 2011 and 2012, the UST repeatedly organized strikes with the aim of fighting for higher wages for the country's 80,000 civil servants. The authorities have repeatedly sought to weaken and threaten the unions, however. Michael Barka, Francois Djondang and Younous Mahadjir, respectively the president, general secretary and vice-president of the UST, were accused of incitement to hatred and received suspended prison sentences and fines in October 2012. The multinational and national enterprises that make up the country's oil

industry have demonstrated little interest in pursuing dialogue with community-based organizations.

In 2011, the Right Livelihood Award was presented to Jacqueline Moudeina for her efforts to win justice for the victims of former dictator Hissene. The award attracted some international attention to the barriers faced when addressing human rights abuses in Chad.

Given the lack of representative survey data, it is difficult to evaluate the population's attitudes toward democracy in general or as regards individual institutions. However, a survey conducted in four major cities in Chad by the Arnold Bergstraesser Institute in 2004 points to relatively high levels of consent to the idea of liberal democracy, despite the authoritarian character of the regime. This survey found that 60% of respondents had overwhelmingly democratic attitudes, while 33% held partially undemocratic and 7% undemocratic views. According to the study, public dissatisfaction with government policies is high. Only 36% agreed that the "government would do the right thing."

Approval of  
democracy  
n/a

The low voter turnout levels in the 2011 elections can be interpreted as discontent with the ruling elite and concern over the lack of real alternatives.

Social self-organization and the creation of social capital does take place. Some 20,000 cooperative groupings operate in the country, but are mainly concentrated at the village and district levels. Small saving groups, primarily made up of women working locally or with their church, try to create some sort of capital for their members. Parents associations employ 60% of the teachers in Chad and play an important role in supporting the educational system. However, Chad's long history of violent intercultural conflicts means that there is very little trust among the population and intercultural tensions persist.

Social capital  
3

## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Chad is one of the least developed countries in the world, ranking 183rd (out of 187) in the 2011 UNDP Human Development Index. Almost all relevant indicators point to severe problems: 83% of the population lives below the poverty line of \$2 per day. In the 2012 Global Hunger Index, Chad ranks 75th out of 79, and its Gini coefficient of 39.8 (calculated as of 2003) demonstrates the unequal distribution of income. As oil revenues have not been used to reduce poverty, inequality levels have likely

Question  
Score

Socioeconomic  
barriers  
1

continued to rise, but no recent data on this issue is available. Poverty is primarily concentrated in rural areas, where 87% of the country's poor live.

The level of socioeconomic exclusion based on gender is also high; with a score of 0.735 Chad holds the penultimate place worldwide on the 2011 Gender Inequality Index. The literacy rate has stalled at 43.8% for men and just 21.9% for women (for an overall average of 32.7%). The ratio of female to male enrollment in private and public schools is 70.2% at the primary level, 44.7% at the secondary level and 14.6% at the tertiary level. The country was ranked 165th out of 176 in Transparency International's 2012 Corruption Perceptions Index.

Generally, Chad lacks the socioeconomic prerequisites to afford its citizens an adequate freedom of choice. The slight economic growth rate is due to oil revenues that benefit only a small part of the population. Social marginalization is structurally entrenched, and is both qualitatively and quantitatively extensive.

Economic indicators		2009	2010	2011	2012
GDP	\$ M	7082.0	8540.7	10581.4	<b>11018.0</b>
GDP growth	%	-1.2	13.0	1.6	<b>5.0</b>
Inflation (CPI)	%	10.0	-2.1	-4.9	<b>10.2</b>
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	15.6	22.7	17.5	-
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	30.5	32.8	36.1	<b>34.5</b>
External debt	\$ M	1830.1	1816.1	1820.9	-
Total debt service	\$ M	78.6	73.5	78.1	-

Economic indicators		2009	2010	2011	2012
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	15.1	13.2	-	-
Public expnd. on edu.	% of GDP	3.0	2.5	2.6	-
Public expnd. on health	% of GDP	0.9	1.0	1.2	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	6.2	2.6	2.3	-

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

Chad's institutional framework for a market economy is weak and inconsistent. In the Heritage Foundation's 2012 Index of Economic Freedom, Chad was ranked 164th out of 177 countries (earning it an assessment of "repressed"). It was ranked 139th out of 144 countries in the World Economic Forum's 2012 – 2013 Global Competitiveness Index (GCI), and last but one (184th out of 185) in the World Bank's 2012 Doing Business report (recalculated in 2013). Market competition operates under a very weak institutional framework. The development of market competition is hindered by a number of factors, including the existence of a strong informal sector; widespread dependence on subsistence agriculture, herding and fishing, which together support approximately 70% of the population; poorly functioning public institutions; a lack of venture capital; an unwelcoming regulatory environment combined with widespread corruption on a variety of levels; and serious shortcomings in the rule of law.

Chad is a member of the Central African Economic and Monetary Community (CEMAC), whose six member states share a common central bank and a common currency pegged to the euro.

The government regulates the formation of monopolies and oligopolies inconsistently. It owns the country's only water and electricity companies. The degree of privatization remains insufficient. The state-owned Société Cotonnière du Tchad, or Cotontchad, holds a monopoly on the marketing of cotton, the principal export commodity after oil and cattle. Liberalization of the sugar sector in 2008 led to the December 2012 closure of the Compagnie Sucrière du Tchad (CST), a former state company privatized in 2000. A total of 3,200 workers lost their jobs as a result.

