

BTI 2016 | Guinea Country Report

Status Index	1-10	5.08	# 80 of 129	
Political Transformation	1-10	5.80	# 63 of 129	↗
Economic Transformation	1-10	4.36	# 99 of 129	→
Management Index	1-10	5.83	# 36 of 129	
	scale	score	rank	trend

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2016. It covers the period from 1 February 2013 to 31 January 2015. 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	12.3	HDI	0.392	GDP p.c., PPP \$	1212.8
Pop. growth ¹	% p.a.	2.7	HDI rank of 187	179	Gini Index	33.7
Life expectancy	years	56.1	UN Education Index	0.294	Poverty ³	% 68.7
Urban population	%	36.7	Gender inequality ²	-	Aid per capita \$	41.8

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | UNDP, Human Development Report 2014. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.10 a day at 2011 international prices.

Executive Summary

Guinea's tumultuous recent history continued with the outbreak of the Ebola epidemic, which began in Guinea itself. Not only did it kill thousands of Guineans, it also demonstrated the state's initial inability to manage an emergency situation, and the deep dysfunctions of the health system.

The Condé government has faced major challenges in the wake of two decades of criminal self-enrichment and non-governance by the Lansana Conté government (1984 – 2008) and the National Council for Democracy and Development (Conseil national pour la démocratie et le développement, CNDD) military junta (2008 – 2010). Security sector reform has targeted the military, from which both of those coup-based governments emerged. Reforms to the mining code and procedures have challenged mining contracts agreed by illegal means and set new terms for long-term investment that will benefit Guineans more. Reforms to the accounting procedures and macroeconomics policies of the Guinean state have closed some of the gaps that officials in prior governments utilized to siphon off tens or hundreds of millions of dollars from the national coffers.

All of these efforts were undoubtedly important but they were not accompanied by serious attempts to alleviate the everyday suffering of ordinary Guineans. The data tell a chilling story: debt service, external debt and public debt as a percentage of GDP are all about a third of what they were a few years ago. Imports, exports and GDP growth, which were all in or near negative under the junta, are now growing. At the same time, Guinea ranks ninth from the bottom of the HDI, with 73% of the population living on less than \$2 a day, only 19% having access to sanitation, and an adult literacy rate of 25% – the second lowest in the world. In general, while Guinea ranks in the upper half of the world for the ease of opening a business, it is consistently in the bottom 20 places worldwide for most indicators of human well-being.

While macroeconomic reforms may well pay long-term dividends for ordinary Guineans, the fact that most citizens have seen no benefits in the first four years of Condé's rule creates real political fragility. This has been exacerbated by the Ebola outbreak, and it has also been amplified by the

contempt Condé has shown toward his political opposition. The opposition has taken its demands to the streets, where it often appears to be baiting security forces – which have a long history of killing and abusing Guinean civilians – into reacting with excessive force. The extreme polarization of the political scene was evident in the first nine months of the Ebola outbreak, during which the opposition was focused mainly on using the epidemic to demonstrate the Condé government's ineffectiveness, while the government focused on downplaying the seriousness of the emerging epidemic, and international NGOs were left to treat the sick and contain the outbreak.

The 2013 elections finally gave the country an elected legislature. Although all parties complained about some aspects of the elections, they did not catalyze major violence. The upcoming 2015 presidential elections are likely to be hotly contested, with the top three candidates from the 2010 elections – Condé, Cellou Dalein Diallo and Sidya Toure – likely to be the three front-running candidates again.

History and Characteristics of Transformation

In precolonial times, much of Guinea's territory was organized in Islamic theocratic states, especially in the Fouta Djalon mountains and in Upper Guinea. In the coastal and forest regions, village chiefs ruled separated communities. France took an imperialistic interest in Guinea at the end of the 19th century. In Upper Guinea, which borders the old kingdom of Mali, agricultural produce such as peanuts, cotton and other plants could be produced, which would secure a connection to Senegal, Western Sudan (today: Mali) and the Sahel regions. The French met armed resistance from leaders such as Almamy Samori Touré and Yaya Diallo.

Guinea began to attract more attention when bauxite and other minerals were discovered in its territory in the 1930s, and once again after World War II. Investments were made primarily in infrastructure to facilitate mining. This development nurtured the formation of a working class that became the kernel of Guinea's national movement, soon to be joined by Guinean women and youths. After World War II, a socialist trade union movement mobilized these social groups to demand self-government. On 28 September 1958, Guinea voted against General de Gaulle's referendum on membership in a Communauté Française that encompassed all of French West Africa. France broke off all relations with Guinea, which declared independence on 2 October 1958 under President Ahmed Sékou Touré.

As the Cold War raged, Guinea pursued a nationalist vision of development in an era of transformation. As Guinea's first president, Sekou Touré became one of the foremost leaders of the Non-Aligned Movement, and sought to eliminate the deficiencies of the colonial period, particularly in infrastructure and basic needs; he also wanted to end dependence on Europe and proposed the formation of a United States of Africa with Ghana and Mali. As the first Francophone country in Africa to declare independence, Guinea received support from both socialist countries

and from the United States and West Germany. Sékou Touré's regime (first republic until 1982, second republic with a new constitution until 1984) became a dictatorship, infamous for its torture camps where numerous real and imagined opponents were detained and often died. Sékou Touré's Guinea also became notorious worldwide for its long series of invented and real coup attempts. After Touré's death in 1984, the military seized power under Colonel Lansana Conté.

