This report is part of the Transformation Index (BTI) 2010. The BTI is a global ranking of transition processes in which the state of democracy and market economic systems as well as the quality of political management in 128 transformation and developing countries are evaluated.

The BTI is a joint project of the Bertelsmann Stiftung and the Center for Applied Policy Research (C•A•P) at Munich University. More on the BTI at [http://www.bertelsmann-transformation-index.de/](http://www.bertelsmann-transformation-index.de/)


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Executive Summary

The period between 2007 and 2009 was tumultuous in Guinea, beginning with massive popular uprisings and ending with a coup d’état. The consensus government that issued from the January-February 2007 general strike and demonstrations was judged by most Guineans to be a failure, which led to resignation among most Guineans that structural changes would not come while President Lansana Conté remained in power. When the 50th anniversary of Guinea’s independence arrived in October 2008, it was a somber rather than a celebratory occasion, and the president was too ill to attend the festivities.

On December 22, Conté died, and the long-awaited shift in power took place within hours. A totally unknown captain from the country’s southeastern forest region named Moussa Dadis Camara announced a military takeover and named himself president soon thereafter. The coup was orchestrated by a group of mostly lower-ranking officers from the airborne commando troop who called themselves the National Council for Democracy and Development (CNDD). Within days, the putschists consolidated power, overcoming the protests of the standing government and the constitutionally mandated interim president, National Assembly President Abououbacar Sompare. They also quickly sidelined the older officers of Conté’s generation and allied with several other commando units, including the Presidential Guard, which had been most loyal to Conté – and also stands accused of many of the civilian deaths during the 2007 demonstrations.

The coup came at the end of a long string of army mutinies that extracted promises of promotions, pay raises and back pay. During these mutinies, as during the 2007 demonstrations and the “state of siege” that followed, the army demonstrated its will to use violence against civilians. The soldiers have now promised to reinstate security, prosecute the “economic predators” responsible for pillaging the state’s money, and renegotiate nontransparent mining contracts. While doing all of this, they have promised to lay the foundations for free and fair elections and, thereafter, to step aside. Many Guineans remain skeptical that the junta will respect its long list of promises, but since few have had viable alternatives to suggest, they have accepted the coup as a fait accompli.
Apart from future prospects, however, Guinea does not qualify as a democracy under the rule of law and a socially responsible market economy. While it is too early to judge the governance record of the military officers, the management record of the Conté administration was poor in almost all respects. It remains to be seen whether the coup that took place in December 2008 will mark the beginning of a more democratic and economically successful era.

History and Characteristics of Transformation

In precolonial times, much of Guinea’s territory was organized in Islamic theocratic states, especially in the Fouta Djalon mountain regions 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 on the old kingdom of Mali, agricultural produce (e.g., peanuts, cotton and other plants) could be produced, which secured a connection to Senegal, Western Sudan (i.e., today’s Mali) and the Sahel regions. The French only succeeded in establishing a colonial state after violent wars against the resistance, which was led by leaders from the state’s interior, including Almamy Samori Touré and Yaya Diallo.

Guinea first began to attract more attention when bauxite and other minerals were discovered there in the 1930s and, once again, after 1945 with the advent of France’s foreign development aid to its former African colonies (FIDES). Investments were made primarily in infrastructure so as to facilitate mining. This development nurtured the formation of a working class that became the foundation of Guinea’s national movement, which was not the case in neighboring countries like Côte d’Ivoire and Mali. After World War II, a socialist trade union movement created an explosive group of people with various discontents who began demanding self-government. On 28 September 1958, Guinea voted against General Charles de Gaulle’s constitutional plans for a Communauté Française in all of French West Africa. France then broke off all relations with Guinea, which declared its independence on 2 October 1958 under President Sékou Touré.

Fed by ideals, illusions and ideologies, as the Cold War raged, a new era of transformation began whose promoters pursued a nationalist vision of development. Guinea’s first president, Ahmed Sékou Touré, who went on to become an important leader in the non-alignment movement, wanted to eradicate the deficiencies of the colonial period, particularly in infrastructure and basic needs; he also wanted to end dependence on France and proposed to form an African community with Ghana and Mali. However, this plan failed to take into account the insufficient socioeconomic conditions, including large ethnic, economic and regional discrepancies and almost irreversible dependence on existing world trade structures. But Guinea, as the first Francophone country in Africa to declare independence (after Britain’s Gold Coast became Ghana in 1957), received support from the socialist countries as well as from the United States and both East and West Germany. Soon thereafter, Sékou Touré’s regime became a dictatorship that was infamous for its torture camps, in which numerous alleged members of the opposition were detained and often died. Sékou Touré’s Guinea also became notorious worldwide for its
long series of fictitious and real coup attempts. After Sékou Touré’s death in 1984, the military under Colonel Lansana Conté seized power.

