This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2014. It covers the period from 31 January 2011 to 31 January 2013. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at [http://www.bti-project.org](http://www.bti-project.org).


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<table>
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<th>Status Index</th>
<th>1-10</th>
<th>3.73</th>
<th># 110 of 129</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Transformation</td>
<td>1-10</td>
<td>3.67</td>
<td># 105 of 129</td>
</tr>
<tr>
<td>Economic Transformation</td>
<td>1-10</td>
<td>3.79</td>
<td># 112 of 129</td>
</tr>
</tbody>
</table>

| Management Index | 1-10 | 3.69 | # 107 of 129 |

scale  score  rank  trend
Key Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
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</tr>
</thead>
<tbody>
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<tr>
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Sources: The World Bank, World Development Indicators 2013 | UNDP, Human Development Report 2013. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than $2 a day.

Executive Summary

During the period under review, the transformation of the Republic of the Congo (also known as Congo-Brazzaville) was marked by continuing political and economic consolidation after years of civil war and violence. As the activity of non-state militant forces continued to wane, the 2009 presidential election and ensuing 2011 partial senatorial and 2012 National Assembly elections reinforced the power of the de facto autocratic Sassou-Nguesso regime, thereby also stabilizing the state’s authority. Thanks to both political stabilization and booming oil prices, the country’s largely oil-based economy also improved. Negative effects of the global financial and economic crisis on export income, government revenue and economic growth in 2009 were counterbalanced by a renewed oil-based economic boom from 2010, which slowed in 2011 and 2012.

In the Republic of the Congo, political transformation did not in any way mean democratization. Rather, the outcome of the transformation and consolidation process has been a caricature of democracy that props up an authoritarian and largely personalized regime that relies on clientelistic networks, corruption and the threat of repression. The opposition remains weak and is unable to challenge the government effectively. The regime, dominated by citizens from President Denis Sassou-Nguesso’s home region, has been able to consolidate its position against potential challengers with divisive bait-and-switch tactics. The regime is more threatened by internal divisions than by outside forces; indeed, instability is now likely only if Sassou-Nguesso were to suddenly become incapacitated, generating a power struggle within the current coalition. Economic growth, which helped to stabilize the political system and continue the peace process, was based on oil exports; oil sector transparency measures that culminated in IMF-sanctioned debt relief in 2010 have largely been rescinded, resulting in the IMF’s decision to close its country office. The implementation of market economy policies has been slow, while the urgently needed diversification of the economy is still in its infancy. The state oil company, moreover, remains under the control of Sassou-Nguesso’s family and trusted advisors. Clientelism and corruption continue to mark the Sassou-Nguesso regime. Transformation in terms of political
democratization, economic liberalization and deregulation is initiated by external pressure from the IMF, the World Bank and other donors; reforms do not originate in domestic politics, and debt relief has weakened external bargaining power. Policies to stimulate the development of the country should include a campaign against corruption. The education and empowerment of women, youth and children should become a political priority.

