

## Senegal

<b>Status Index</b> (Democracy: 3.6 / Market economy: 2.7)		<b>6.3</b>	<b>Management Index</b>		<b>5.5</b>
<b>System of government</b>	Presidential democracy		<b>Population</b>	9.6 mill.	
<b>Voter turnout</b>	67.41 % (Parliamentary elections)		<b>GDP p. c. (\$, PPP)</b>	1,00	
<b>Women in Parliament</b>	19.2 % (2003)		<b>Unemployment rate</b>	48 % <sup>b</sup>	
<b>Population growth<sup>a</sup></b>	2.7 %		<b>HDI</b>	0.430	
<b>Largest ethnic minority</b>	23.8 %		<b>UN Education Index</b>	0.38	
			<b>Gini Index</b>	41.3 (1995)	
Data for 2001 – if not indicated otherwise. <sup>a</sup> Annual growth between 1975 and 2001. <sup>b</sup> Source: CIA Factbook. The number is a rough estimate; there is no government statistic for this. Source: UN Human Development Report 2003.					

### 1. Introduction

Abdoulaye Wade, a lawyer, was elected in Senegal's 2000 presidential election, the first time in the country's history that a presidential candidate from an opposition party was elected. Parliamentary elections in 2001 confirmed the victory for the Senegalese Democratic Party (PDS), the former opposition party. A coalition of opposition parties had managed to end the 40-year rule of the Socialist Party (PS). President Abdou Diouf's conduct was exemplary, and he was willing to concede defeat on the evening of election day. Thus, the evaluation period of this report encompasses two governments and legislative terms: the end of the term of President Diouf (1998-2000) and the first half of the term of the Wade government (from 2000 on).

The government, which took power under the slogan "Sopi" ("Change" in Wolof, the major indigenous language), is under enormous pressure from its citizens. The state's political culture has undoubtedly improved in quality. A new level of democratic consolidation has been reached in Senegal, even if serious problems with some of the performance indicators remain. Economic transformation was already begun in the early 1980s, and the new regime has generally continued this policy. However, difficulties have arisen in implementing this policy, which has come up against great skepticism among the population.

There is no sign of the kind of burst of growth that could improve the economic and social situation for the majority of the population. From an economic perspective, the state has stagnated at a low level.

## 2. History and characteristics of transformation

After Prime Minister Mamadou Dia was removed from power in the early 1960s, Senegal became a republic under single-party democratic rule. President Léopold Sédar Senghor—a theoretician of African humanism with leanings toward the western European liberal philosophy of “negritude”—practiced an authoritarian style of leadership, but, for the most part, avoided open oppression. After a wave of rural protests following crop failures, President Senghor converted the system back to semi-presidential rule in 1970 and appointed Abdou Diouf, a young technocrat, as prime minister and, later on, political “Crown Prince.”

The system was further liberalized in the mid-1970s: A few opposition parties were allowed to form, but their ideological orientation was dictated by the state. In addition to the socialist state party, a liberal party (Senegalese Democratic Party, PDS), a Marxist party (Independence and Labor Party, PIT) and—after some hesitation—a conservative party (MRD) were permitted. In 1976, the current president, Wade, founded and led the PDS, the largest opposition party. President Senghor stepped down from office at the end of 1980 and, in accordance with the constitution, turned the government over to Prime Minister Diouf in the middle of the legislative period. After taking over the government, Diouf pursued a policy of *divide et impera*. He totally liberalized the party system and a number of small and extremely small parties sprang up. Since 1983 there was unrest after elections, when the opposition believed it was cheated out of its victory over Diouf. The opposition leader, Wade, was jailed for a short time.

The political tensions during the 2000 presidential elections also ran high, because of personal rivalries. This election was the last chance for Wade, who by this time was over 70 years old, to take over the presidency, and for Diouf a victory would be the self-declared crowning achievement in his political career. The opposition has focused particularly on stirring up activism among both the urban and the younger population since the 1990s. The rural regions, supported mainly by peanut farming, are still a socialist stronghold. President Wade’s party also achieved a parliamentary majority by holding early elections. The constitution, which was amended in 2001 by referendum, establishes the principle of good governance.