After the end of the Cold War, a new multiparty constitution was introduced in 1991, which was formally oriented toward democracy and a 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 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, although admittedly to a lesser extent than under Sékou Touré. Though Conté sometimes named a prime minister as the nominal head of government, the position has no constitutional status, and all of his prime ministers found themselves relatively powerless. The limited generosity of international donors toward the regime 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 that was clearly aggravated by President Conté’s illness. Beginning in the early 1990s, Guinea was seriously affected by civil wars in the neighboring countries of Sierra Leone (1991 – 2002), Liberia (1989 – 2003) and Côte d’Ivoire (since 2002). At times, there were nearly one million refugees in a country of up to 10 million. Three general strikes in 2006 and 2007 culminated in mass demonstrations in Conakry and other cities in January-February 2007. Although security forces ruthlessly suppressed these demonstrations, they still succeeded in forcing the government to negotiate with civil society actors and trade union leaders, which resulted in a consensus government that was supposed to shift effective powers to a new prime minister.
Transformation Status

I. Democracy

1 | Stateness

The junta has reinstated military command-and-control structures, which had degraded badly during the period between 2007 and 2008 and had resulted in three separate mutinies. During that same period, the historically strong Guinean state came closer to losing the monopoly of force than it ever had before. Rank-and-file soldiers and lower-ranking officers looted the armory of most of its weapons in January 2007. Since the junta enjoys considerable legitimacy among these same security forces, it has been able to re-establish control and diminish abuses by them. However, some military racketeering and checkpoints that appear to have more economic than political objectives have remained, and it is unclear whether they will increase or diminish with time.

Most Guineans accept the legitimacy of the state in principle, but both governments preceding the junta were seen as favoring some groups over others. Ethnic Fulbe, in particular, feel that the junta has politically marginalized them despite their importance in both the business and professional sectors. The new head of state is a Catholic. Despite the fact that less than 10% of the nation’s population is Christian, this has not elicited any negative commentary from the Muslim majority.

In the last decade of his rule, President Conté sought to give religion a more institutional role in what had been an unambiguously secular state. His keeping of four wives broke with a tradition under the socialist state that strongly encouraged monogamy, especially among state officials. Other practices, such as excision (i.e., female genital mutilation), which is estimated to be carried out by over 90% of families on their daughters, is often justified along religious lines. The new head of state refers frequently to his own religious faith, and he has even given speeches on national television with one hand on the Bible and the other on the Quran.

The junta has inherited a decrepit state apparatus that, in recent years, has done little to provide electricity, water, education or health care to its citizens. It has identified these sectors as top reform priorities, but the lack of existing revenue streams leading to the state as well as degraded infrastructure in all sectors pose major challenges, as does the attempt of many to court the junta so as to gain posts and privileges in keeping with the logic of the former regime.

Monopoly on the use of force

State identity

No interference of religious dogmas

Basic administration
2 | Political Participation

The junta took power by force and replaced a government whose head of state was elected in 2003 in elections boycotted by all significant opposition parties. While the junta has agreed in principal to elections in the latter quarter of 2009, it has not been willing to provide a specific timetable for elections, which should include both overdue legislative elections, presidential elections and possibly even a referendum on constitutional changes.

The junta chief took power in a coup d’état and immediately suspended the National Assembly and the Supreme Court. The civilian prime minister is considered to have had the choice of only a handful of his own ministers, with the other 25 or so having been chosen by the junta. Regional representatives of government, including governors and prefects, are also named by the junta and are exclusively military officers. Under these circumstances, the junta can govern as it sees fit, that is, with no democratic input into its decision-making process.

Upon seizing power, the junta both suspended the republican institutions (e.g., the National Assembly, the Supreme Court and the Social and Economic Council) and banned political party and labor union activities. It justified the latter ban as being an attempt at precluding any events that could spark violence. Despite the ban, the junta allowed a public march in its support organized by the Young Patriots of Guinea and has done nothing to stop civil society leaders from meeting. The working understanding seems to be that small groups that may be critical of the government are allowed to assemble, while larger groups are allowed to assemble only if they support the junta. Cellou Dalein Diallo, the leader of one of the three biggest opposition parties and a former prime minister, received two visits from CNDD soldiers, who said they were looking for hidden weapons and mercenaries in his house. This was widely understood as an attempt at intimidation.

So far, the junta has done little to stifle the press. There are members of the CNDD and the government – namely, the minister for presidential security – who were reported (before the coup) to have personally visited those who sell newspapers in Conakry in order to destroy all copies of one paper that had published an article critical of him. The press had grown fiercely critical of the former president and government, and there was only limited repression. Indeed, many Guineans – including some journalists – feel that the press (including the private radio stations that became legal in late 2006) takes too many liberties and needs to be professionalized.
3 | Rule of Law

As the National Assembly and Supreme Court have been suspended, there is no separation of powers. However, even before the coup, both institutions were seen to be almost entirely beholden to the executive branch of government. A notable exception to this came when the National Assembly refused the request of the president and the army chief of staff to extend the state of siege in February 2007. This was the only instance during the Conté administration when either the National Assembly or the Supreme Court contradicted the president on an issue of substance. Still, by the time that President Conté died, few Guineans felt that National Assembly President Aboubacar Sompare was a legitimate successor, even though he was the interim leader specified by the constitution.