After the Cold War, a new multiparty constitution (1991 – third republic) was introduced, with a formal orientation toward democracy and market economy. Economic policies focused on the government-owned mining sector and other state or parastatal enterprises. In the 1990s, a more liberal society developed and the economy briefly flourished. But President Conté never intended to create a genuine democracy – that is, to allow for a change of power. Manipulated elections, oppression and intimidation poisoned the political climate. Donor funds did not translate into improved economic development. After falsified parliamentary and presidential elections in 2002 and 2003, respectively, Guinea's economy began to deteriorate severely, a situation aggravated by President Conté's illness. From the beginning of the 1990s, Guinea was seriously affected by civil wars in neighboring countries Sierra Leone (1991 – 2002), Liberia (1989 – 2003) and Côte d'Ivoire (2002 – 2011). At times, there were more than one million refugees in the country of eight million. An attack by Liberian government forces and associated irregular groups in 2000/2001 was quickly repelled but entailed severe destruction in some parts of the border region. By 2006, most refugees had left the country or integrated into its population.

Conté finally died in office at the end of 2008. Three months after its fiftieth anniversary of independence, Guinea had only had two presidents. Captain Moussa Dadis Camara and a group of lower-ranking officers took power in a coup. They ruled in an increasingly erratic and authoritarian manner until a massacre and mass rape of unarmed civilians in September 2009 caused them to lose all credibility. A United Nations Commission of Inquiry into crimes against humanity was ongoing in December 2009 when Dadis Camara's aide de camp shot Camara in the head out of anger at being made to take the blame for the massacre.

The implosion of the junta led to a quick transition toward Guinea's first ever multiparty presidential elections in 2010 (followed by legislative elections in 2013). These elections were hotly contested, with candidates Alpha Condé and Cellou Dalein Diallo going to the second round, and Condé being declared the winner amid claims from Diallo and his supporters that the elections had been rigged. The political situation remains polarized between Condé and the opposition as the country prepares for presidential elections in 2015.

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

The monopoly of force applies in most places, but the Ebola epidemic has shown that citizens in some parts of the country not only mistrust the government, but are prepared to violently repel its representatives.

Monopoly on the
use of force

7

In the Forest Region, whose inhabitants have little faith in the Condé government, around ten attacks on health teams are reported per month. These attacks follow a well-established, nationwide pattern of local grievances erupting sporadically in violence against other social groups or state agents.

Even more worrying is the effective retreat of government from large parts of Conakry for an extended period, the power assumed by gangs in these neighborhoods, and the opposition's relationship to these gangs.

All social groups enjoy full citizenship rights. However, the quality of that citizenship and the rights and responsibilities that come with it are very low. Furthermore, supporters of the Union of Democratic Forces of Guinea (Union des Forces Démocratiques de Guinée, UFDG), which came second in both the last presidential and legislative elections, are largely convinced that they were cheated in both elections. For this reason, they consider the sitting Condé government to be illegitimate. Due to the association between the UFDG and the Fula ethnic group, subjective feelings of ethnic exclusion are on the rise among the opposition – although these do not directly refer to citizenship but are, if anything, a matter of rule of law.

State identity

8

While the vast majority of Guineans are practicing Muslims and there is a significant Christian minority, Guinea has maintained a strictly secular state in legal terms. The state, however, has historically been anxious to maintain control over religious authorities, who were often integrated into patronage systems. The Condé government dissolved the Ministry of Religious Affairs in 2014, indicating a decreasing influence of religious groups on politics and the flow of state revenues.

No interference of religious dogmas
9

Administrative structures do exist and extend across the national territory, a legacy that goes back to the strong socialist state. However, the effectiveness of state agents outside the capital is severely compromised by graft, inefficiency, and a lack of equipment and operating budgets. Consequently, whether in areas of land tenure, policing, environmental protection or tax collection, state structures exist mostly in name only. Under the Condé administration, macroeconomic governance, including regulation and control of the mining sector, has improved and become more transparent. However, such improvements have not extended to all sectors of government.

Basic administration
5

2 | Political Participation

Guinea returned to multiparty elections after the 2008 – 2010 junta period, and held presidential elections in 2010. Legislative elections were delayed for more than two years until 2013 due to a conflict over procedures that has not been conclusively resolved. The opposition doubts the independence of the commission and the integrity of the electoral register. All parties have been able to present candidates, have had access to the media, and have had the ability, in principle, to have representatives involved in monitoring polling stations, and counting votes at local and aggregate levels. International observers noted severe irregularities in the elections, particularly the legislative ones in 2013 (these included technical and logistical difficulties as well as a lack of voter and poll worker education) but finally accepted the results, albeit somewhat reluctantly on part of the EU observers. These gave the ruling Rally of the Guinean People (Rassemblement du Peuple Guinéen, RPG) a plurality of the legislative seats (46% or 53 of 114). By forming a “Rainbow Alliance” coalition with seven smaller parties that hold a seat each, the government enjoys an absolute majority in the legislature. The UFDG came in second with 30% (37 seats), and other parties obtained 24% (17 seats). The opposition initially refused to accept the election results but eventually took its seats.

Free and fair elections
6

Throughout Guinea’s history, the armed forces have been the most important veto actor, including a number of (attempted) military coups and decades of military rule. Although the threat might be limited at present, the military continues to pose the greatest threat to democratic governance. The armed forces have, however, been undergoing a gradual reform that has diminished their interference in civilian affairs. Aside from the military, the greatest challenge to democratic governance is popular mistrust of the government, which may cause a rejection of attempts at interventions, such as public health outreach in the context of the Ebola epidemic.

Effective power to govern

6

Association and assembly rights are guaranteed in principle but are subject to interference and government restrictions. The government has regularly arrested opposition supporters involved in protests and marches. Security forces have also met such protestors with force, killing and injuring dozens since the Condé government took power. While this is an improvement over the practices of previous Guinean governments, and government representatives have often claimed that security forces were provoked, it is clear that Guineans do not feel entirely free to assemble when they are seeking to challenge the sitting government. However, it also has to be noted that street gangs are paid to participate in opposition demonstrations, and it is virtually impossible to tell if demonstrators or security forces start the violence.

Association / assembly rights

6

Free debate and expression is generally possible. Guinean national radio and television remain mouthpieces for the government, but newspapers and private radio broadcast opposing views despite occasional interference from the state. Freedom House judged that the Guinean press was “not free” in its 2014 Freedom of the Press index.