History and Characteristics of Transformation

The political and economic transformation of the country Republic of the Congo began in 1990-1991. Domestic and external pressures combined to convince the self-proclaimed Marxist-Leninist government of General Denis Sassou-Nguesso to take steps in the direction of major political and economic change. Given the country’s historical burdens and structural weaknesses, transformation became an extremely conflict-ridden affair, inciting power struggles, political violence and civil war, which caused considerable destruction of infrastructure, serious disruption of parts of the economy and tremendous hardships for a substantial portion of the population. The country’s political conflicts began in 1960, when it won its independence from France. The colonial power left the country without providing for a political environment that would have ensured stability and socioeconomic prosperity. Ethnic rivalry, social and regional disparities, and mounting power struggles over the control of oil, the main export product, all resulted in two decades of political instability and crisis. Weak leadership, military coups and political murder – including that of the most prominent victim, President Marien Ngouabi, in 1977 – have endangered the country’s future. Although in 1970 a Marxist-Leninist “People’s Republic” under the one-party rule of the Parti Congolaise du Travail (PCT) was established, the country became politically stable for a decade only after Sassou-Nguesso seized power in 1979. After the fall of several eastern European communist and African autocratic governments in 1989-1990, the Sassou-Nguesso regime officially renounced Marxist-Leninist ideology and acquiesced to popular demands for a multiparty system in 1991. A national conference paved the way for a new multiparty constitution and changing the name of the country from the “People’s Republic” to the “Republic of the Congo.” In the elections of 1992 and 1993, Sassou-Nguesso and the PCT lost power to a coalition of political parties under the leadership of Pascal Lissouba and his Union Panafrique pour la Démocratie Sociale (UPADS). After a brief but bloody civil war that largely destroyed Brazzaville, Sassou-Nguesso was able to return to power in 1997, owing to both decisive military support from Angola and political backing from France. Thereafter, the anti-Sassou-Nguesso militia were no match for the regime’s military might, and the government has been able to impose a “national dialogue” (Dialogue National sans exclusive) and peace regulations on them since 2001. In January 2002, a new multiparty constitution was endorsed by a national referendum. This constitution, like that of the 1990s, included articles concerning the separation of powers, multiparty rule, civil liberties and human rights, but it also strengthened the president’s position. Subsequently, Sassou-Nguesso and his PCT-led coalition won the 2002 elections with tremendous margins, mainly due to electoral fraud; observers put turnout at less than 20%. The elections,
which were overshadowed by ongoing violence in the Pool region, enabled Sassou-Nguesso and his political allies to establish and maintain a strong authoritarian-style government. Owing to its military supremacy and control over the oil sector, in March 2003, the Brazzaville regime was able to impose a peace agreement on the Conseil National de Résistance (CNR) militia still inhabiting the Pool region, which was headed by a Pentecostal clergyman and military commander named Frédéric Bitsangou, also known as “Pasteur Ntoumi.” Following more years of ongoing low-intensity conflict, Ntoumi and his militia were forced to renew the peace agreement in May 2007 and to formally disband the militia in May 2008. Politically, Ntoumi and his party did not develop any relevant leverage, completely incapable of gaining substantial backing even in their home (Pool) region. Acting within a political system shaped by his will to remain in power, Sassou-Nguesso has been able to reinforce his power in the 2007 and 2012 National Assembly, as well as partial senatorial (2008 and 2011) and presidential elections (July 2009). Throughout this period, the confident regime has successfully integrated erstwhile enemies into its system, offering benefits based on the allocation of oil revenue. With its carrot-and-stick approach, in which both revenues as well as the threat of military force are employed, the regime has been able to “buy” Ntoumi and his militia out of the bush while also attracting some opposition politicians. The death of several oppositional leaders like André Milongo (2007), Jean-Pierre Thystère Tchicaya (2008), Bernard Kolélas (2009) and David Charles Ganao (2012), has indirectly strengthened the regime. Former President Lissouba, who continues to live in exile, also poses no genuine oppositional threat to the regime.

Violent struggles for power in Republic of the Congo have cast a long shadow over the country’s political transformation and continue to shape its trajectory. Efforts to transform the country’s economy, which is dominated by the export of oil, from a highly state-interventionist (“socialist”) system to a more market-oriented system have been thwarted by these conflicts, but also by the leverage of strong vested interests of the state elite headed by Sassou-Nguesso. His regime, beginning to feel the weight of massive external debt and pressures to diversify the economy in order to facilitate reconstruction and economic development, reluctantly acknowledged the need to approach the IMF and the World Bank for help. In 2004 and 2008, the country concluded mid-term loan arrangements with the IMF. Although the government subordinated its policies to IMF conditionality, economic transformation toward a market economy has been sluggish and fraught with setbacks. The 2009 global financial and economic crisis hit the country hard as further economic risks emerged in the wake of the eurozone crisis and the 2010 global economic repercussions.

The country benefited temporarily in 2010 from oil windfall profits, which represented the primary export from 2005 to 2008. Massive debt relief resulting from the IMF and World Bank’s “Completion Point” within the framework of the 2010 Heavily Indebted Poor Countries (HIPC) debt relief initiative provided some reprieve for the country. However, once the 2008 loan agreement with the IMF expired in August 2011, the government decided to continue without a formal follow-up IMF arrangement. The government was still subordinating many elements of the Fund’s conditionality, but it preferred to introduce more growth- and less austerity-oriented elements into its economic policies. In a 2012 report, the IMF acknowledged the country’s
achieved economic progress in recent years, but also pointed to the need for more IMF-style reforms to make the country fit for the future. Doing so involves economic diversification, sustainable growth, poverty reduction and considerable gains in battling corruption. So far, the evidence suggests that the Sassou-Nguesso regime continues to favor the oil sector and mechanisms of corruption, both of which support the vested (self-enrichment) interests of the state elite to the detriment of the rest of the country and a primarily poor population. Recognizing the loss of leverage that accompanied debt relief, in 2012 the IMF decided to terminate its operations within the country.
The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The government’s monopoly on the use of force is intact in most regions within the Republic of the Congo. There are instances in which members of the security forces act independently of government authority, committing what have been on occasion serious human rights abuses.