Market-based  
competition  
3

Anti-monopoly  
policy  
6



The CST, which was 82% owned by French group SOMDIAA, well illustrates the problems faced by companies in Chad. The company had long complained about harsh competition due not only to liberalization but also to fraudulent imports and the smuggling of sugar from Sudan. The privatization contract CST had signed with the government did not exempt the company from taxes and dues. Thus, it could not compete. Although the company called on the government to do something about the illegal sugar trade, the government did nothing to intervene.

The oil sector is dominated by the Chinese National Petroleum Corporation and an international consortium made up of ExxonMobil affiliate EssoChad, Petronas and ChevronTexaco. This is the state's main source of income.

Chad allows foreign ownership and provides equal treatment to foreign investors. However, it takes an average of 101 days to import goods into the country. In October 2012, the World Bank gave \$15 million to the Organization for the Harmonization of Business and Law in Africa (Organisation pour l'Harmonisation en Afrique du Droit des Affaires, OHADA) to improve the investment climate of its 17 member states, one of which is Chad. It remains too early to evaluate the group's work.

Liberalization of  
foreign trade

6

During the period under review, Chinese and French investors in particular sought business opportunities in Chad on a larger scale than was the case in previous years. Déby actively tried to attract French investors during his December 2012 state visit in Paris, where he attended a meeting organized by the Movement of the Enterprises of France (Mouvement des entreprises de France, MEDEF), an employers group. Import and export costs are very high despite Chad's dependence on imported goods. Because of its landlocked location, most imports and exports use the few roads, which are not navigable for part of the year as few are paved. Along with infrastructural constraints, roadblocks, corruption and a cumbersome bureaucracy hinder trade. Most of the country's oil, currently the most profitable sector of the Chadian economy, passes via pipeline to neighboring Cameroon, through a small quantity is refined in Chad. Thanks to these oil exports, the country's trade balance shows a considerable surplus. Most observers believe this trend will continue at least through the medium term.

The country's banking system and capital market are supervised by the Bank of Central African States (Banque des Etats de l'Afrique Centrale, BEAC). Banking privatization has been completed, and nine commercial banks operate within the country, but these offer scant opportunities for domestic investors. Credit is difficult to access, and its high cost hinders private sector development. Small enterprises and individuals rely primarily on self-financing or mutual aid systems.

Banking system

5

A late-2011 IMF report found that the "banking system is highly vulnerable to risks stemming from the large exposure to government and government contractors, and to basic commodity export markets." Among the challenges mentioned in the report

was the fact that “the government’s heavy presence in banks has resulted in management inefficiencies and has caused the resolution of troubled institutions to become protracted.” According to the Heritage Foundation, the financial sector is underdeveloped, with domestic credit balances totaling less than 1% of GDP.

## 8 | Currency and Price Stability

As a member of the CFA franc zone, Chad cannot pursue independent policies relating to inflation, currency or foreign exchange rates. Previously pegged to the French franc, the currency is now pegged to the euro, and the BEAC is fully independent. The central bank prioritizes the control of inflation and the maintenance of the CFA franc’s peg to the euro.

Anti-inflation /  
forex policy

6

Inflation dropped from -2.1% in 2010 to -4.9% in 2011. However, the Economist Intelligence Unit forecast the inflation rate to have risen to 5% in 2012 due to rising food prices and the depreciation of the CFA franc against the U.S. dollar. Government spending on public works, a long-lasting strike by civil servants for higher wages in 2012, higher prices for household goods and food, and heavy flooding during the 2012 rainy season could lead to further price-level increases.

Macroeconomic figures show no signs of stabilization. Public debt was 36% higher in 2010 than in previous years, though overall external debt levels were almost stable. The government tends to overestimate oil revenues while budgeting. A revised 2012 budget was adopted in October 2012 with an expected deficit of CXAF 75 billion CFA francs (about €14 million) on total spending of CXAF 1.68 trillion CFA francs. China, which is today investing intensively in Chad, is expected to provide soft loans helping to finance deficits. In 2011, the IMF criticized the direction, efficiency and management of public spending, as well as the country’s overdependence on oil revenues. No change in government policies is expected as long as there is no decline in oil production. During the period under review, royalties increased as a result of high world market prices for oil. This underscores the intrinsic volatility of Chad’s economy, as it relies heavily on the oil sector. Military spending has been reduced after high levels of investment in 2008 and 2009. Public expenditure on infrastructure and roadwork throughout the country increased during the run-up to the 2011 elections, and as part of the 50th anniversary of Chad’s independence.

Macrostability

3

## 9 | Private Property

Property rights are adequately defined by law, but their protection and enforcement are weak. Disputes are often resolved privately because of widespread corruption in the court system. Particularly in rural regions, where the land traditionally belongs to the community but no titles exist, it is almost impossible for local populations to

Property rights

3

prevent occupation of their land by ruling or otherwise powerful individuals or groups.

Bureaucratic obstacles to buying and selling property are high, requiring an average of 44 days and six procedures. Chad was ranked 115th out of 130 countries in the 2012 International Property Rights Index.

Private companies can operate freely in principle, but encounter general socioeconomic, institutional and political hindrances in practice. Numerous impediments are listed in the World Bank's 2012 Doing Business Report. Investment is inhibited by inadequate infrastructure, a lack of technical expertise, burdensome taxes, underdeveloped markets and corruption. Employing and firing workers is costly and complicated. The privatization of state enterprises has made only sluggish progress. State companies offer valuable opportunities for patronage and corruption. While the oil sector has avoided dependence on one company, the parastatal enterprise Cotontchad still dominates the important cotton sector. The state has also retained control of the country's water and electricity providers.