Freedom of expression

6

The U.S. State Department reports some substantial constraints on freedom of speech. For instance, some journalists accused government officials of attempting to influence the tone of their reporting with inappropriate pressure and bribes. Others had to hire bodyguards, and many practiced self-censorship.

3 | Rule of Law

Separation of powers is weak but increasing. Until the 2013 legislative elections, the executive had always maintained a large majority if not a monopoly within the National Assembly. Although Alpha Condé’s RPG party holds the plurality of seats in the assembly following the 2013 election (and an absolute majority with its Rainbow Alliance allies), when the opposition chooses to act as a bloc it can draw on a substantial share of the members of parliament to at least control the government. Judicial independence is still considered weak. The 2013 indictment of government minister Claude Pivi for his role in the September 2009 stadium massacre and rapes could have been a sign of judicial independence. However, it may have been politically motivated – he is a rival to Condé – and an effort to please donors.

Separation of powers

5

Throughout its existence, the autonomy of the Guinean judiciary has been deeply compromised. Executive interference and the perception of corruption have been the two causes, and most Guineans have little confidence that the judiciary is impartial. In one survey by the government's own National Institute of Statistics, only 20.5% of Guineans expressed confidence in the judicial system, and 18.1% in the Supreme Court.

Independent
judiciary
5

Officeholders who benefit illegally from their positions are perceived as getting away with their crimes without consequences. President Condé is perceived as being still beholden to many of the interest groups who helped him to power, and consequently either uninterested in or unable to punish them for enriching themselves illegally. However, the situation does seem to have improved since the time of President Conté (1984 – 2008) and the CNDD junta (2008 – 2010).

Prosecution of
office abuse
4

The de jure situation surrounding civil and human rights in Guinea is good, as both domestic law and international treaties signed by the Guinean government protect most rights. The de facto situation is worse. The death penalty legally exists and offenders have been sentenced to death in recent years, although no legal executions have been carried out since 2001. Security forces have killed hundreds of Guineans over the last decade, and tens of thousands in the 56 years since independence. The number of Guineans killed by agents of the state now number in the dozens each year. Although this is an improvement, security forces regularly use excessive violence. Agents of the state – and especially members of the security forces – also regularly intimidate citizens and fine them at roadblocks, border crossings and elsewhere. The judiciary is weak, has been undermined by corruption and offers virtually no means of redress for ordinary citizens.

Civil rights
5

4 | Stability of Democratic Institutions

Democratic institutions exist, and the presidency and the parliament in particular perform their functions to some extent. The judiciary is hampered by government interference, corruption and low capacity, and so is the public administration. The functioning of democratic institutions is stymied by two main factors: there are institutions, especially the military, gendarmes and police, that disregard the law, compete among themselves for economic rents, and exercise a continued implicit threat of destabilization to the civilian government. Secondly, the extreme polarization of the political field has led to deep mistrust of the government and a situation in which many actors see greater political benefits in recalcitrance than in dialogue and negotiation.

Performance of
democratic
institutions
5

Guinea's young democracy is characterized by an enthusiastic embrace of democratic process and techniques. The result is that all actors ostensibly commit to democratic principles in the run-up to elections, and those who are declared winners continue to espouse their faith in democratic process. Those who lose decry the process as rigged, and expend most of their energies trying to demonstrate why the sitting government is illegitimate, whether as a result of having been poorly elected or by governing badly. One variation on this dynamic occurs when opponents foresee little chance of winning elections and subsequently boycott them. Although Alpha Condé was the first truly democratically elected president in the history of the country, he has shown even less inclination than any of his predecessors to share the ministerial portfolios among representatives of all of Guinea's ethnic groups (if not all political parties). This has only intensified the standoff between the RPG and the opposition parties. As a result, Condé's ethnic group, the Malinké, are overrepresented and Fulbe (Fula or Peul) are underrepresented.

Commitment to
democratic
institutions
5

It remains to be seen whether the military – as the most important veto actor in principle – will accept democracy as the “only game in town” in the future.

5 | Political and Social Integration

After 25 years of nominal democracy, Guinea has developed stable political parties. The party system is somewhat institutionalized by African standards, and not very fragmented, but at the same time highly polarized.

Party system
6

The ruling RPG was one of the first opposition parties in the early 1990s, and the two biggest opposition parties today (Cellou Dalein Diallo's UFDG and Sidya Touré's Union of Republican Forces or UFR) are also long-standing parties with internally coherent bureaucratic mechanisms. Still, every major party in Guinea has been formed around one central charismatic figure, and it is hard to imagine that most of them would outlast their chosen presidential candidates. In that sense, Guinean political parties are clientelistic and have shallow roots in society. Over the past decade, Guinean politics has also become increasingly polarized, along ethnic lines among others. Many (though not all) political parties essentially claim to represent the interests of an ethnic group, and are called upon to do this by their supporters. Aside from this, there is often little in the way of a party platform or clear policy distinctions among the parties. The decades-long process of building a national identity (especially under Sekou Touré's rule from 1958 to 1984) still constrains every major national party to at least make a gesture of including some members of every ethnic group within its party leadership, but this is increasingly becoming a fig leaf for much more deeply ethnicized politics.

The volatility of voters is difficult to assess given that only one legislative multiparty election has taken place.

For the first three decades of independence, Guinea was an authoritarian government which allowed no civil society to exist outside the party state. Over the course of the 1990s and 2000s, the post-socialist Conté government gradually transformed into one in which incipient civil society actors were sometimes co-opted, and at other times brutalized. Civil society, including trade unions – historically the most important actors – professional organizations, and human rights and democracy organizations, began earnestly to carve out spaces of activity from the late 2000s onward. Women, placed at the forefront of the Guinean revolution in the 1960s and 1970s, have continued to speak out for their rights and to play leadership roles within civil society at large. There is not always a great deal of cooperation among civil society groups.