The democratic change of governments was a reaction to the massive and ongoing economic crisis, and the new government is therefore under an especially large amount of pressure to succeed. The devaluation of the West African common currency, the CFA franc, in 1994, was a decisive turning point. France, which provides a currency guarantee, made it clear that structural adjustments were required in francophone Africa. The devaluation of the CFA franc by 50 % led to improved competitive conditions in the world market and increased overall economic growth rates, which averaged 5 % in 1995-2001. The devaluation also brought drastic price increases for everyday items, particularly in urban areas, causing an increase in social tensions.

More than half of the population lives below the poverty level. The dynamic activity caused by the devaluation has waned since the end of the 1990s, and the population growth rate is higher than the real economic growth rate. Senegal's income per capita sank in comparison to the 1970s, and has climbed only very slightly since 1990.

Since the CFA franc devaluation, the government has pursued a policy of privatizing state-owned industries, a policy that has been continued after the opposition victory. For example, the telephone company and airline, the water utility and the power utility were sold to foreign investors—mostly French and Moroccan companies—in some cases with great difficulty and opposition from unions.

Senegal was considered the second economic heavyweight after Cote d'Ivoire in the West African Economic and Monetary Union. Up to now, West African regional economic integration, which is modeled on the European Union and is intended to accompany the devaluation of the CFA franc, has stagnated. This stagnation can be attributed to domestic conflicts around the region and to great economic differences between members of this economic and monetary union.

### **3. Examination of criteria for democracy and a market economy**

#### **3.1 Democracy**

The population's acceptance of democracy received a tremendous boost from the first electoral victory by the long-standing opposition. However, corruption and nepotism continue to undermine public trust in the government and to hinder effective administration of the state.

##### **3.1.1 Political organization**

*(1) Stateness:* The state has a limited monopoly on force in Senegal. Cohesion is challenged by the ongoing armed conflict in the southern province of Casamance, although the armed opposition groups there are weakened by wide internal divisions. Meanwhile, the Muslim Mouride Brotherhood remains active in the city of Touba, where the state has largely relinquished its monopoly on force. At the same time, Senegal has a long-standing practice of parliamentary democracy, and the urbane political elite has a strong tendency toward secularism.

Ethnic groups are treated equally for the most part. All ethnic groups have politically active advocates and are represented in the government. There is separation of church and state, even if the Muslim Brotherhoods exert great influence on politics and economy. The Christian minority is respected and integrated into the public sphere—for example, ex-President Senghor was

Catholic. The state apparatus is omnipresent, yet the cumbersome administration is prone to corruption and nepotism.

(2) *Political participation*: There is unlimited, universal suffrage and the right to campaign for office, with the exception of the strictly apolitical military. Soldiers are not allowed to vote. The informal practice of buying votes, which is considered legitimate, is used widely by the great parties. The last elections were conducted properly for the most part, though deficiencies occasionally arise from administrative chaos that occurs while conducting the elections. Political parties are allowed to form without targeted state interference, and there are a large number of parties and organizations.

There were 65 parties registered in 2001 and 13 parties represented in the National Assembly since. To a large degree the elected representatives exercise their governing power, but the Muslim Brotherhoods, especially the Mourides, traditionally dominate in single policies, insofar as their economic interests are concerned. Freedom of opinion and press freedom are guaranteed, and the existing diversity in the realm of radio is especially important. Foreign television channels, such as *TV5* and *Canal Horizon*, can be received in Senegal. Approval for a private Senegalese television network has been delayed for administrative reasons, but it is pending.

(3) *Rule of law*: There exists a far-reaching dominance of the executive power vested in the President over the other powers, especially due to the Presidential system, the large parliamentary majority of the governing party as well as deeply rooted informal political decision-making channels. The French-inspired legal system is incomprehensible to many Senegalese citizens and is considered more of an extended arm of the government, or more precisely, the economic elite.