Private enterprise  
4

## 10 | Welfare Regime

Chad lacks public social safety nets for the majority of its population, with the exception of a small group of government, military and parastatal enterprise employees. Access to positions in these sectors is subject to patronage, however. The majority of the population relies entirely on the informal sector and ethnic, clan and family structures to survive.

Social safety nets  
3

Health infrastructure and services are poorly developed, especially in rural areas. Even though new hospitals have been built, they remained understaffed and lack qualified medical staff. Government spending on health reached 6.1% of GDP in 2007. Life expectancy is 50 years. Where health facilities exist, the comparatively high costs of health care services and drugs often hinder necessary treatment. Only limited progress has been made with regard to free antiretroviral medication for persons living with HIV/AIDS. The second poverty reduction strategy paper (2008 – 2011) envisaged the development of a national social welfare policy, but no progress has been made on the issue thus far.

The constitution calls for equality before the law and forbids discrimination on ethnic, religious or gender-based grounds. However, these provisions have no relevance in everyday life. Chadian society is highly stratified, and members of ethnic groups close to the ruling Déby clan enjoy distinct advantages over people from southern ethnic groups. Equality of opportunity does not exist. The woefully inadequate education sector cannot function as a compensatory institution. Women lack adequate access to public office and educational institutions, as shown by the low percentage

Equal opportunity  
2

of women in parliament and the country's poor Gender Inequality Index rating (145th out of 146 countries in 2011). Violence against women is a common occurrence.

## 11 | Economic Performance

Structural deficiencies and a rentier state mentality characterize Chad as one of the least developed and most vulnerable economies in the world, despite its status as an oil producer. Chad's oil production is currently around 120,000 barrels per day. GDP rose by an average of 1.6% between 2001 and 2009, with a per capita GDP (on a purchasing power parity basis) of \$1,531 in December 2011. The Economist Intelligence Unit estimated GDP growth to be 3.1% in 2011 and 6.2% in 2012. Economic activity was primarily driven by industry (9%), services (34%) and agriculture (52%). Oil is Chad's principal export good, followed by cattle and cotton. The United States is the country's most important export partner, buying 83% of its oil production. Oil extraction in the Doba fields is expected to dwindle due to exhaustion. China has become an increasingly important partner, today buying 7% of the oil production. The China National Petroleum Corporation is exploring and building in the Ronier field in the Bongor Basin. The future capacity of this oil field is today only the subject of conjecture. The Djermaya oil refinery, constructed in 2011 and run by the Chinese, will eventually help reduce the country's oil imports. Canadian Griffith Energy International also signed contracts with the Chadian government in 2011, and has been prospecting in the Mangara and Badila oil field in southern Chad since 2012. Glencore planned to invest \$300 million in 2013 to export crude oil from Mangara and Badila.

Outside the oil sector, the contribution to economic growth made by small industry (soap, cigarettes, sugar, textiles) remains limited. The first cement factory opened in 2012, and might ultimately contribute to economic growth.

An estimated 80% of the population is supported by the agricultural sector. A lack of rain in the north in 2011 along with heavy flooding during the 2012 rainy season led to below-average harvests, and might result in higher food prices. As of the time of writing, however, government subsidies had prevented increases in food prices.

Expenditure on the public-sector payroll doubled between 2001 and 2008. Further pay rises for civil servants were agreed to in November 2011, but remain as yet unimplemented. The government unilaterally cancelled the 2011 agreement in November 2012 following a months-long labor union strike, but continuing pressure is expected to force an eventual increase in pay. The last several years have been marked by consumer price deflation, with the overall price level falling by 2.1% in 2010 and 4.9% in 2011. However, a positive inflation rate of 5% was forecast for 2012. Infrastructure projects started before the 2011 elections continue across the country. Along with defense spending, these represented the largest budgetary items,

Output strength  
5

and will again push the government into deficit spending. Repeated revisions of the budget are expected, as in previous years.

The direction, efficiency and management of public spending remain problematic. Public finances and the financial sector are overexposed to risks associated with the oil market. The country's overall fiscal and external balances were improved only by the fact that oil prices were higher than projected during the period under review. Chad needs to promote non-oil economic growth and diversification, and must attract private investment.

## 12 | Sustainability

Ecologically sustainable growth is not treated as an important issue in Chad. The country was ranked 151st out of 163 countries in the 2010 Environmental Performance Index. Due to a lack of sufficient data, the country is not included in the 2012 Index. Some groups within the rural population preserve a traditional awareness of nature; some ecologically sensitive policies have been introduced in connection with oil production in the Doba region. However, pollution in the oil-producing region is serious, and the land is no longer suitable for agriculture. Moreover, exploration serving as a precursor to further oil production by the Chinese National Petroleum Corporation and Canadian Griffith Energy International is not governed by environmental impact assessment requirements or other comparable means. It is feared that Lake Chad, the country's primary source of water, might be affected. Likewise, the potential environmental impact of the uranium and gold prospecting being undertaken by various international companies in Mayo-Kebbi should be followed closely.

In June 2012, the minister of public security and immigration prohibited access to the river Chari in N'Djamena for environmental reasons, thus forbidding people to wash clothes, fish, water animals or grow vegetables using the river's water. This ministerial order has to be seen as a political response rather than as a solution to environmental issues.