Interest groups
6

While 87% of Guineans stated that they aspired to full democracy in the future, only 23% felt that they enjoyed full democracy during the last Afrobarometer survey in 2013. While this was a slight improvement on the 17% who estimated that Guinea had had full democracy in 2003 (under Lansana Conté), the change was not significant. Similarly, while 49% judged Guinea not to have had democracy in 2003, 45% still felt that Guinea had none in 2013. Across the Afrobarometer results, the answers demonstrate that Guineans want democracy, but feel they are only getting a limited amount of it.

Approval of
democracy
7

Social solidarity and trust are high at the local levels of villages and districts in the countryside. Even there, however, multiethnic communities have known major social rifts that are both the cause and result of mistrust. Interethnic clashes and massacres in N'Zerekore, in Guinea's Forest Region, are one example. Such rifts are most common in cities, including the capital, Conakry.

Social capital
5

Hometown associations and savings clubs are widespread in the cities and there is significant trust among their members. Trust in political elites is unstable; enthusiastic support and disappointment alternate. In the public sphere, trust is often low and people suspect others of trying to take advantage.

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

Socioeconomic
barriers

1

Guinea ranked nine places from the bottom of the 2014 UN HDI. This is in spite of the massive influx of money that surrounds the mining sector of the economy. Thus there is a deep problem of average lack of human development (the poverty rate is 72.7%), and significant inequality. The country's Gini coefficient of 33.7 is about average in international terms, though it is not clear if the Gini coefficient is able to measure the illicit and hidden wealth believed to be amassed by the richest and most politically powerful. Female participation in the workforce is relatively high, at 46% (the international average is 40%). This is partly a legacy of Guinea's socialist past, where women were preferentially selected in education and the workplace. The ratio of female to male enrollment in primary education is quite favorable (84.5%), but less so in secondary and tertiary education, where it stands at 37.0% and 63.1% respectively. Other indicators for gender bases or other exclusion are not available. The present government seems to favor the president's ethnic group, the Malinké, to the exclusion of Fulbe (Fula or Peul) and other ethnic minority groups.

Economic indicators		2005	2010	2013	2014
GDP	\$ M	2937.1	4736.0	6231.7	6624.1
GDP growth	%	3.0	1.9	2.3	-0.3
Inflation (CPI)	%	31.4	15.5	11.9	9.7
Unemployment	%	1.9	1.6	1.8	-
Foreign direct investment	% of GDP	3.6	2.1	2.2	-
Export growth	%	-	0.2	1.2	1.1
Import growth	%	-	27.2	6.3	4.7
Current account balance	\$ M	-160.3	-326.9	-1161.0	-
Public debt	% of GDP	150.2	99.6	39.5	41.1
External debt	\$ M	2967.8	3127.1	1197.8	-
Total debt service	\$ M	156.3	73.0	60.4	-

Economic indicators		2005	2010	2013	2014
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	7.0	15.0	9.7	9.1
Public expnd. on education	% of GDP	1.8	3.7	3.5	-
Public expnd. on health	% of GDP	0.6	2.0	1.7	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	-	3.1	3.8

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | International Monetary Fund (IMF), World Economic Outlook, October 2015 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2015.

7 | Organization of the Market and Competition

Guinea has a freer economic sphere than at any prior point in its history. Guineans remain skeptical about some aspects of free market principles, as evidenced by the fact that 42% of Guineans polled by Afrobarometer stated that they thought the most important characteristic of a democratic government was to provide employment for everyone. Furthermore, 28% stated that the most essential characteristic of democracy is to furnish food, clothing and housing to every individual. This said, the Guinean government no longer fixes the exchange rate of its currency, and has significantly opened the banking sector. For political reasons, there are government subsidies for gasoline and rice. The barriers to doing business in Guinea have diminished significantly and are now lower than average in international terms. Costs in terms of navigating the maze of informal payments remain relatively high.

Generally, the informal sector dominates, although no reliable statistics for it exist.

Guinea's score on the Economic Freedom Index of the Heritage Foundation is 52.1, ranking it at 144 on the 2015 Index. The foundation observes a slight decrease in investment freedom, property rights, the management of public spending and fiscal freedom. Regionally, Guinea is ranked 33rd out of 46 countries in the sub-Saharan Africa region. According to the foundation, its overall score is below the world and regional averages.

Market-based
competition
4

Guinea has a long history of state monopolies, both under the socialist government (1958 –1984) and under the post-socialist government, in which the president, the Guinean army and various cronies controlled large portions of the economy (importation of rice, cement, large-scale construction). The Condé government has begun its economic reforms by focusing on the mining sector, and anti-monopoly policies may follow in other sectors. Some reforms of a monopoly in the rice sector were noted positively by international donors and observers.

Anti-monopoly
policy
5

Foreign trade is largely liberalized, although the state continues to subsidize goods like gasoline and rice in order to maintain political stability. The biggest barriers to trade in Guinea are the multiple costs of doing business, including the need to pay bribes.

Liberalization of
foreign trade
6

Guinea ranked 141st out of 189 in the Trading Across Borders category in the World Bank Group's Doing Business 2015. The Heritage Foundation reports that Guinea's average tariff rate is 11.9%. Non-tariff barriers including restrictions on imports like rice, flour and sugar further impede trade. Although the government has repeatedly expressed a desire to attract foreign investment, uncertainty in the political situation has hindered substantial progress. Investor protection is a serious issue.

The Guinean banking system opened to international corporations in the 2000s. There is little de facto supervision. The financial sector remains underdeveloped according to the Economic Freedom Index. Most economic activity remains outside the formal banking sector, as there are fewer than ten commercial banks. The banking sector is dominated by two French companies and the Togo-based Ecobank. Local SMEs are severely underserved by the international brands. The 2013 collapse of the new local bank Badam, which was officially meant to close this gap and in which the government held a 20% stake, exposed severe deficits in banking regulation. Savers have not yet been compensated. Badam was created under opaque circumstances in 2010, under the government of General Sékouba Konaté.