Corruption and political pressure hamper the functioning of the judicial branch enormously, and judicial independence is doubtful in general. However, at times the court's decision run counter the interests of the government. Only very rarely are corrupt representatives prosecuted, often times due to critical press reporting. Despite all lip-services of President Wade there are no institutional mechanisms to fight corruption. Corruption is still considered legitimate and accountability is hard to establish. Civil liberties are generally guaranteed, except in the conflicted region of Casamance.

### **3.1.2 Political patterns of behavior and attitudes**

(1) *Institutional stability*: The democratic institutions are stable, with the exception of the above-mentioned limitations on the rule of law and the geographical limitations challenging the state institutions in the southern province. Religious dignitaries accept the separation of church and state as a rule. Questions from the religious sector on the validity of the republic's secularism were

especially feared in the early 1980s, but an Islamic movement failed to materialize. Relevant political and social actors accept the democratic institutions in principle and regard them as legitimate.

(2) *Political and social integration*: The liberalization of the political sphere was already started in the 1990s, under President Diouf, and therefore it was underway before the evaluation period. Senegal's political party landscape is heavily fragmented, but has taken its bearings mostly from a few political pillars, or rather personalities, since the 2000 presidential elections. Only three to four parties are to a very limited degree rooted in society. They are primarily organized with popular political personalities as figureheads. New parties were founded regularly, and political nomadism—the practice of changing parties while in office, particularly in the period before elections—was common among politicians.

A constitutional amendment of 2001 was intended to eliminate this phenomenon in the future. The system of figureheads has enhanced the stability of the system of government since it established a connection between society and governmental level. The articulation of interests according to platform aspects is less done through parties but rather through well-differentiated interest groups that are rooted, for the most part, in urban areas. In particular, the unions, the teacher, student and women organizations exercise immense influence. Contract conflicts and disagreements about privatization are carried out quite militantly. Unions are developing a relatively high potential for conflict in the wake of privatization—such as the planned sale of the state electricity company. Wage disputes also affect state companies. In particular, the teacher's union has been leading tough and lengthy wage negotiations.

Yet influential international commercial enterprises, mostly French-owned, dominate political decisions, because of the economy's extreme dependence on external sources. The rural population has organized itself into farmer's associations on its own, whose umbrella organization (FONGS) has some weight as a lobby group. But their spokesmen are mostly the Islamic brotherhoods, in this case the Mourides, although agriculture is no longer their main economic concern. State actions must take both French economic interests and the interests of the brotherhoods into account.

The differentiation of stable civic groups is at a low level in Senegal, but it is recognizable to some extent. There are human rights groups, lawyers' associations, youth clubs and women's organizations, and they are quite active. Civic associations are very often supported by foreign financial assistance, and a rent-seeking economy based on transfers of development aid has now developed in this sector. As a result, public trust in these organizations is not particularly high in all areas. This situation also often politicizes civic organizations and leads to the perception that they are interface organizations of the parties, or rather, the party elite.

Particularly in the rural areas, there are general organizational problems of infrastructure, as well as cultural and language barriers—for example, between settled farmers and nomadic livestock breeders. French, the official language, is often not well grasped in underprivileged segments of society and regions, and illiteracy adds another hurdle to binding written expression. Thus, functionaries of an association are often not understood in underprivileged regions, or rather, they are denied reliable correspondence with them. The local language, Wolof, is far more widespread, but it is not understood everywhere and is not used in written form.

The constitutionally defined borders are not seriously questioned in the central regions of Senegal. The first democratic regime change in 2000 has greatly raised the population's approval of democracy. Although there are no representative opinion polls, the population's attitude can be measured by the remarkably high voter turnout. Over 60 % of registered voters took part in the 2000 and 2001 national elections. Voter turnout in elections in the early 1990s was substantially below 50 %. However, since the 1980s, there has been a separatist movement (MFDC) in the southern province of Casamance, which is geographically separated by Gambia. Peace negotiations were interrupted by the elections. President Wade had declared the Casamance issue a matter of decision at the top level, but had to admit that all attempts to negotiate peace have failed so far. The talks have also failed so far because of disputes and a growing fragmentation among the insurgents.