The Supreme Court was suspended on 23 December 2008. Before the coup, it was considered even weaker and less independent than the National Assembly. Supreme Court Chief Justice Lamine Sidime was a former prime minister and was widely considered to be the weakest and least effective of all of Conté’s seven prime ministers. At lower levels, the judicial system offers potential litigants little access to effective justice, and it is widely considered corrupt, slow and inept.

One of the primary initiatives of the junta is to counter impunity when it comes to stealing public goods. The CNDD government includes three different ministries or bodies charged with overseeing audits of past governmental activities with a view toward identifying economic crimes and punishing their perpetrators. In January 2009, there were several sessions shown on television in which former members of the government were accused of embezzlement and responded to the accusations made against them. These events had the aura of show trials, and there have been many reported instances of soldiers representing the CNDD shaking down business people and former government officials. Still, the Guinean public generally welcomes this as compared to the former situation, in which theft and even involvement in drug dealing went unpunished.

Guineans are faced with the paradoxical situation of hoping that the military – which has systematically killed, raped, arbitrarily arrested and detained its own citizens – will now be the institution to reinstate civil rights. The signs from the junta thus far are mixed. The rhetoric of punishing criminals (drug dealers, money launderers and human traffickers have been singled out) has been strong so far. The interrogations of so-called economic predators have not involved abuse, but neither have these individuals been afforded the due process to which they are entitled under Guinean law.
4 | Stability of Democratic Institutions

Neither the Conté nor the Camara government was the product of legitimate elections. Under Conté, the administration had nearly collapsed. In 2008, when fuel prices rose to GNF 7,000 per liter, many state functionaries stopped going to work. If they did go, there was often little to do, as the state had effectively stopped functioning. Rush hour in central Conakry was between 10 a.m. and 11 a.m. and, again, between 2 p.m. and 3 p.m. Despite the uncertainty and instability of the situation since the coup, many Guinean civil servants are eager to work hard toward a shared ideal, as many remember having done under the socialist government.

Although Guineans state their strong commitment to the idea of democracy, in reality, many remain highly skeptical of Western-style democracy. This has been evidenced by the fact that Guineans almost universally rejected the form of succession prescribed by the constitution after President Conté’s death, preferring to be ruled by an unknown lower-ranking officer instead of by a member of the old guard. It is also evidenced by the intense interest expressed by many Guineans in limiting the number of political parties allowed in the country to two or three, and there are even suggestions that this should even be written into the constitution. This and other notions related to “cleaning up” (toilletter) the constitution indicate that Guineans have an ideal according to which restricted democratic practice undertaken within strict guidelines will somehow avoid the inherently messy aspects of political competition, including the ethnicization of politics and all-or-nothing approaches by various actors.

5 | Political and Social Integration

After the coup, the dominance of Conté’s Parti de l’Unité et du Progrès (PUP) in the party system was over. The other political parties are generally weak, as was demonstrated when they found themselves rendered nearly irrelevant by the labor unions during the series of general strikes in January-February 2007. They have little organic affiliation with civil society and offer little in the way of policy-oriented platforms. After having a government that actively suppressed party activities in the 1990s, most fell back on ethnic identity as a ready-made political base. The Union of Republican Forces (UFR) is a partial exception, as it is organized around the figure of its leader, Sidya Touré, a member of a tiny ethnic minority who runs on his reputation as having been Guinea’s most effective prime minister, between 1996 and 1999. Meanwhile, the Guinean Union of Democratic Forces (UFDG), led by former Prime Minister Cellou Dalein Diallo, and the Rally of the Guinean People (RPG), led by Alpha Conde, are primarily Fulbe and Maninka ethnic parties, respectively.
Guinean interest groups are fairly polarized and limited in their effectiveness, although they do remain vibrant in some respects. This is partly the result of the fact that, under the Conté government, the professional class was marginalized and participation in civil society became one of the few viable career paths for ambitious, well-educated Guineans.

Representative surveys on consent to democracy have not been conducted in Guinea. Despite the country’s aspirations to democracy, the disappointment that stemmed from the failure of the government of national consensus led by Lansana Kouyaté seriously undercut Guinean enthusiasm for democracy as a good in itself. Widespread support for an unconstitutional succession after President Conté’s death is one indication of a weak consent to democratic norms among the population. Even those who criticized the junta from the beginning tended to agree that a constitutional succession was undesirable. Opposition parties boycotted both the 2002 legislative and the 2003 presidential elections. Lower voter turnouts for the 2002, 2003 and 2005 municipal elections are another measure of low consent, as is the general cynicism that many Guineans have expressed about the results of those elections. This may change if new electoral lists and free campaigning mark the next set of elections.