Banking system
5

8 | Currency and Price Stability

Inflation policies have been incorporated into macroeconomic planning since the Condé administration took power. Money supply is fairly stringently controlled under Condé and the central bank has stopped financing the state budget deficit. The central bank tries to stabilize the Guinea franc by boosting or contracting sales in its weekly foreign exchange auctions. Taking into account the political transformation and the contraction of the economy due to the Ebola crisis in 2014, the government has been very successful in its exchange rate and inflation policy in recent years. Inflation policies have been incorporated into macroeconomic planning since the Condé administration took power. Although still elevated at 10% for 2014, it has come down gradually from highs of 31% in 2005 and 35% in 2006. The value of the Guinean franc floats on the international market.

Anti-inflation /
forex policy
6

Guinea's macroeconomic situation has improved considerably under the Condé administration and the management of Finance Minister Kerfalla Yansane, who served from late 2010 until January 2014. Over that period, total reserves rose from only \$2.5 million in 2008 to \$174 million in 2013, while public debt fell from \$90 million to \$39.5 million over the same period. Total debt service, which stood at \$128 million in 2008 and peaked at \$170.5 million in 2011, was \$60 million in 2013. Government expenditures were 9.7% of the country's \$6.19 billion GDP in 2013. The Ebola epidemic will exact a serious economic toll on Guinea's economy, with World Bank estimates running at \$540 million in foregone GDP. This is an exogenous shock, but the Guinean government's reluctance to deal forcefully with the epidemic in its early stages may also have medium-term effects on investor perceptions of the government.

Macrostability
7

9 | Private Property

Under colonial and socialist governments, land was owned by the state, and citizens were granted use rights for as long as they put the land to good agricultural use. Land in cities and towns was titled, though in practice the system was somewhat chaotic. The 1990s and 2000s saw a period of chaos in which the Guinean government, under pressure from international financial institutions, privatized ownership of land and capital, and political and military elites primarily benefitted. The period of the Condé government's tenure has been less tumultuous than the two decades that preceded his election. The property rights regime is evolving. However, both mining and agribusiness have increased pressure on land, and the frequency with which the state has used eminent domain rights to take land away from citizens has increased. Conflict in rural areas continues to be driven by older forms of dispossession, in which better-educated relatives or newcomers use existing laws to lay claim to land held in customary tenure arrangements by villages or lineages.

Property rights
5

Major disputes recently pitted the state against a bauxite/alumina and iron ore company. The backdrop to these disputes are the opportunities and pressures to pay bribes and the effects this practice has on the validity of contracts. The legal situation in the mining sector is still incoherent, and law and practice clash. The Heritage Foundation reports that a 2014 FBI investigation found that BGSR, a British front company, had bribed government officials to win a mining concession for \$165 million. The government's lawsuit against BGSR may help to increase the respect for the law.

Guinea's privatization in the 1990s followed a classic post-socialist pattern, in which cronies and political insiders benefitted hugely and the goods and services in question (water, electricity, pharmaceuticals) simultaneously became more expensive and fell in quality/reliability. The 2000s saw some privatization success stories, for instance, in telephone communications, media and imports of consumer goods. Until the end of the CNDD junta in 2010, government actors and cronies regularly forced competitors out of lucrative sectors including construction and rice importation. The Condé government has been the most transparent in Guinea's history, even though critics have challenged its granting of certain contracts, such as the Conakry port expansion.

Private enterprise
7

10 | Welfare Regime

Social safety nets are almost nonexistent. The Ebola epidemic has shown that the state is almost incapable of providing social services such as health care to its citizens, although the health system is clearly much better than those of neighboring Sierra Leone and Guinea-Bissau. Though inadequate, health posts are relatively widespread. Public expenditure on health currently stands at 1.8% of GDP, and social spending under the Condé government has been slightly higher than under prior administrations. In this as in other areas, much of what little support is provided is done with donor funding, often by NGOs. A national social security fund exists in principle, but the percentage of Guineans who contribute to or benefit from it is extremely small.

Social safety nets
3

Equal access to education and social goods was a central pillar of the socialist era (1958 – 1984) government, and one of the main sources of its popularity. While equal opportunity for women has eroded somewhat in the ensuing decades, Guinea is still a relatively egalitarian society, with a Gini coefficient below average. Still, male adult literacy stands at 37%, exactly three times as high as female adult literacy. While 85% as many girls as boys attend primary school, that ratio falls to 37% by the time students reach university. Women make up 46% of the workforce. Ethnicity and religion only exclude Guineans from equal opportunity at the highest levels of government and the military, where successive governments have given preference to members of the president's ethnic group.

Equal opportunity
5

Regional development is uneven, with the Forest Region being the most deprived. There is a strong subjective sense of being denied opportunities among Fulbe (Fula or Peul). But exclusion mechanisms are largely based on class and residence. Poor and rural populations have far fewer opportunities than urban people and the offspring of the wealthy and the middle class.

11 | Economic Performance

Overall, the Guinean economy has shown modest improvements in the last two years, but it is important to note that the country is still recovering from near economic implosion caused by wholesale theft and radical mismanagement by the two governments that preceded the current one. GDP per capita in Guinea, PPP adjusted, stood at \$1,253 in 2013, which placed Guinea in the bottom ten countries worldwide. This is especially low considering Guinea's great mineral wealth which, though it does not benefit most Guineans, still artificially buoys up the GDP per capita figures, unlike most of the countries (Eritrea, Niger, Liberia) in the same range. GDP growth stood at 2.3% in 2013, but will certainly be slowed by the Ebola epidemic for 2014 and 2015 and perhaps beyond. FDI, which has been as high as 19% of GDP in 2011, stood at 2.2% of GDP in 2013. The Ebola epidemic and tumult in the mining sector, where the Guinean government revisited a number of deals that were arranged outside the legal statutes of the country during the Conté regime, have made investors skittish in the last three years. However, this government has worked hard to implement predictable economic policies, so some economic indicators have improved dramatically. Public debt as a percentage of GDP was as high as 150% in 2005, and is now just under 40%.