## **3.2 Market economy**

Senegal has made progress toward privatizing state-owned enterprises and is pursuing a monetary policy based on stability in currency values, which are also supported by exchange-rate guarantees from the French. Deficiencies still exist in the education system, and there are problems with the heavy dependence on peanut production and the limited social acceptance of the economic order. Only about 1.5 % of the population are wage-earning employees in the formal economy, and they are the only ones who have access to rudimentary social security benefits from the pension insurance fund. The informal economy and the safety net provided by familial relationships, both of which are vitally important to the majority of the population for survival, are not recorded in statistical data. These factors must therefore be omitted from this report's account, due to a lack of reliable estimates. Quantitative data on the widespread savings and credit associations (Tontines) are also not available.

### **3.2.1 Level of socioeconomic development**

The key indicators show a low level of development. For the majority of citizens, freedom of choice does not exist. There is fundamental social exclusion on the

basis of poverty, education and language barriers, and there is marked gender-specific exclusion as well. This can also be traced back to the economic downturn in the agricultural area, which is still the only source of income for 75 % of the working population.

School attendance and the literacy rate have risen slightly during the evaluation period, but there is still a great disparity in educational opportunities between men and women. The literacy rate among women is about 28 %, substantially lower than that of men, who have an approximate literacy rate of 47 %. Although the income per capita has also risen slightly, it still lies below the level achieved in 1976. Grave disparities continue to exist—particularly between the region surrounding the capital city of Dakar and regions in the interior of the country—but there are also differences within urban population centers.

### **3.2.2 Market structures and competition**

An estimated 90 % of the active population is employed in the private economy. The law defines clear rules for free-market competition, but these rules were often interpreted unequally in the past, depending on the economic and political influence of the competitors. The 37 largest companies hold 75 % of the economic strength of the official private sector and employ 70 % of the workers in the formal economy. It is particularly these sectors that repeatedly make the headlines for cases of corruption. Certain individual economic sectors, such as sugar and rice production or rice imports, are still strictly regulated. Monopolies and oligopolies are not challenged in those areas, but are licensed by the state instead.

Important sectors of the economy, including the marketing of peanuts and cotton, are still under state control, but these will be privatized in the future. A common tariff was introduced within the bounds of the West African Economic and Monetary Union (UEMOA), in a push for trade liberalization. Foreign trade formally follows the principles of free trade, but it is subject to state regulation. The banking system has stabilized since the crisis of the mid-1980s, supervision by the Central Bank has been improved and politically motivated approval of bad loans has been limited. The capital market is extremely dependent on foreign capital. Subsidiaries of French companies and commercial banks are particularly active in Senegal.

### **3.2.3 Stability of currency and prices**

Senegal is a member of the Franc Zone and the UEMOA. The common Central Bank is independent. The exchange rate is pegged to the euro and guaranteed by the French treasury. Monetary policy is stability-oriented, and the inflation rate is very low. The UEMOA member states make voluntary commitments, which are comparable to the Euro Stability Pact and take the form of agreed-upon upper

limits to cover budget deficits, but these states do not sufficiently coordinate their economic policies.

Senegal had a record budget deficit in 2001, due to structural reforms and substantial difficulties in privatizing state companies—including the electricity company and peanut production—and the government needed to draft a supplementary budget. Serious differences of opinion with the International Monetary Fund (IMF) followed. In 2002, the economic plan was not submitted for approval to the Bretton Woods institutions for the first time since the CFA franc devaluation in the mid-1990s.

### **3.2.4 Private property**

Ownership of private property is fundamentally guaranteed. The privatization of state companies has been successful in some sectors, especially in telecommunication. Great difficulties are arising in the sale of state companies in key economic sectors that show a deficit, such as the electricity company and the company marketing peanut products. The state still regulates important economic sectors.

### **3.2.5 Welfare regime**

Precautions for absorbing social risks exist in a rudimentary form for employees in the formal economic sector. These social programs are experiencing a crisis because of economic stagnation, rising life expectancies and inefficient management of means. However, the majority of the population is not employed in the formal economic sector. Unemployment levels are particularly high among young people, leading to social tensions. Absorbing social risks has generally become the responsibility of familial relationships, placing a great strain on the stability of economic welfare.