Guineans most often organize around the family and village in terms of self-help activities. While the sense of national identity built by the strong socialist state still exists, the Conté government worked hard to dismantle this unity by employing divide-and-conquer tactics to great effect. The systematic pauperization of the population, including the middle class, has contributed to this effect by creating oppositions and competition where they did not previously exist.
II. Market Economy

6 | Level of Socioeconomic Development

Social exclusion is quantitatively and qualitatively extensive and structurally ingrained. The key indicators show a low level of development in Guinea. Measured in terms of the HDI (ranking 160th out of 177 in 2008), the country’s level of development does not permit adequate freedom of choice for a large percentage of its citizens due to a scarcity of financial means. There is no available data on the number of people living on less than $1 a day, but abject poverty is widespread, 40% of the population lives below the national poverty line, and the Gini coefficient stands at a relatively modest 0.386. Disruptions and damage to infrastructure during early 2007 set poverty-reduction policies back that had been introduced in 2005 and 2006. The Kouyaté government attempted to bring mining contracts under government control. However, beginning shortly before his dismissal, spikes in global food and fuel prices increased social and economic tension in Guinea. The global economic crisis that began in 2008 will likely have adverse effects on Guinea’s economy for several years. Failure to meet payments to international financial institutions in January 2009 has meant that Guinea runs the risk of being suspended from the process leading toward HIPC debt relief. Setting Guinea’s economic house in order will become even more difficult owing to the fact that the series of mutinies over the course of 2007 and 2008 resulted in promises of significant pay raises for soldiers.

<table>
<thead>
<tr>
<th>Economic indicators</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>$ mn.</td>
<td>3938.3</td>
<td>3260.6</td>
<td>3203.9</td>
</tr>
<tr>
<td>Growth of GDP</td>
<td>%</td>
<td>2.7</td>
<td>3.3</td>
<td>2.2</td>
</tr>
<tr>
<td>Inflation (CPI)</td>
<td>%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unemployment</td>
<td>%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign direct investment</td>
<td>% of GDP</td>
<td>2.5</td>
<td>3.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Export growth</td>
<td>%</td>
<td>1.4</td>
<td>5.6</td>
<td>-1.2</td>
</tr>
<tr>
<td>Import growth</td>
<td>%</td>
<td>-0.8</td>
<td>-6.3</td>
<td>1.9</td>
</tr>
<tr>
<td>Current account balance</td>
<td>$ mn.</td>
<td>-162.4</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
7 | Organization of the Market and Competition

Until Conté’s death, the main barrier to classic market-based competition was the fact that the politically powerful granted contracts to friends and associates. Guinea instituted neoliberal reforms in the late 1980s and early 1990s, but the “crony capitalist” deals struck in the process meant that markets remained as inefficient as they were during the socialist period, while resources were distributed even more unevenly. In the period under review, the Guinean mining sector included such major players as BHP Billiton, Rio Tinto, Ashanti Goldfields, Alcoa/Alcan and Russal. Some of these companies have long been accused of malfeasance, and an IMF study has indicated that many Guinean mining contracts have been struck under terms that are highly unfavorable to Guinea, which has led many Guineans to accuse officials in the Conté government of taking kickbacks. One of the initiatives of the CNDD has been to renegotiate mining contracts and to investigate the various Guinean officials who were involved in originally negotiating them. The informal sector is strong and accounts for an estimated one-half of the economy.

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public debt $ mn.</td>
<td>3187.7</td>
<td>2930.5</td>
<td>2979.9</td>
<td>3048.0</td>
</tr>
<tr>
<td>External debt $ mn.</td>
<td>3538.4</td>
<td>3246.7</td>
<td>3280.8</td>
<td>3267.7</td>
</tr>
<tr>
<td>Total debt service % of GNI</td>
<td>4.4</td>
<td>5.0</td>
<td>5.1</td>
<td>3.9</td>
</tr>
<tr>
<td>Cash surplus or deficit % of GDP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax Revenue % of GDP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government consumption % of GDP</td>
<td>6.3</td>
<td>5.7</td>
<td>5.6</td>
<td>6.0</td>
</tr>
<tr>
<td>Public expnd. on edu. % of GDP</td>
<td>2.0</td>
<td>1.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public expnd. on health % of GDP</td>
<td>0.7</td>
<td>0.7</td>
<td>0.8</td>
<td>-</td>
</tr>
<tr>
<td>R&amp;D expenditure % of GDP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Military expenditure % of GDP</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>


Market-based competition
The formation of monopolies, particularly in the key mining sector, is only occasionally regulated, and there is no anti-cartel legislation. Except for the mobile-phone sector, there is little competition between different companies. Bribed state contracts, expenses that have been fiddled with and the general suppression exercised by the security forces have led to sharply unequal market conditions. Although the junta has denounced this state of affairs, it remains to be seen whether it will exercise the political will that is needed to dismantle the entrenched interests that dominate Guinea’s political economy – and often lead back to members of the military and the former president’s family and associates.