Output strength
5

12 | Sustainability

Like people in many other poor countries, Guineans are more focused on economic growth and jobs than on the environment. Because so much government policy is oriented toward dealing with crises (the most recent being Ebola), there is not much of a sustainability policy initiative. The exception would be that which is crafted and to a greater or lesser extent forced upon the Guinean government by donors. Still, there are sometimes unintended consequences. Guinea has no sustainable energy policy, in large part because the electricity company is not able to provide reliable electricity of any kind to its customers. However, given this situation, many Guineans have set up their own modest solar panel and automobile battery energy systems for providing light at night and charging cell phones. Still, this must be recognized as the individual ad hoc solution it is, and not as the product of any policy.

Environmental
policy
4

Generally, there is little available information on environmental policies. Guinea regularly featured at the bottom of the Economic Performance Index (EPI) when it was still listed.

Generally, official statistics and figures have to be treated with caution. However, it is evident that the education sector is overburdened and underfunded, and does not provide quality education to the majority of Guineans, as evidenced by the country's 25.3% literacy rate, which is the second lowest in the world, and less than half of Senegal's 52% rate. The 12.2% female literacy rate is even lower than Afghanistan's 17.6%. Guinea's gross enrollment figures show that 90.8% of children attend primary school, but only 38% secondary school and just under 10% participate in tertiary education. In secondary education, the enrollment rate of females stands at only 63.1% compared to males and in tertiary education at only 37.0%.

There is no apparatus to support R&D. According to the latest available figures from 2012, the government spent 2.5% of GDP on the education sector.

Education policy /
R&D
2

Transformation Management

I. Level of Difficulty

Guinea has some considerable structural advantages, including major mineral deposits (especially bauxite and iron), ports on the Atlantic Ocean, varied geoclimactic zones, abundant rainfall, and numerous rivers that provide both water and fisheries, and could supply massive hydroelectric resources. However, the country has remained extremely poor for a number of reasons. Extreme poverty and very low educational standards (e.g., very low literacy rates) make all policy initiatives more difficult. Guinea's history of state abuse of its citizens has continued from the colonial period to the present, and has fostered a culture of mistrust among most citizens. The political landscape today is probably more polarized than it has ever been before, and this combines with deep mistrust of government institutions to undercut any legitimacy of a sitting government in the eyes of a significant portion of the population. On top of these medium-term challenges, the recent Ebola epidemic that began in Guinea's Forest Region has added new forms of uncertainty, suffering and mistrust, and has placed most foreign economic activities in the country on hold.

Structural
constraints
8

Civil society has grown steadily in its ability to articulate demands and to organize itself in effective ways. Though Guinean civil society is still in its early stages, many activists draw on the country's socialist past and combine that rhetoric with a rights-based liberal one to craft critiques of government policies and decisions.

Civil society
traditions
6

The unions, in particular those representing government employees, have a significant pre-independence tradition and have developed into the strongest civil society actors since Conté's fall. There are, however, indications that the mobilizing powers of the transethnic unions have been weakened as ethno-political polarization has increased.

At the national level, the biggest cleavage in Guinean society and politics is between the governing RPG party and the opposition UFDG. Both parties see themselves, and are seen to be representing, the two largest ethnic groups in the country, Malinké (Maninka, Mandingo) and Fulbe (Fula or Peul) respectively. Mistrust and animosity between the two parties and their supporters boiled over into violence during the 2010 presidential election campaign, and have continued ever since. At a regional level,

Conflict intensity
7

there have been numerous clashes between ethnic Malinké and members of several small ethnic groups in the country's Forest Region (especially the Kpelle or Guerze). In the last 25 years, there have been many small and large clashes, with the last major one in 2013 killing over 200 people. The Guinean government has shown few signs of wanting to end the opposition between RPG and UFDG supporters, and it has not seemed capable of eradicating Malinké–Kpelle conflict in the Forest Region.

In addition, violent polarization between Fulbe and non-local groups appears to be increasing in the Fouta, an opposition stronghold.

II. Management Performance

14 | Steering Capability

Question
Score

The Condé government has set clear priorities of addressing illegal practices in the mining sector and reestablishing control of macroeconomic policy. Reform of the mining sector/resource governance, macroeconomic stability and electricity generation are clear long-term goals. As damage has been done in both areas over a period of decades, the results of these policy priorities have not been visible to most citizens, even if they are essential to the long-term economic and social well-being of the country. Consequently, the government has shown considerable courage in pursuing these priorities.

Prioritization
7

At the same time, it has to address short-term issues, in particular avoiding antagonizing the military, maintaining a significant level of support among the country's established elites and fighting Ebola. Long-term and short-term objectives conflict but by and large, the government has pursued long-term objectives with remarkable consistency.

The Ebola crisis has revealed how thinly the government administration was spread, as well as some old nationalist reflexes that caused the Condé government to prefer minimizing the seriousness of the outbreak. Although some locally based World Health Organization experts also underestimated the threat posed by Ebola, the government seemed to initially see the epidemic as being as much a threat to the nation's reputation as to the health of thousands of Guineans.

The government has succeeded in implementing its policies in the areas of macroeconomic reform and revision of the mining code and related policies. It has been partially successful in the area of security sector reform, an essential undertaking and a priority both for the government and its donor partners. It is justifiable for the government to focus on revenue generation and electricity generation, which is politically and economically more rewarding.