Foreign funds transferred by Senegalese immigrants in Europe and North America are very important to the financial security of families at home. In 2002 they added up to 228 billion F CFA. The percentage of women in politics is still quite small. Mame Madior Boye, who has served between 2000 and the end of 2002, was the first woman ever to hold the office of prime minister. Although women are legally considered equal for the most part, and their economic activities contribute substantially to the family income, women are still subject to gender-specific discrimination. Support mechanisms for the handicapped and socially disadvantaged scarcely exist.

### 3.2.6 Strength of the economy

The macroeconomic recovery, which has been taking place since the devaluation of the CFA franc in 1996, has continued. Between 1995 and 2001 the growth rate was approximately 5 %. The proportion of government investment is climbing only somewhat more quickly than consumption expenditures. Government investment is at slightly above 20 % of expenditures, thus placing it just above the UEMOA requirements. The funds mostly come from external resources, primarily the World Bank, the IMF and the African Development Bank. Macroeconomic data seem to be controllable.

### 3.2.7 Sustainability

Environmental awareness is due to poverty very low in Senegalese society. In some isolated urban areas, there have been activities—though not long-term ones—in the environmental arena, sponsored by sport and culture associations. “Green” candidates were able to achieve isolated victories in the 2002 local elections. Environmental concerns, along with safety concerns, as a rule rank substantially below short-term profit concerns in the priorities of both citizens and local authorities. The ecologically and economically problematic overfishing of the stock before the Senegal’s coast (also by the EU boat fleet) quite clearly shows this, especially since fish products bring foreign currency to the country.

The educational system which has been modeled on the French system is in a deep crisis. For years, the education sector’s percentage of the state budget has been approximately 3.5 % of the GDP, or rather one third of the total budget. It was 32 % in 2002 and far above the African average. However, the educational system shows considerable deficiencies that reveal themselves in an illiteracy rate of 62 %. The lead to the downgrading of Senegal to the group of Least Developed Countries (LDCs) by the United Nations in 2001. Senegal has two state universities and, in recent years, a growing number of privately-financed educational institutions. Infrastructure is best developed in the region around Dakar, the capital city, but it is insufficient even there. Some improvements in road construction have been achieved since the 1990s. Throughout the entire country, the infrastructure—such as it is—is often in need of an overhaul.

## 4. Trend

(1) *Democracy*: Citizens’ options for organizing, freedom of opinion and press freedom were already largely realized before the evaluation period. The first regime change through elections, in 2000, clearly improved political participation and substantially strengthened the legitimacy of democratic structures, which previously were often considered purely formalities.

The dominance of the governing party (PDS) is problematic since it strongly reduces the opposition's control functions. President Wade has unlimited power and can introduce constitutional amendments and political changes any time. A centralization of power is obvious. The amendments to the constitution shortened the president's term of office from seven to five years, but the change from a semi-presidential system to a parliamentary system has not yet taken place, even though the current president promised this change during his 2000 election campaign.

There is still no solution in sight for the armed conflict in the southern province. The government, obviously willing to negotiate, has no reliable partner to negotiate with, due to internal leadership rivalries between the armed groups. The security status in the southern province remains precarious, and armed highway robbery is becoming more common in the Casamance region.

(2) *Market economy*: The fundamental developmental indicators show, with a few exceptions, that the status of development in Senegal has stagnated at a low level during the evaluation period. The development status has improved by 0.031 points between 1995 and 2000. Per capita income has declined slightly since the 1970s, but climbed a trivial 0.5 % between 1990 and 1998. Economic growth is comparatively high, at around 5 %, but still too low to compensate for considerable population growth with a low inflation rate.

**Table: Development of socioeconomic indicators of modernization**

	HDI	GDI	GDP Index	Gini Index	UN Education Index	Political representation of women <sup>a</sup>	GDP per capita (\$, PPP)
1998	0.416	0.405	0.43	41.3 (1995)	0.36	13.6	1.307
2000	0.431	0.421	0.45		0.37	19.2	1.510

<sup>a</sup> Percentage of women delegates in the National Assembly after parliamentary elections.