Chad has yet to find an effective means of countering the key ecological problem of environmental degradation caused by deforestation and charcoal burning. A ban on the use of charcoal in the capital in January 2009 only intensified corruption and increased prices on the population's primary means of cooking and heating water rather than stopping the use of charcoal. The use of plastic bags was forbidden in N'Djamena in 2010, a stricture that is still respected today. However, the two bans represent isolated measures rather than a coherent framework for environmental protection, and are unlikely to contribute to the solution of major environmental challenges. Among those other vital issues, the falling level of Lake Chad has prompted national and international concern. Over the course of the last 50 years, the

Environmental  
policy  
3

lake's surface area has shrunk from 20,000 to just 2,000 square kilometers. President Déby emphasized the importance of Lake Chad for the survival of the whole region at the World Water Forum in Marseille on 16 March 2012.

Chad's entire education system has suffered heavily from a lack of investment over long periods of time as well as the effects of civil wars that rendered education impossible and destroyed educational infrastructure. By law, primary education is free of charge. In practice, however, parents are obliged to pay tuition to public schools and must buy textbooks, school uniforms and other supplies. Schooling is ostensibly provided by the state, but parents in fact finance almost half the country's teachers and schools, especially in rural areas. Muslim and Christian institutions are also funded by parents. Despite international aid efforts and the investment of a portion of its oil revenues, Chad's record continues to be poor. In 2010, public expenditure on education represented 2.8% of GDP. The literacy rate among 15- to 24-year-olds was 47%, while the overall illiteracy rate was 67%. The gender parity index for gross enrollment at the primary level was 0.7. The 2012 baccalaureate results proved a worrying indicator of poor educational achievement, as only 9% of admitted candidates passed the final exam on their first sitting. The minister of higher education, who allegedly tried to gloss over this disastrous result by lowering the minimum score for successful participation, was forced to resign. A second examination was organized in October 2012 for those candidates who failed, and only another 5% passed. With a total pass rate of 14%, Chad remains clearly behind neighboring countries such as Cameroon (54%) and Niger (35%). On 12 December 2012, a new university complex in Toukra, 10 kilometers south of N'Djamena, was inaugurated. Of the eight planned faculties, two have already moved from the university in N'Djamena. In general, training and research and development institutions function poorly.

Education policy /  
R&D  
2

# Transformation Management

## I. Level of Difficulty

Structural constraints preventing successful political and economic transformation are extremely strong in Chad. Although poor governance is at the root of many problems, there are also a number of very significant structural constraints on governance itself. The most formidable constraints include extreme poverty, a highly deficient infrastructure in a landlocked country (infrastructure investments in road and public buildings were made in the run-up to the independence festivities and elections in 2011, but in an uncoordinated way, while electricity supply has been a major problem for many years), adverse climatic conditions (environmental degradation, erratic rainfalls, droughts and flooding, especially in 2012) and scarce human resources (see “education policy/R&D”). The presence of almost 289,000 refugees who fled the Darfur conflict, approximately 57,000 refugees in the south who escaped internal conflict in the Central African Republic, another 90,000 internally displaced persons, and 70,000 Chadians who were forced to leave Libya all contribute to the country’s desperate socioeconomic situation. The advent of substantial oil production in 2003 has not eased transformation; indeed, recent developments in the oil sector, particularly management-related issues, seem to have turned oil from a potential blessing into a curse. The petroleum revenue management system brokered with the World Bank has failed, and revenues have been used by the government to buy arms and pay for some infrastructure. Living conditions for the inhabitants of the southern oil-producing regions, which were one focus of the World Bank project, have become more difficult due to pollution, rising prices and the loss of traditional solidarity structures. Unlike the Doba oilfields, no revenue management system has been established for the southern fields, which are being exploited by Chinese or Canadian companies. The Chinese partnership is accountable only to the president. Cameroon is demanding a higher level of compensation for use of the pipeline leading to Kribi. Chad’s admission to the Extractive Industries Transparency Initiative has been pending since 2010. The export of uranium may soon join oil as a mixed blessing, as several international companies hold prospecting licenses.

Civil society traditions are nonexistent in Chad. Although there has been a recent increase in NGO activity as a result of international advocacy work and financing, largely addressing issues related to oil production and conflicts between farmers and

Structural  
constraints  
9

Civil society  
traditions  
9

pastoral groups, this frail civil society has had no substantial traditions to build on. The number of Chadians active in civil society is limited; those who are often find themselves exposed to government harassment, intimidation and aggression. In one prominent example dating from October 2012, human rights activists Jacqueline Moudeina (president of the Association Tchadienne de Promotion et de Défense des Droits de l'Homme, ATPDH) and Dobian Assingar (honorary chairman of the Ligue Tchadienne des Droits de l'Homme LTDH), who had recently received a solidarity visit by the Right Livelihood Foundation, were each attacked in their homes by unidentified armed men. The landscape of voluntary organizations remains sparse and hobbled by scarce organizational resources. International visibility is limited. Exceptions include the previously mentioned parents' associations, which are quite active especially in the rural areas.

A 2005 survey conducted by the Arnold Bergstraesser Institute showed that trust in institutions is low and social trust is limited to a small circle of family and friends. There is no civic culture of moderate participation in public life.