At least partially due to donor pressures (particularly those exerted by the IMF), foreign trade has been liberalized, and the state does not formally intervene in foreign trade. The existing contractual arrangements are too lenient. This particularly applies to the treatment of foreign investments and stockholding. As of yet, there are no restrictions or controls on payments, transactions, transfers or repatriation of profits, but there are societal demands for more extensive controls on payments and transactions.

The banking and financial sectors underwent both internal and external deregulation in the 1990s. Further measures to strengthen bank supervision are being implemented in line with IMF recommendations, but they still do not meet the highest international standards. The banking system has slightly expanded with investments from the global south (e.g., Nigeria, Morocco and India). According to the Economist Intelligence Unit (EIU), the banking system has been gaining public confidence in recent years. A serious impediment for the financial sector remains the Central Bank of Guinea’s (BCRG) dependence on the office of the president. Guinea has met two out of four convergence criteria of the West African Monetary Institute, which are intended to prepare the country for a second monetary zone.

8 | Currency and Price Stability

The government has liberalized foreign exchange, but inflation remains a major problem. Inflation reached a rate of 39.1 % at the end of 2006, 12.8 % at the end of 2007 and 13.5 % at the end of 2008.

Guinea compares unfavorably with many Francophone neighbors since it is not a member of the CFA franc zone – which is pegged to the Euro and, consequently, stable – with its independent central banks. The global economic crisis may help diminish inflation, but the new government is under tremendous pressure to increase the provision of services while keeping promises to raise soldiers’ salaries. As in the past, the temptation to print more Guinean francs will be strong.
Prior attempts to institute coherent economic policies under the Diallo and Kouyaté premierships ran into serious problems as soon as they threatened the entrenched interests of actors close to President Conté. The Souaré government did not appear to make strong efforts in this direction, and the junta named a 38-year-old, lower-ranking army officer (Mamoudou Sandé) to be the minister of finance before suspending him one month later. It is not clear whether economic macrostability is a priority of the CNDD government.

9 | Private Property

Property rights are not adequately protected. Business and industrial property rights and property acquisition are legally defined with regard to the acquisition, use, benefiting from and sale of property, yet those attempting to exercise those rights face substantial barriers under the oppressive state structures. In rural areas, most land titles are communally defined.

The legal framework for a functional private sector exists in Guinea only in rudimentary form. Although many former state enterprises have been privatized, a few state companies remain, such as in the mining sector, where the largest firm, the Compagnie des bauxites de Guinée (CBG), is a parastatal enterprise. The privatization of the state energy provider, Electricity of Guinea, was a failure. The enterprise needed to be re-nationalized so as to provide the population with electricity, although this, too, has failed.

10 | Welfare Regime

The state provides no effective safety net. Maternal and child care, like other forms of health care, have gone from poor to almost nonexistent. Private – and usually religious – actors provide care for the elderly, orphans and the physically or mentally handicapped, though only sporadically and in insufficient quantity. The state has no coherent policy for dealing with youth unemployment despite the fact that all Guineans, including the junta, see this as a major threat to political and social stability.

The Guinean Constitution guarantees equality of opportunity, though there is no specific legislation to support this ideal. However, strong positive discrimination policies under the socialist government ensured that a relatively high percentage of girls received education, that women were actively recruited into the police forces and customs agencies, and that one-half of National Assembly members were women. Although the Conté government rolled back or even abandoned some of these initiatives, women still enjoy a prominent position in Guinea today, as can be seen, for example, with the case of Rabiatou Serah Diallo, one of the two trade union leaders who led the 2007 general strikes. There is little or no discrimination against ethnic or religious minorities.
11 | Economic Performance

In 2007, with GDP growing at an estimated 1.8% and the population growing at 2.4%, Guinea experienced negative per capita GDP growth. Consumer price inflation fell from 39% to 13.5% between the end of 2006 and 2008. The bauxite industry has been especially disappointing. Guinea has the world’s largest bauxite reserves, but while the mineral (from which aluminum is made) accounted for 60% of the government’s revenue in 1993, it made up only 20% in 2005. Only 4% of Guinean bauxite is refined locally, while the rest is exported as ore, which thus deprives the country of important value-added income. Although there are plans to build aluminum refineries and there are major iron reserves in the southeastern part of the country, a lack of transparency has meant that many of these projects may not come to fruition. Attacks on Chinese citizens and businesses may cause China to rethink its proposed aluminum refinery. The revocation of one-half of the exploration rights originally granted to Rio Tinto for iron exploration at the Simandou site may cause that company to abandon its plans for a trans-Guinean railroad and a deepwater port south of Conakry. And falling oil prices as well as disagreements over the exploration contract granted to Hyperdynamics, Intl. will probably mean that offshore oil exploration will also be put on hold.

12 | Sustainability

Guinea has had environmental legislation in place since 1993, but it has rarely been enforced. The American-Canadian-Guinean consortium CBG had an industrial accident in August 2008 at its Kamsar base in which heavy oil poured out over a large area of the nearby shoreline. A Chinese timber company has been accused of clear-cutting what remains of the tropical rainforest in the southeastern part of the country without regard for the environment.