Implementation
5

The government has not achieved much success in health and education. The disastrous (initial) management of the Ebola epidemic was one example of its failure to reconstruct the collapsed health sector. Provision of water and electricity have also been areas where the government has achieved little success, despite stating clear goals.

Human resource constraints and the culture of “corruption” in the administration are impediments to effective implementation.

The Condé government has remained highly inflexible over the need for reconciliation and negotiation with the opposition. This has stymied attempts to build a new social compact with the population, and has fostered mistrust among supporters of the UFDG and ethnic Fulbe in particular (there is significant overlap between these groups). In other areas, the government has shown an ability to learn and adapt. The mobilization to fight the Ebola epidemic began shifting in November 2014, after an admittedly long period of ineffectiveness and denial. The government also changed its approach to human rights abusers from the previous government. While several key CNDD junta members who stood accused of crimes against humanity were initially incorporated into the Condé government, the Condé administration gradually distanced itself from them, and they were eventually indicted for their crimes. Claude Pivi, one of the most feared members of the junta, was quietly stripped of his ministerial post at the end of 2013, about six months after his indictment.

Policy learning
5

15 | Resource Efficiency

The government’s record in its use of resources is mixed. In many respects, the Condé government has done an admirable job of appointing qualified candidates to the most important posts in the administration and insulating them from political pressures. The administration has worked hard to move toward a balanced budget, and to lower the ratio of public debt to GDP. From late 2010 until January 2014, total reserves rose from only \$2.5 million in 2008 to \$174 million in 2013, while public debt fell from \$90 million to \$39.5 million over the same period. Total debt service, which stood at \$128 million in 2008 and peaked at \$170.5 million in 2011, was \$60 million in 2013. In addition, the government was able to introduce principles of transparency and accountability into the systems of state revenues and expenditures.

Efficient use of
assets
6

Notwithstanding this general progress, two areas of dramatic shortcomings remain. Condé still appears to be paying off some political debts by providing some less qualified candidates with jobs, and he seems unable to make even the smallest conciliatory or cooperative gesture toward the political opposition. After 40 years as Guinea's "historic opponent," some have surmised that his political reflexes do not allow him to interpret criticism as anything but betrayal.

The major macroeconomic restructuring undertaken by Condé's government from 2010 to 2014 has been led by well-coordinated policies that have reneged on earlier deals made with mining and other investors when those deals had been reached via secret and often illegal processes. This has allowed the Guinean government to continue dealing with other investors by making the argument that it is establishing the basis of long-term legal and procedural frameworks to make investment and doing business run more smoothly. What is less clear is whether the government intended to address the deep suffering of most of the population, who survive without electricity or clean water, and with poor health and educational services. Either they intended to take on these challenges at the same time as the macroeconomic clean-up and they failed, or they never even intended to address the quality of life for the majority of Guineans.

Policy
coordination
7

In addition, as mentioned before, the government has to address short-term issues, in particular maintaining a significant level of support among the country's established elites, fighting Ebola and avoiding antagonizing the military. Long-term and short-term objectives conflict but the government has largely pursued long-term objectives with remarkable consistency.

President Condé established a National Audit Commission in June 2011, which joined the pre-existing (but moribund) National Anti-Corruption Commission, the National Anti-Corruption Agency and the Auditing Committee for Oversight of Strategic Sectors of the Economy. This latter institution, set up by the CNDD military junta in 2009, did present audits of a number of parastatal companies and projects, uncovering over \$80 million in embezzlement from the Conté period. However, none of this money has been recouped, and no one imprisoned, though a number of Conté government civil servants were publicly humiliated and forced to confess as part of Moussa Dadis Camara's nightly TV broadcasts, which included live impromptu interrogations of allegedly corrupt officials by the head of the junta.

Anti-corruption
policy
5

In short, although there has been significant talk about anti-corruption activities, all of these institutions are starved of funds, and in the best-case scenario can only operate by recourse to a justice system that receives about 1% of the national budget, and that is perceived by the large majority of the Guinean population to be corrupt.

16 | Consensus-Building

All the major political parties and personalities agree on democracy as the proper means of attaining power. Whether they will see it as the legitimate process to end their time in office remains to be seen. Guinea's first two presidents died in office after 26 and 24 years in power, and the third nearly died in office as a result of an assassination attempt. The major potential threat at the present remains the military, who could stage a coup. The disgrace they brought upon themselves during the 2008 – 2010 junta period means there would likely be little support for such a coup, though Guinea's politicians are not much better liked or more trusted.

Consensus on goals
6

Although nostalgia for the era of guaranteed government jobs for life and free food distribution in the capital remains, most Guinean politicians are committed to open markets. This is reflected in the policies of the Condé government. Results from an Afrobarometer survey in 2013 indicate that ordinary citizens have somewhat different views and are more critical of the market economy, although any opposition to the concept is not ideologically motivated. In sum, the elites do indeed rhetorically subscribe to democracy and the market, though not all the associated norms and values are deeply held.

The Condé government has so far been effective at managing the two immediate threats to a democratic transition – the military and the clique of family and associates that surrounded former President Conté. Both of these groups governed so rapaciously that they isolated themselves from potential supporters among the population. Condé also incorporated elements of both groups into the government in the first three years of his presidency. Since then he has been gradually moving them away from power. It is not certain that the army in particular will accept complete civilian control and the loss of all of their former economic and political perks.

Anti-democratic actors
7

The main cleavage is between the governing RPG party and its ethnic Maninké supporters, and the opposition UFDG party and its ethnic Fulbe supporters. The cleavage is probably deeper now than it has been at any previous time in independent Guinea's history, with the possible exception of the 1970 – 1977 period when the socialist government violently persecuted ethnic Fulbe as a group. Not only has the Condé government not moderated this cleavage, it has exacerbated it. The Condé government favors Malinké over Fulbe in top government positions, while the discrimination is not so pronounced at the grassroots level.