The lack of social trust is primarily the result of a society divided along ethnic and religious lines. Years of civil war ending only in 1982 were followed by additional violent conflicts. Society and the political elite remain deeply divided into ethnic and religious communities. Rebel groups are divided along the same lines; however, their influence diminished during the period under review due to the Chadian army's military strength and the peace agreement between the governments of Chad and Sudan signed in January 2010. Previously, the two countries had been engaged in a proxy war, with each supporting rebel groups in the opposing country. The accord has held, with the period under review seeing no rebel attacks from Sudanese soil. Up to 2010, however, shifting rebel alliances were a constant threat to the government. In February 2008, Déby managed to repel an attack by the Alliance Nationale rebel coalition only with the support of French troops based in Chad. In 2009, southern Chad endured a short-lived resumption of fighting by the Movement for Peace, Reconstruction and Development (Mouvement pour la Paix, la Reconstruction et le Développement, MPRD) under the leadership of Djibrine Dassert (who died in detention in April 2012), a former Déby ally who rebelled in 2005. According to some observers, the southern rebels received backing and weapons from Sudan, as did those in the east. In September 2012, Abdel Kader Baba Laddé, a leader of the Popular Front for Recovery (Front Populaire pour le Redressement, FRP) who had been based in northern Central African Republic since 2008, surrendered and returned to N'Djamena. For the moment the situation in eastern and southern Chad appears to be under government's control. A new concern seems to be the threat to security posed by bandits and smugglers in the Chad-Libya-Sudan border regions. Initial talks with Libya's prime minister about joint border control took place in N'Djamena in December 2012.

Conflict intensity

6



Intercommunal violence between nomadic herders and sedentary groups is frequent, and sometimes tolerated or even encouraged by the authorities.

## II. Management Performance

### 14 | Steering Capability

Question  
Score

The political leadership's commitment to democracy and a socially responsible market economy is very limited, if it can be said to exist at all. The government's main strategic interest lies in maintaining power. Déby and his entourage have maintained this strategic priority even through periods of national and international crisis. Although security in the border region with Sudan appears to have been reestablished, and relations with Sudan seem stable, the defections from within Déby's support base during the Darfur conflict remain a reality. Given the questionable loyalty of his entourage and even of his own family, Déby uses cabinet reshuffles, programs such as Operation Cobra that ostensibly promote good governance, and purges in the security apparatus to prevent potential rivals from developing their own power bases. He has continued to mix repression, co-optation and partial peace agreements in efforts to undermine the cohesion of opposition parties and defang former rebel leaders. To retain the support of the international community, and above all French political and military support, Déby has successfully presented himself as a guarantor of regional stability on a regional level, particularly since the crisis in Mali. He has used the international competition for oil, the threat of religious extremism in the Sahel and the fear of chaos should his regime be overthrown as trump cards in a geopolitical power game that will determine both his own personal future and that of Chad as a nation.

Prioritization  
1

The government engages in transformation-oriented reforms only partially at best, and consistently fails to implement them fully. Reform policies are generally confined to macroeconomic issues and the management of the oil sector. Before 2006, these policies were advocated by the outside world, especially the IMF and the World Bank. Growing levels of Chinese investment partially facilitated Chad's withdrawal from internationally imposed conditionalities.

Implementation  
3

The World Bank reopened its office in Chad in 2009, after a previous breakdown in relations driven by disagreements over oil revenue management. The bank has highlighted the country's need to improve governance quality, strengthen the management of public finances, improve access to key social services, and improve regional integration.

Chad's second poverty reduction and strategic growth paper (2008 – 2011) focuses on the restoration of security, the improvement of governance, the diversification of the economy, and the promotion of human development. In its report on the Article IV consultations published in 2011, the IMF expressed concern over fiscal policy, management of public spending and Chad's overdependence on oil revenues.

In December 2012, a strategic development plan (plan stratégique du développement, PSD) for the years 2012 – 2015 was published with the aim of compensating for the lack of an updated poverty reduction and strategic growth paper.

The political leadership shows little evidence of learning with regard to the development of a constitutional democracy and – to a somewhat lesser extent – a market economy. Flexibility and learning are confined mainly to the maintenance of power. The long-postponed legislative and presidential elections that took place in 2011, as well as the country's first-ever local elections held in 2012, have to be seen against this background. While they have provided the government with a democratic façade, the authoritarian character of the regime has in fact tightened during the period under review.

Following budget deficits and unfavorable economic developments in 2009 and 2010, Chad turned to the IMF and the World Bank in an effort to improve relations.

Policy learning  
2

## 15 | Resource Efficiency

The government's use of available resources is efficient only in some cases and aims only partially at transformation. Reliable information on government finances is lacking. According to the Open Budget Survey 2012, Chad scored three points out of a maximum of 100 in terms of openness in government finances. To some extent, government officials consume state resources themselves. Political appointments should mainly be regarded as efforts to co-opt potential rivals. Attempts such as Operation Cobra to address corruption within the public service should be interpreted as strategic moves designed to demonstrate the government's strength rather than as real change designed to hinder corruption.

Efficient use of  
assets  
2

Government and unions agreed to an increase in public-sector salaries in the run-up to the 2011 elections, but the government subsequently failed to honor the agreement.

At the cabinet level, politically motivated dismissals and appointments are frequent. In January 2013, Joseph Djimrangar Dadnadj replaced Emmanuel Nadingar as prime minister and presented his government. There are currently 42 cabinet members and minister-level secretaries. The civil service is staffed with a high number of advisers and other ministry civil servants. In August 2010, the National Assembly voted to increase the number of members of parliament from 155 to 188 due to population growth. The densely populated, mainly Christian south is represented by 71 members

of parliament, while the sparsely populated, predominantly Muslim north has 117 members.

The IMF has assessed the interim petroleum revenue management mechanism positively. The government set this up in order to gain entry to an international scheme promoting transparency in poor countries' mining sectors, the Extractive Industries Transparency Initiative (EITI). Commitment to the EITI was another strategic move by the Chadian government aimed at improving relations with the IMF and the World Bank, but the initiative's requirements have been followed with reluctance.