Sources: UNDP, Human Development Reports from 2000 and 2002, as well as the World Bank, World Development Reports from 2000 and 2002.

Deficiencies continue to exist in the economic and competitive order. The institutional framework conditions for free market trade have improved slightly, but they remain unstable as far as the rule of law is concerned. The Central Bank's rigid policy of stability prevents a further currency devaluation, even after the introduction of the euro. Economists remain divided on the general assessment of the monetary union.

**Table: Development of macroeconomic fundamentals (1998-2002)**

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Growth of GDP in %	5.7	5.1	5.5	5.8	5.0
Export growth in % <sup>a</sup>	6.5	5.7	-11.6	9.5	n. a.
Import growth in % <sup>a</sup>	8.2	6.7	-2.5	-0.3	n. a.
Inflation in % (CPI)	1.1	0.9	0.7	3.1	2.5
Unemployment rate in %	no reliable data				
Budget deficit in % of GDP	n. a.	3.5	0.2	3.8	0.6
Current account balance in billion \$	-0.08	-0.17	-0.4	-0.3	-0.3

<sup>a</sup> Basis for calculations: exports (F.O.B.) and imports (F.O.B.) in billions of dollars.  
Source: Economist Intelligence Unit, Country Report Senegal.

## **5. Transformation management**

### **5.1 Level of difficulty**

The low per capita income (500 US\$), low educational standards (0.37 according to the UN Education Index), poverty of resources and extreme dependence on foreign funds—primarily from the IMF, World Bank and France—combined with an armed conflict in the southern province, insufficient state management and growing social tensions—primarily in education and among urban youth—all place a great deal of pressure on the government to act. Two positive factors are the growing fundamental consensus over democracy and a general sense among the population that a new era is about to dawn since the 2000 election. The latter, however, has already made room for disillusionment.

### **5.2 Reliable pursuit of goals**

The population's high expectations can be partially traced back to exaggerated campaign promises by the government. The government's own priorities are not always clearly recognizable, due to its highly limited latitude for action and its negligible resources. The economic order and fundamental democratic process are accepted by the new government, and it is addressing social injustices—such as corruption and problems with the education system—as well as the state's own responsibility for development.

In the meantime, a strategy for combating poverty was submitted as a request for admission to the Heavily Indebted Poor Countries (HIPC) Debt Initiative. The

government has shown a preference for large projects, under the eaves of the New Partnership for Africa's Development (NEPAD), an African development initiative. Such projects focus especially on infrastructure development, including airports, harbors, highways and railways. These projects should generate tremendous drive, but they can scarcely be financed and therefore are mostly unrealistic.

In continuing with privatization, the government has not always shown much finesse. Foreign partners have backed out or proven incapable of rehabilitating the privatized sectors, like the water supply and the power supply. The efficiency of Structural Adjustment Programs (SAPs) is hindered by an "implementation culture" that does not shy away from implementing reforms against resistance (even if this resistance comes from the state administration). This has already been true of the period before the change of government in 2000, but it is particularly true of the new government, that owes its victory to the urban voter groups that would most heavily be affected by the consequent implementation of the SAP measures.

Thus a reform policy which formally accepts the stipulations of IMF and World Bank does exist, however, its implementation happens only partially, due to the consideration of short and medium term political interests. This is in part connected with the fact that structural adjustments and positive macroeconomic data did not essentially improve the population's situation.

### **5.3 Effective use of resources**

Effective use of available staffing and organizational resources is more the exception than the rule. President Wade's promise of limiting his cabinet to 21 ministers has already crumbled in the face of pressures from the heterogeneous government coalition. Instead, his cabinet ended up having 29 ministers. Effective management is already inhibited by difficulties in designating areas of authority at the highest level. On the whole, government services are hardly beneficial to further developmental progress. These services do not apply their own resources in either an efficient or a transparent manner, a situation documented in a 2002 Supreme Audit Institution report.