The Guinean educational system is one of the sectors that has suffered most from the slide into poor governance that characterized the last years of the Conté government. An area of particular concern to many Guineans is that major school exams, which regulate entrance into secondary and tertiary education, are seen to have been debased by a system of corruption and falsified results. Female students often report having been pressured to provide sexual favors to teachers from secondary school through university, and poorly paid primary-school teachers in rural areas often use students as laborers to help them farm land so that they can make a living wage. Some private general and, more recently, professional schools have also appeared. In 2006, a new campus of the Conakry University opened in Sonfonia with a department of social sciences. There are few R&D institutions. According to the 2008 Human Development Report, only about 2% of GDP is devoted to education.
Transformation Management

I. Level of Difficulty

The CNDD’s management faces massive constraints inherited from the Conté regime. These include contracts with multinational companies negotiated on terms that were systematically unfavorable to Guinea, corruption that has become endemic at all levels of government and the civil service, deep-rooted poverty exacerbated by massive disparities between rich and poor, and collapsing infrastructure, health care and education sectors. The junta has begun with a populist political program targeting youth, but it will soon become apparent that youth unemployment in the country is a deeply rooted and long-term problem. Another possible problem may stem from the fact that the mutinies in 2007 and 2008 marked the first-ever breakdown in military command and control. Although the junta now enjoys the fruits of this military revolt, before long, it may find that it – or its civilian successors – will have to deal with more of the same.

Civil society is weak and divided. As noted above, employment in NGOs and civil-society organizations has become one of the major objectives of those Guinean intellectuals who remain in the country, giving civil society an entrepreneurial and mercenary character. As worsening governance in Guinea has led to diminishing donor funds, many interest-group actors have found themselves competing for pieces of an ever-shrinking pie. Many actors also seek patronage simultaneously from Western donors and from the government, as was the case with the president of the Mano River Women’s Peace Network, who lobbied across Africa and Europe for the junta’s acceptance in January 2009 while being considered for a ministerial post in its government.

The intensity of political conflict is moderate-to-high. Parties and other interest groups are divided by class, generation and ethnicity, though usually not by ideology. Both soldiers and youths have found that resorting to violence is one of the most reliable ways of gaining access to political or economic resources, though older civilians shy away from such strategies. Many Guineans attribute this to the traumas of the Sekou Touré years, when Guineans could be imprisoned, tortured or even killed based merely on the slightest suspicion of harboring dissent.
II. Management Performance

Because the coup d’état took place only six weeks before the closing date for this reporting period, it is difficult to assess the new government’s management performance. Consequently, the section that follows on “Level of Difficulty” will refer explicitly to the legacy the junta has inherited and how they have begun to address it, but the rest of the section will refer only to the performance of the Conté-led governments between January 2007 and December 2008.

14 | Steering Capability

The Conté-era government showed little willingness to set a reform agenda in line with political and economic transformation goals. In fact, there is no evidence that the government ever aimed to democratize the political system. The government’s record in terms of socioeconomic transformation was slightly better, although it was mainly confined to donor-driven reforms, such as the Poverty Reduction Strategy. The only power in Guinea until 22 December 2008 was President Lansana Conté. All other government, party or military powers derived their legitimacy from him. Aside from brief periods of moderately organized governance under prime ministers Diallo and Kouyaté, government activities became increasingly limited to merely surviving in the power structure. The military kept a certain degree of order and maintained national security. As Conté grew increasingly ill (of diabetes, leukemia and, apparently, amnesia) and consequently unable to work on a regular schedule, the large void in leadership increased.

Under these circumstances, for the most part, the government has been unwilling and unable to manage any rudimentary reforms. Government representatives assented to the Poverty Reduction Strategy, despite the fact that they considered it a transgression of Guinea’s sovereignty and a necessary evil for “reopening the taps” of donor funding. In any event, few reforms have been consistently implemented, and many appear to have been intentionally sabotaged or circumvented. Donors, who have been keen to prevent sociopolitical implosion in one of the few stable countries in the region, have turned a blind eye to this much of the time while gradually diminishing aid flows.

President Conté was neither flexible nor innovative, and when he became seriously ill, he remained unwilling to delegate power. As shown during the January-February 2007 strike, he was prepared to suppress dissent with violence. Few ministers did more than minimal administrative work, and most reform programs (e.g., for education, health or HIV/AIDS) originated in the donor community. Concessions, such as the appointment of Kouyaté as prime minister, were only part of a strategy aimed at maintaining power.
15 | Resource Efficiency

The Conté government did not take advantage of available economic, cultural and human resources to pursue its transformation policies. However, Conté himself was a masterful human-resources manager in as much as he utilized the granting of political posts, targeted firings and even brief incarcerations as a way of managing his potential competitors. This behavior has left a poisonous legacy to the CNDD government, as it has become accepted practice for high-level appointees to the Guinean government to reap the rewards of theft, nepotism and corruption before being sacked. As a result, public service is unreliable and of poor quality, and the public administration lacks professionalism. This has also left personnel expenses high and uncovered by the state’s direct tax revenues (which, according to an IMF estimate, only accounted for 12% of state revenue in 2007).