Conflicting objectives within the government are coordinated imperfectly, and ministers tend to compete among themselves. Given the autocratic structure of the Chadian regime, the dominance of the president and the use of appointments to co-opt rivals, policy is not made through debates or negotiations but is subject to the decision of the president. Coherence exists only in the sense that all policy serves the interests of the ruling clan. Shifts in political direction are frequent, demonstrated for example by the restoration of diplomatic ties with China in 2005, the government decision not to extend MINURCAT's mandate in 2010, or the rapprochement with the French president in 2012 with the aim of stimulating French investment in Chad.

Policy  
coordination  
2

Diversion of funds is a severe problem in Chad. State resources are distributed via patronage networks and corruption is a fundamental characteristic of the political system. According to international observers such as the Economist Intelligence Unit and the World Economic Forum (WEF), corruption is rampant at all levels. The government has introduced some mechanisms to curb these practices, such as a special ethics ministry and the oil management regime, but these do not function properly. As discussed above, Operation Cobra, launched on 5 May 2012 by the minister of justice, ostensibly aims at increasing transparency and efficiency in public finances. Arrests and dismissals of civil servants and local government officials followed inspections in various districts. This program nevertheless seems to be a means of attacking political rivals or enemies, while being used as proof that the government is in fact promoting good governance. During the period under review a number of former top officials were accused of corruption and arrested. Some of these figures remain in prison. On the whole, however, a culture of impunity hinders the effective handling of corruption.

Anti-corruption  
policy  
3

## 16 | Consensus-Building

Chad's political leadership is not pursuing democratic transformation and is pursuing economic transformation – under donor pressure – only partially. The leadership has

Consensus on goals  
2

failed to establish a broad consensus on reform with other key actors in Chadian society.

It is highly questionable whether key political actors want to build democracy and a market-based economy. Both the government and opposition claim to pursue such goals in their rhetoric. Leaders of the opposition parties in parliament, some civil society actors, and all other significant actors have readily resorted to undemocratic activities. The only credible opposition leader in recent years has been Ibni Oumar Mahamat Saleh, general secretary of the Liberties and Development Party (Parti pour les libertés et le développement, PLD) and spokesman of the Coordination of the Political Parties for the Defense of the Constitution (CPDC), who was killed after his arrest in February 2008. The majority of CPDC members have been co-opted into the government. However, the coalition and its deputy speaker, Saleh Kebzaboh, along with two other candidates in the presidential elections, regained some credibility through their criticism of the government's poor preparation for the 2011 elections and their subsequent boycott of the presidential elections due to the government's refusal to issue new voter cards. The death during the boycott campaign of Wadal Abdelkader Kamougué, a former military officer and experienced veteran of Chadian politics, weakened the opposition further.

As for economic reforms, there is broad consensus that dramatic changes must take place, but there are serious doubts about both the government and the opposition's willingness to prioritize development over narrow political ambitions.

The government itself is the main anti-democratic veto actor. At the moment it is impossible to identify true reformers within the sphere of political power. The government's control over extra-governmental anti-democratic veto actors such as the politico-military movements and the armed forces improved during the period of assessment, and they today pose little threat to the government.

Anti-democratic  
actors

2

In part because conflicts have not been ideologically driven, the government has managed to conclude peace agreements with most of the politico-military movements. However, these agreements, which involve the integration of combatants within government forces and the assignment of government positions to their leaders, often fall apart due to internal frictions within rebel groups, a lack of government resources or the government's unwillingness to share power. Contrary to previous peace agreements with rebel groups, Déby did not offer political posts to rebel leaders after the 2010 peace agreement with Sudan, but did grant pardons to some rebel leaders who had been sentenced in absentia to death following a 2008 rebel attack (apparently, top leaders such as Mahamat Nouri and Timan Erdimi were not included in this pardon, however). The president is currently in a strong position, and his hold on power faces no serious threat by rebel groups.

The government and religious leaders frequently call for national reconciliation between the various communities within Chad. However, the government lacks the political will to actively pursue conflict resolution, exploits the divided nature of Chadian society to achieve its goals, ignores civil society organizations' demands for an inclusive national dialogue, and pays no more than lip service to national reconciliation. For their part, both Islamic and Christian faith organizations lack the influence to push for political action. Consequently, divisions within society have not been reduced, and the personality-based and ethno-regional cleavages described above have not been bridged.

Cleavage /  
conflict  
management  
3

Aside from providing security in regions where refugee camps and internally displaced persons sites are located, the U.N. MINURCAT mission, which replaced the EUFOR troops in eastern Chad, was also tasked with supporting local initiatives aimed at resolving local tensions and promoting reconciliation. In fact, MINURCAT did manage to foster dialogue between conflict-torn groups in some regions. However, interventions were sporadic and lacked a coherent medium- to long-term framework suitable for sustainable conflict mediation. The mission was ended after Déby criticized its efficiency and asked the United Nations not to extend its mandate.

The role of the president's blood relations in the political system has diminished as relatives have left the inner circle of power – notably the Erdimi brothers, who are Déby's nephews. On the other hand, the president has changed his name to Déby-Itno, proof that he is still trying to win loyalty from his grandfather's Zaghawa clan. According to some observers, several palace coup attempts occurred during the period under review, leading to the disappearance or death of relatives of the president, which is an unusual course of action in Chadian society. Other ethnic groups from the north feel increasingly excluded from the inner power circle.

The population in the country's south has grown increasingly frustrated over its exclusion from power and resources. The division of Sudan in 2011 was followed closely, although southerners know they lack the power and international support to achieve independence. The government has actively sought to discourage any comparison between the countries.

The political opposition remains too weak to influence the government. For its part, the government seems to have abandoned the reconciliatory path it promoted on the occasion of the independence celebrations and in the run-up to the 2011 elections.