Cleavage / conflict management
4

Other cleavages include potential conflicts between poor and rich Guineans as well as between urban and rural areas. These cleavages, however, have very limited political relevance at the moment.

A potential conflict between religious extremists and more secular-oriented political forces and/or between the Muslim majority and the Christian minority is not likely at the moment. The government has not capitalized on or mobilized these potential cleavages.

While the government has not invited civil society actors to help them set a governance agenda, civil society has forced its priorities onto the Guinean scene in collaboration with international actors. Guinean human rights activists thus work closely with Human Rights Watch and Amnesty International. Democracy activists cultivate their relationships with the International Foundation for Electoral Systems and the OSCE. Transparency activists work closely with Transparency International and the Extractive Industries Transparency Initiative. In all of these cases, these national-international coalitions make their cases to the embassies of the United States, France, and the EU mission, lobbying them to use their diplomatic and financial leverage to put these agendas at the center of their discussions with the Guinean government. The Condé administration is thus constrained to collaborate with civil society, if only via these international intermediaries.

Civil society
participation
6

The previous governments of Touré, Conté and the military junta all committed serious human rights violations against their citizens. The most recent substantial event was the 28 September 2009 stadium massacre that followed the coup d'état of December 2008. When 50,000 demonstrators protesting against the new junta gathered in the national stadium, the security forces opened fire, killing at least 157 and injuring 1,253.

Reconciliation
5

There have been several false starts in the direction of truth-seeking, reconciliation and reparations for the many crimes committed against Guinean citizens by their own governments. President Condé appointed two religious leaders to the head of a national reconciliation panel in 2011, but there have been no further results.

At the same time, Fulbe have protested the lack of progress in the case of the stadium massacre, which they see as being part of discrimination against them by the government. Condé's own intransigence in the face of most opposition demands in general has only served to further polarize the situation and short-circuit any possibility of reconciliation for now.

17 | International Cooperation

The government has successfully worked with donors to institute more stringent auditing procedures and a coherent macroeconomic policy, both of which have yielded some success. In particular, the institutional framework of the mining sector and overall macrostability have been improved with the help of (and requirement of) donors.

Effective use of support
7

The cooperation has perhaps been too successful, in that the only element left out of the equation has been the Guinean population. This was amply demonstrated by the initial inability to deal effectively with the Ebola outbreak. Once the government made up its mind, it strongly and rather successfully cooperated with international actors.

In principle, the Condé government has ticked most of the boxes required to satisfy international donors on the democracy and market reform fronts. International actors are probably concerned at the government's lack of interest in dialogue with the opposition and the further polarization of the political scene that has ensued.

Credibility
7

The opposition scarcely has a better record for democracy, offsetting some of the damage to the government's reputation. On the economic front, the government's relations with donors are considerably better.

Guinea generally has good working relations with its neighbors. There have been some tensions with Senegal that seem to have been quelled during 2014. The Ebola epidemic required considerable cooperation with Liberia and Sierra Leone, as the disease did not stop at borders. Regional cooperation was also provided when ECOWAS acted on the coup and the jihadi takeover of much of Mali in 2012.

Regional cooperation
8

Guinea was able to resolve its long-standing diplomatic dispute with Sierra Leone on Yenga, a Sierra Leonean town at the border of both countries. During Sierra Leone's civil war, the Republic of Guinea sent troops into Yenga to help the army of Sierra Leone. After the rebels were defeated, Guinean troops remained in Yenga. The two heads of state settled this dispute in May 2013 and Yenga was returned to Sierra Leone.

Strategic Outlook

Guinea faces two primary and one secondary challenges. First, the country will have to find a way to hold peaceful presidential elections in 2015 that are recognized as legitimate by most Guineans. Secondly, the government that takes power in late 2015 must begin to focus on basic services for citizens. Lastly, the security sector reform must continue to move forward lest civil unrest caused by either of the two major challenges give the military an excuse to stage yet another coup d'état.

Guinea's 2015 presidential elections will provide a flashpoint for sociopolitical tensions that have been simmering throughout Condé's tenure as president. Ethnic Fulbe (Peul), most of whom support Cellou Dalein Diallo's UFDG, have been encouraged to believe that they were cheated of their "turn" at political power in 2010 and that the state has contempt or even genocidal intent toward them. While some of this rhetoric is overblown and cynical, the Condé government has been utterly unwilling to make any conciliatory gestures toward the UFDG or the rest of the opposition, effectively dividing the Guinean political landscape into "friends" and "enemies." There is little reason to believe that these positions will soften in the run-up to elections. Unless international actors are able to ease both the rhetoric and the tactics of the parties, there is a high risk of mass violence.

The Guinean social fabric has been further frayed by the continuing impoverishment of the vast majority of the population. Guinea has made some significant advances in terms of its macroeconomic policies and free market reforms. However, it has done much worse in providing clean water, sanitation, electricity, and competent education and health care. All of these sectors experienced some advances in the 1990s, but were left to degrade for some 15 years before Condé's election. The Condé government simply has not done enough to address these problems, and it will need donor support, both financial and strategic, to take on this challenge. If this does not happen, social discontent risks breaking out in violent contestation of a state that most citizens do not trust.

The Guinean army could easily become a central actor in both potential post-electoral uprisings and violent social discontent. Having taken power in coups in 1984 and 2008, the army is used to stepping into political situations and treating civilian control of the military as optional. The military also carved out many economic perks for itself that it has gradually lost as civilian control has begun to strengthen. Security sector reform is the only possible solution to this challenge, and it must be seen both domestically and by international partners as a long-term (10 – 20 year) process. This will require funding, vigilant attention and creative means of providing members of the military with honor, activities and incentives different from those of the corrupt economy of the 1990s and 2000s. Security sector reform in Guinea cannot be considered complete until the entire generation of soldiers and officers who were part of the 2008 – 2010 junta have retired. Until then, the taste for money and power indulged by the military in that period will continue to pose the threat of future coups.