Despite the generally chaotic political environment, there have been sporadic attempts to coordinate state policy. Such work dates back to the socialist period, when all policy passed through Sekou Touré himself. During the Kouyaté era, the government met weekly in the form of a council of ministers. The CNDD government has already followed the same practice, and Moussa Camara has stated that he will preside over one council of ministers each month. Governors and prefects in the 33 prefectures have acted mostly without supervision.

The government has not only failed to control corruption, but it also lain at the very center of a system of patronage, clientelism and outright embezzlement. International assessments by the World Bank and the Economist Intelligence Unit have found that corruption is present at all levels and worse than it is in many neighboring states (in its first appearance in Transparency International’s Corruption Index, in 2006, Guinea was rated the most corrupt country in Africa and ranked 160th out of 163 countries. In 2008, it was ranked 173 out of 179, and only Somalia was ranked lower in Africa). Both petty corruption and kleptocratic attitudes of high-ranking officials have run rampant, and there is no effective budgetary control authority. Many tax and other payments do not even reach the treasury. The CNDD junta has rightly identified corruption as one of the major barriers to development and sociopolitical stability in the country.
Consensus-Building

The Conté government firmly opposed transformation toward democracy and a sound and transparent market economy. While trade unions, civil-society groups and others have called for democracy, it has not always been clear what they mean by this, given that many have also called privately—and sometimes publicly—for a military takeover. In economic terms, few actors have called for reforms leading toward further liberalization, both because Guineans generally consider these reforms to have been a failure so far and because most of the leaders of the democratization and trade union movements are themselves products of the socialist period. They have often called for government-mandated low prices for rice and petrol, and they generally seem uninterested in how such funds can be raised.

If there has been any actor who stood to surpass the Conté government as an anti-democratic actor, it has been the security forces, and they have now assumed power. Although they have promised to cede power to civilians through a democratic process, it remains to be seen whether they will do so. Partly because civil society and political parties are internally divided and inexperienced, and partly because they have squandered their legitimacy by welcoming the coup, would-be reformers are in a particularly weak position when it comes to asserting themselves or co-opting their opponents. Perhaps only the Guinean people, rising up again more or less spontaneously, could play such a role.

The Conté government failed to manage cleavages, as is evidenced by the 2007 uprisings and also by the mutinies within the military, which was supposed to be the bulwark of Conté’s power. Conté’s inability to govern, his refusal to delegate authority and his penchant for playing one ambitious actor against another meant that he thrived on exacerbating cleavages rather than on mending them.

Although civil society struggled with its own internal problems, many of its failures can be attributed to the fact that it was subject to severe repression at the hands of the Conté government. During the 2007 general strike, President Conté sent Bissau Guinean troops to the labor unions’ headquarters to tie up and beat civil society leaders, and several had to be hospitalized on account of their injuries. Conté also personally threatened them with death, according to Ibrahima Fofana, head of one of the two union groups.

Prime Minister Kouyaté constituted a commission of inquiry into the January-February 2007 killings, while Prime Minister Souaré named Oury Bah to be the minister for national reconciliation, solidarity, and relations with institutions. However, the commission was never funded and did not meet any of its objectives, and Minister Bah had achieved little by the time of the coup. Although the junta has agreed in principle to support such a commission, it has yet to take any concrete
steps toward doing so. The civilians killed – mostly by stray bullets – during the various mutinies have not been included among the killings set to be investigated. One example of the junta’s reluctance to deal with past abuses is evident in its naming of one of those specifically accused of some of the worst abuses against civilians during the January 2007 demonstration to be the military prefect of Labe, one of Guinea’s main cities. Many abuses dating from the socialist period also remain to be addressed.

17 | International Cooperation

Guinea’s main donors are the World Bank, the International Monetary Fund, the European Union and France. Policies from these players have differed in emphasis, but they have been relatively well-aligned, stressing governance, the provision of basic services, democracy and respect for human rights. During the period under observation, aid to Guinea dwindled simply because the more professional governments (i.e., those under prime ministers Diallo and Kouyaté) were short-lived, and even they were undercut by competing actors in their own administrations.

International actors, including Western diplomats in Conakry, have often found themselves in the position of pleading Guinea’s case to skeptics in their home countries, presumably because these diplomats have seen first-hand the suffering this disastrous regime has caused ordinary Guineans. It should be noted that their advocacy has often amounted to a kind of dysfunctional codependency that can be blamed, in part, for why the Conté regime was able to stay in power for so long.