Chad's political leadership largely fails to promote – and in part has actively destroyed – social capital. The government frequently ignores civil society actors, preferring to formulate policies autonomously. Efforts to include civil society actors, as with the formulation of the PRSP and the World Bank's interim strategy note (ISN) for 2010 – 2012, are the result of external pressure. Civil society actors protesting against the effects of oil production and the slow implementation of the oil revenue

Civil society  
participation  
3

management regime have on occasion been subject to harassment and death threats. Critical journalists are regularly arrested, and journals and radio stations shut down. Civil society actors are often co-opted to offer public praise for the Déby regime, as on 11 January 2011 during the 50-year anniversary celebrations of Chad's independence, and every December 1 on the anniversary marking Déby's 1990 seizure of power.

On the 50th anniversary of Chadian independence, Déby pardoned and gave amnesty to former leaders of the rebel Union of Forces for Democracy and Development (Union des Forces pour la Démocratie et le Développement, UFDD), who had been arrested on arrival in Chad in November 2010. Additional leaders who in August 2008 had been sentenced to death in absentia for trying to overthrow the regime were also pardoned. The government released a further 370 or so detainees arrested during or after the rebel attacks on N'Djamena and Am Dam in 2008.

However, the government has put no real emphasis on coming to terms with the crimes, traumas and memories associated with either the ongoing internal conflict or the years of civil war that preceded Déby's regime.

Former President Hissène Habré has been accused of perpetrating crimes against humanity during his rule, but legal proceedings against him remain on hold in Senegal. Financial constraints preventing the trial's progress seem to have been overcome since the end of December 2012, following the provision of funds by the European Union, African Union, Chad and other European countries. There have been no investigations probing or prosecuting the human rights violations and war crimes committed by Chadian security forces and rebel groups alike during the ongoing internal conflict.

Some Chadian artists who live abroad, the most prominent being director Mahamat Saleh Haroun, have explored the subject of war and internal conflict with the support of foreign funding.

## 17 | International Cooperation

The government is willing to cooperate with external supporters and actors, subject to considerable limitations. Cooperation comes more readily in economic areas than in the political arena. However, this is in part due to the absence of strong externally imposed political conditionalities, and to the rather low levels of coherence and cooperation between the external partners who operate in Chad (largely France, Europe, the United States, China, Sudan, Saudi Arabia and Libya until the fall of Qadhafi), who frequently have competitive or even antagonistic ambitions. Relations with the IMF and especially the World Bank have been difficult, as Chad failed to respect its agreements on the use of oil revenues for poverty reduction. Following the

Reconciliation

3

Effective use of support

4

suspension of cooperation with Chad in 2008, the World Bank partially reopened its office in 2009. The World Bank's new ISN governs its engagement in Chad from mid-2010 to mid-2012. Under the terms of the plan, the bank has sought a dialogue with state and non-state actors. Goals include strengthening the public-finance management systems, improving the provision of key social services (education, health, water), diversifying the economy, addressing the needs of the rural poor, and improving regional connectivity through transport and infrastructure. The current World Bank portfolio in Chad represents a total of \$220 million in commitments.

Chad's commitment to implementing the second PRSP seems to be higher than was the case for the first, although if the past is any guide, the likelihood that the government will stick rigidly to its poverty reduction strategy is low.

In 2011, the Chadian government ratified the Kampala Convention on the protection of internally displaced persons, and signed an action plan with the United Nations to end the recruitment and use of children by the country's security forces.

The government tries to act as a credible international partner, but its reputation has not improved during the period under review. Political, economic and strategic interests have kept France, the European Union and the United States from pushing strongly for democratic reform. In view of Chinese oil interests and the conflict in Mali, international actors appeared to prefer the status quo to the risks associated with making disruptive demands for change. In terms of political reform, the government is trusted only by France, which keeps more than 1,000 troops in Chad at its only military base in Central Africa. France saved the regime from being overthrown in April 2006 and February 2008 by providing intelligence support and defending the airport against rebel forces. Demands by Chad for financial compensation for the military base have not been resolved. The base remains in N'Djamena and played a role in the conflict in Mali, in which Chad also took a military part. French troops from Chad also took part in the intervention, and French tactical and reconnaissance aircraft operating in Mali are based in N'djamena. Déby sent an important battalion of nearly 2,000 troops. Naturally, Déby's participation in Mali came with a price tag, and earned him further support on the part of France and the United States.

Déby's visit in Paris and consultations with the new French president, after a few months of tense relations, indicate continued French support for the Chadian regime.

Chad's record in terms of relations with neighboring countries is mixed. In principle, Chad's political actors cooperate with neighboring states and usually comply with the rules set by regional and international organizations such as CEMAC and the AU. However, the government does not always act reliably. Generally, friction has arisen because of Chad's cross-border support of rebel movements or because it has engaged in direct military intervention. During the period under review, no large-scale incidents at the borders with Sudan or the Central African Republic were

Credibility

3

Regional  
cooperation

6

reported. Relations with Sudan were tense until recently, exacerbated by the Darfur crisis and by each country's support of rebel groups across the other's borders; however, this relationship has stabilized since the January 2010 peace accord and the agreement to evict rebels from both countries. The joint Chadian-Sudanese border control program continues to work. In January 2012, Déby married a daughter of Musa Hilal, an alleged leader of Sudan's Janjaweed militia, thus strengthening security by means of a strategic marriage. Despite his International Criminal Court indictment, Sudanese President Omar Hassan al-Bashir has made official visits to N'Djamena. Chadian support for former Central African Republic (CAR) President Bozizé continued through the period under review, although the Chadians in Bozizé's presidential guard were sent home at the end of October 2012. Central African Republic negotiators played a role in the surrender of Chadian rebel Baba Laddé. In late December 2012, Chad's president sent troops to the CAR to stop the advance of the new Séléka rebel coalition that had threatened Bozizé since 10 December 2012.