The state budget is mostly funded largely by revenues and development aid. The salaries of government employees make up just under one third of the state budget. A value-added tax of 18 % for all UEMOA states should expand the revenue base in the medium-term. Budget planning is, for the most part, transparent, and it is carried out relatively dependably. The budget deficit is subject to fluctuations but is generally declining. Further deregulation is planned in a number of economic sectors, though these plans are met with public skepticism, if not outright resistance.

Under President Wade, combating administrative corruption has been declared a goal of the regime, and this was particularly emphasized right after he came into office. Yet the government's fight against corruption remains unsatisfactory. The "new" government party is increasingly falling under suspicion of nepotism and corruption. The pattern of neo-patrimonial rule has obviously not been consistently broken down.

#### **5.4 Governance capability**

The new government's political style is often characterized by populism. Using clever political tactics, President Wade's coalition achieved a large majority in the next parliamentary elections as well, thereby raising their influence in the National Assembly. The first limits of the euphoria appeared after the political change in 2000. In the aftermath of the sinking of the ferry Joola in September 2002, in which more than 1,000 people died, President Wade acknowledged the state's responsibility—a novelty for Senegal—and dismissed three responsible ministers. As a countermove, he took up the theme of a general lack of responsibility and consideration in society. There are recurring power struggles within the dominant PDS party because of the president's advanced age of 74.

Voter disappointment is slowly mounting following the first regime change since the country gained independence. There is growing pressure on the government to follow through on its often unrealistic campaign promises. Industrial actions and protests are growing increasingly militant, and these have occasionally led to blockades at the Gambian border. Senegal's participation in the NEPAD initiative is based on the strategy of raising more foreign capital for developing the country's interior. Domestic pressure for reform is lessened because external funds can be counted on in the future. The actors use politically clever strategic options, but it can be assumed that these are geared more toward short-term tactics than long-term efforts for development.

#### **5.5 Consensus-building**

Former President Diouf achieved a historical accomplishment by opening up the political system and, above all, by conceding his defeat in the 2000 election. There is no obvious political actor trying to oppose the aims of democracy and market economy. This is also true of the Muslim Brotherhood of the Mourides, although informal political processes in which these actors are influencing decision-making are heavy-weights.

There is potential for conflict among lower urban classes and among the youth. It is well possible that their lack of an economic perspective could lead to their questioning of the democratic consensus under the leadership of ambitious political entrepreneurs. This could happen when a democratic system with a

market-economy is by large parts of the population equated with a growing impoverishment. An essential part of Senegal's political culture is the political inclusion of possibly all actors. All government have so far felt obliged to follow this policy.

One decidedly positive note is that politics in Senegal were not "ethnicized" before or after the election, possibly because former Head of State Diouf and acting President Wade both belong to the same ethnic group. This has unwanted negative effects in the Casamance conflict. Until now, the armed clashes were perceived primarily as a conflict of economic distribution; the question of ethnic identity tended to be ignored. Nonetheless, all presidents up to now have largely ensured appropriate regional and ethnic representation in their administrations. The government is trying to negotiate peace in the Casamance and has recognized the need for support of the long marginalized region. With this a reconciliation process seems possible.

## **5.6 International cooperation**

On a bilateral and multilateral basis Senegal cooperates closely with donors and institutions. Due to its closeness with both the West and the Islamic World the country is recipient of considerable international aid. International cooperation, under Diouf as well as under Wade, is also a function of material expectations. This means that the country's policy gladly follows the "fashions" of the developmental political discourse. The example of the decentralization reforms in the middle of the 1990s openly reveals this. Reforms are most always tied to the corresponding material support which is used to a large part for clientele purposes. Thus the government takes a middle position when it comes to political necessity and political usefulness.

In general the government is a reliable and predictable partner in the international environment. Senegal is a close partner of France and the USA and a preferred target of international NGOs. The government plays an active role within the African Union and the African development plan NEPAD, which President Wade co-initiated. Within the UN framework the government regularly put troops for peacekeeping missions at the UN's disposal, as the latest example for the UN mission in the Democratic Republic of Congo.