China has become a more important player on the Guinean scene. Having cancelled $30 million of debts in 2006, China also promised to fund several major infrastructure projects, and it refurbished the National Assembly building in preparation for the 50th anniversary of the country’s independence. In this context it is notable that the junta, in the first months of its rule, has been particularly harsh in targeting Chinese businesses and citizens for racketeering - leading to sometimes violent arrests. This, combined with the global economic downturn, may result in diminished Chinese aid.

Under Conté, the Guinean state had little credibility among international donors and diplomats. The combination of being abusive toward its own population, its failure to provide services and its committing theft on a grade scale was indicative of a high level of cynicism. Guinean ministers often made promises about governance that they (or their successors) failed to keep. As Conté’s health worsened, it became increasingly clear that policy – to the extent that it existed – had to do exclusively with survival and self-enrichment.
In the weeks after the coup, two African heads of state – Abdoulaye Wade of Senegal and Muammar Qadhafi of Libya – made public statements in support of the junta as well as visits to Conakry. Although their motivations were not clear, they stressed that they were breaking with the official line of other international actors that rejected the CNDD as an illegal government. France and ECOWAS have sent mixed messages that indicated they are more favorable toward the new leaders, while the African Union, European Union and United States have been more unambiguously negative. The United States, for example, quickly announced that it had cut off all non-humanitarian and non-democracy-related aid to Guinea, and members of the European Parliament have threatened to cut off all EU aid to the country.

Guinea participates loosely in the Mano River Union (with Guinea, Liberia and Sierra Leone), which was revitalized after the end of the civil wars in Sierra Leone, Liberia and Côte d’Ivoire. There has been some cooperation on security issues, but there has been a dispute in the contested Yenga area on the border area between Guinea and Sierra Leone ever since Guinean soldiers occupied a small stretch of land there in 2001. When Ellen Johnson Sirleaf and Ahmed Tejan Kabba, the presidents of Liberia and Sierra Leone, respectively, visited Guinea in 2007 to discuss the Yenga situation, President Conté did not meet with them personally and, instead, sent Prime Minister Kouyaté. Cooperation with the neighboring Francophone countries is hampered by the fact that Guinea is the only West African Francophone country that does not belong to the CFA franc zone of the West African Economic and Monetary Union (WAEMU). Progress on the planned Second West African Monetary Zone has been slow. Guinea is a member of the Organisation pour la Mise en Valeur du Fleuve Gambie (OMVG) but does not belong to the Organisation pour la Mise en Valeur du Fleuve Sénégal (OMVS). Many Guineans have been infuriated by reports that, during the 2007 uprisings, the Conté government brought in mercenaries provided by their allies in both Guinea Bissau and Liberia in order to quell the demonstrations and, possibly, to watch over an increasingly unstable army.
Strategic Outlook

There are two central questions within Guinea. First, will the junta be able to hold together or will it come apart under the pressure of its internal divisions, competition between its most ambitious members and demands by the rank and file? Secondly, will it move toward elections in a timely manner? The answers to these questions depend not only upon dynamics internal to the CNDD, but also on how various Guinean and international actors craft their own approaches to the situation. Although civil society, trade unions and political parties initially welcomed the putsch, they became more demanding some six weeks later, when Captain Moussa Dadis Camara refused to provide a timetable for elections or to lift the ban on the activities of trade unions and political parties.

Moving forward toward elections will require significant pressure from Guineans, but also from international donors and diplomats. Taking a demanding position in this respect will most likely yield better results than the mixed reactions that have prevailed so far. Coordinating the reactions of ECOWAS, the African Union, the European Union, France, the United States and the IFIs will also yield far better results than presenting a divided front, which is tantamount to inviting the junta to choose to work with whichever partners present it with the most forgiving policy line.

Guinea’s civil society has a central role to play – if it can rise to the occasion. This will demand that trade unionists, political party activists, the press and NGO leaders put aside ethnoregional differences and party affiliations. If civil society is to play a key role, its leaders will also need to refrain from engaging in double-talk. In other words, these leaders should not facilitate criticism of the government as a means of gaining their own government post. At present, it looks as if the strikes and demonstrations of 2007 took place as much in spite of as because of Guinean civil society, and the onus is now upon its members to show that they are indeed capable of leading.

It is important for international actors both to support Guinea’s civil society actors and to remind them of their responsibilities to their compatriots. Ultimately, however, much leverage will be directly attached to development aid. Donors should consider taking an extremely demanding line with whatever Guinean government emerges over the next year or two. Policies need to take theft, bribery, nontransparent mining contracts and failure to provide services much more seriously. Rather than continuously working to stave off socioeconomic crises in the short term – and ultimately pushing the country to the brink of total collapse –, donors should take President Conté’s death as the break from the past that Guineans have hoped it would be and demand major structural transformations. Economic policies should particularly focus on: developing educational, health, road and water infrastructures and institutions; demanding standard and favorable contracts and procedures in mining and other key economic sectors; and making investments geared toward raising employment levels. Economic policies that do not set youth employment as one of their primary goals will ultimately be swept aside by events no matter how much they promote efficiency, open markets and sound macroeconomic policy.