Relations with Libya's new leaders are not yet settled. During the civil war, Déby maintained his support for longtime ally Qadhafi. Chad was one of the last African Union member states to accept the National Transitional Council in August 2011. Chadian sources still speak of missing Chadian military personnel who had been sent by Déby to support Qadhafi.

As a member of the Economic Community of West African States (ECOWAS) and the AU, Chad has taken part in the current military intervention in Mali, providing nearly 2,000 troops.



## Strategic Outlook

Chad faces severe ongoing political and socioeconomic challenges that have not been reduced despite the flow of oil revenue since 2003. On the contrary, the gap between rich and poor has widened. The rural population and poor people in the capital live under especially severe strain. Chad's political system has not met the minimum requirements for a democracy under the rule of law, and does not appear to be moving in that direction. The lack of substantial reforms can be attributed only partly to an adverse environment. The government itself is the major obstacle to serious progress. The elections in 2011 and 2012 served as little more than a democratic facade, and the imbalance of power and lack of access to state resources on the part of the opposition persists. The following issues must be addressed if the cause of transformation is to be advanced in Chad:

**Political representation:** The next national elections are scheduled for 2016, if the government sticks to the election cycle. The results of the past elections were contested only by the opposition. International observers confirmed that election procedures were largely free and fair, although some shortcomings were identified. The international community should continue to observe the country critically, denounce undemocratic proceedings (such as the unlawful imprisonment of journalists, the intimidation of members of the opposition, political interference in judiciary and the harassment of civil society activists), and remind the government of the obligations it accepted as a part of the 2007 political accord (e.g., public funding for all political parties, equal access to the media). The contract of 13 August 2007 (Accord politique du 13 août 2007), developed under the auspices of the European Union, aimed at electoral reforms and should have ended with the 2011 elections. Its follow-up commission continues to work, but without the participation of the opposition CPDC coalition. The EU has a special responsibility and should monitor the process in conjunction with all interested actors.

As a whole, the recent election results underlined the political and economic power of the ruling elite. Nevertheless, all relevant political groups – civil society, the political opposition and rebel leaders outside the country – should be integrated and involved in the national dialogue.

**Socioeconomic development:** The government has continued to spend its oil revenues on prestigious infrastructure projects and weaponry. The IMF and World Bank have expressed serious concerns about the direction, efficiency and management of public spending and the lack of investment in economic diversification and structural reforms. It is unlikely that Chad will change its economic policy in the near future. The government is under no external pressure, has benefited from an increase in oil revenues due to Chinese exploitation of its resources, and is expecting additional revenues from future mineral exploitation. The country is thus likely to maintain a rentier-state mentality.

International influence: Chad will continue to enjoy outside support, particularly from France, the European Union and to a lesser degree from the United States. As a former colonial power, France wants to maintain its traditional zone of influence, has growing business interests in the region, and wants to avoid regional destabilization. The conflict in Mali strengthened Chad's position, as it has managed to present itself as the region's only stable power. Chad joined an international force to fight Islamist terrorists in north Mali, and the French base in N'Djamena proved to be of strategic value in the Mali intervention. Chad is an important ally of the United States in the war on terror and is a minor U.S. oil supplier. China's interest in oil, minerals such as uranium and gold, and in establishing geopolitical and business bases in Africa has led to its increasing engagement in Chad, thereby providing further support for the regime. Canada is only a minor partner so far, as are neighboring states such as Niger that want to construct a pipeline connecting their oilfields with the Chad/Cameroon pipeline. Libya, which was an important investor until 2011, has ceased to be so today.

Security conditions: Since the rapprochement with Sudan and the disarmament of the rebel groups, the armed opposition has been weakened. It does not pose a threat to the government at the moment, but it has not completely disappeared. Furthermore, the grievances that drove various groups to take up arms persist. The Libyan-Chadian border seems to be quiet despite the Chadian and Libyan Toubous' opposition to the new leaders in Tripoli. Crime in the region is an issue for governments on both sides of the border.

Participation in the military intervention in Mali and the presence of Islamist groups in the country could pose the most important threat to security and stability in Chad. The Islamist rebel group in neighboring Nigeria increases this threat, and there are concerns that Boko Haram rebels have entered Chadian territory.

Given the impact of neighboring countries on the security situation in Chad, developments in Sudan, South Sudan, the Central African Republic and Nigeria have to be followed closely. International actors should insist that the Chadian state guarantee the security of its citizens, support the rule of law and strengthen the judiciary system. Equally importantly, the security of Sudanese and Central African refugees on Chadian territory must be provided for by the state. Although progress has been made in the eastern border regions with Sudan, resulting in the gradual return of more than half of the area's internally displaced persons by 2012, security measures must be maintained if citizens' well-being is to be improved.

It cannot be expected that Chad will progress toward democracy and a socially responsible market economy in the foreseeable future without the help of and pressure by international partners.

However, donors should not exclusively prioritize regional and geopolitical security issues. This policy has already proved shortsighted in view of the government's performance. The support of civil society and civil opposition parties, combined with firm political and economic conditionalities on the part of international financial institutions and key players such as France, the European Union and the United States, will be indispensable in ensuring that oil revenues are used wisely and that progress is made in terms of democratic and sustainable development.