President Wade's populist statements help boost domestic approval, but are rather undiplomatic and therefore internationally counterproductive. During the evaluation period, this has led to diplomatic irritations—particularly shortly after the regime change—with neighboring states, such as Guinea-Bissau and Gambia. In the regional context Senegal tries to take a mediating position, for example in the civil war of the important UEMOA partner Cote d'Ivoire. So far, however, Senegal's mediating efforts, also in the case of Madagascar, have not been successful.

## 6. Overall evaluation

In view of Senegal's initial conditions, its current status and evolution achieved and the achievements of political actors in the area of management, this assessment arrives at the following concluding evaluations:

(1) *Original conditions*: The starting conditions for democracy can be rated as comparatively positive overall, despite the low level of development. Even before the evaluation period, the country had a relatively open political climate and institutional framework for democracy. These fundamental perspectives were clouded since the early 1980s, by the armed conflict in the southern province of Casamance and by accusations of election fraud that came from the opposition, up until 1998. The economic starting position was difficult in spite of the economic recovery following the shock therapy administered by the devaluation of the CFA franc in 1996. And steps had already been taken here as well toward a strengthened market economy, even before the beginning of the evaluation period.

(2) *Current status and evolution*: Democratic transformation evolved a considerable distance. The 2000 elections elevated this transformation to a new level. Despite the subsequent clear election victory of the new ruling party, the PDS, there is potential for aligning the checks and balances under a multi-party banner. The previous governing party did not sink, as expected, into meaninglessness on its deathbed. Instead it is fulfilling its role as the opposition loyal to the system.

Nonetheless, further active steps toward administrative reform remain imperative in view of the limited effectiveness of government action up to this point. The evolution of the country's market economy transformation has been substantially shorter and bumpier. Senegal is a state with a low level of development, and it is still far from a functional, social market economy. Progress has been noted in macroeconomic stabilization, but it is pegged to development in partner states by economic and monetary union. The country's most important partner, Cote d'Ivoire, is currently embroiled in a civil war.

(3) *Management*: The verdict on the political actors' relative management performance is mixed. After such a bitter campaign struggle, the regime change occurred astonishingly without social friction, and the opposition was well integrated into the new government. In contrast, there are still deficiencies in combating corruption and the patronage mentality of official functionaries. Institutional reform has also fallen behind on the changes promised. The privatization policy has been adhered to, for the most part, but setbacks not always caused by the government—in the energy sector, for example—and corruption scandals have had a negative effect on already stressed state finances.

## **7. Outlook**

The fundamental consensus on democracy in Senegal is that it is largely stable, and internal threats to democracy are weak. The head of state's populist gestures and voter dissatisfaction with inadequate implementation of campaign promises hold the potential for future conflict, though this will not necessarily endanger the system. Rampant corruption poses more of a threat. Democratic consolidation did obviously not have an effect here. The Corruption Perceptions Index (2002) of Transparency International shows Senegal on rank 66 of 102 countries. Renewed efforts to improve economic and education policy, as well as infrastructure-building measures, are urgently needed, but the necessary means for addressing these issues have not been available up to now and cannot be raised solely through combating corruption, which is quite costly at first.

The NEPAD initiative represents the government's attempts to raise foreign capital. Whether NEPAD can bring in additional external investments is still unknown. The high hopes for this initiative remain in doubt, as potential investors are evidently mostly waiting for future developments. The Casamance conflict has not yet been resolved, but a spreading political threat is not expected. It is likely that, without a serious agenda in Casamance, there will be a future softening of political demands and increasing group actions by criminal bands. This cannot be considered a satisfactory prospect., especially since Senegalese soldiers enrich themselves with this war economy.

In addition, the regional context is also disturbing. The situation in directly bordering neighbor states is less stable than in Senegal itself. The civil war in Cote d'Ivoire, an important partner state and UEMOA heavyweight, will especially influence further development in Senegal, as it will also bear consequences for economic and monetary policy. Within the bounds of the Cotonou Agreement, collaboration with regional partners is required for future agreements with the European Union, both as an eminently important financial backer and as a market for Senegalese products. A lasting paralysis in Cote d'Ivoire, or a worsening of Nigeria's precarious situation, would certainly have negative effects on Senegal. Previous state policy shows an insight into these essential issues and attempts to exercise a positive influence.