Following years of war and violence, the Pool region has been largely reintegrated into the state as a result of the 2003 and 2007 peace deals. From October 2010, the Congolese military has been able to move to parts of the Pool region that had been “no-go” areas for many years. Moreover, the government started to implement a program to reintegrate disbanded militia members into civilian life as well as a program to rebuild and develop the distorted region. However, risks regarding local security remain, given the ethnic, regional and social cleavages that led to the violent conflict in the 1990s. The causes of conflict have not been tackled sufficiently to avert renewed violence so far.

Although attribution for the Brazzaville explosions of 4 March 2012 remains unclear, there is a very real possibility they were engineered by frustrated political elites based around Lekana, Plateaux. This may signal an expansion of insecurity beyond Pool.

Constitutionally and legally, all people born in the Republic of the Congo are citizens. While citizenship itself is not disputed, major discrimination patterns between the country’s ethnic groups are common. According to the constitution, Congolese citizens are allowed to change their nationality or to adopt the citizenship of another country without losing their Congolese citizenship. Indigenous people, so-called Pygmies (or Baka), suffer systematic discrimination that amounts to a withholding of citizenship rights. However, in recent years the government has undertaken steps to improve the situation of this group – especially its children – in reaction to
international (United Nations) pressure. While minority rights were legally codified in 2011, minorities continue to suffer with unsatisfactory living conditions.

In recent years, the Sassou-Nguesso government has come to be more dominated by Cuvette regionals – Cuvette is Sassou-Nguesso’s home region – than ever before. This trend is especially pronounced at the top levels of the military and more sensitive ministerial and parastatal positions. Southerners generally have access only to the least important ministerial portfolios. All this, however, represents a problem in executing the rule of law rather than citizenship.

The constitution provides for the separation of church and state, and Article 18 unequivocally forbids the use of religion for political aims. Although most political elites are Catholic, the Church’s leadership hails mostly from southern regions, and hence exerts relatively little influence on the government leadership. However, the social influence of other Christian denominations – such as Protestantism, Evangelicalism and Pentecostalism – is growing. Yet, it is very difficult to detect any political influence by such movements thus far on the Sassou-Nguesso government. In total, the population is largely Christianized, although remnants of traditional African religions remain strong, especially in rural areas. About 2% of the population practices Islam, mostly in Brazzaville. There are some 180 mosques in the country.

Administrative and public security systems are in place, and the Sassou-Nguesso government continues to strengthen its presence in regional hinterlands. However, the performance of state administration is impaired by corruption, low professional skills, ethnic rivalries and heterogeneous state structures. Decentralization is not working well, and state authority remains a highly centralized affair, the better for Sassou-Nguesso’s government to control the flow of state revenue.

2 | Political Participation

The 2002 constitution calls for free and fair elections with universal suffrage, but elections organized within that framework have been corrupted by both the regime’s dominance and the opposition’s weakness. For instance, this was a major feature in the 2002 and 2009 presidential elections as well as the 2002, 2007 and 2012 National Assembly elections. From 2002, there was no election that did not reinforce the supremacy of the PCT and President Sassou-Nguesso, who consistently refrains from promoting an open, competitive multiparty system. According to international observers, the regime’s commitment to holding free and fair elections remains poor. There is no independent electoral commission. The body that organizes and oversees elections is called the Commission nationale d’organisation des élections (Conel). Opposition parties do not accept it as mediator, as it is largely controlled by the PCT regime.
Parties and individuals who want to participate in the political process have influence only if they work within the framework imposed by the regime. Opposition parties and civic organizations wield very limited power. Opposition candidates suffer from low funding and inadequate organization, and they also receive less media coverage. Elections in the Republic of the Congo are best described as forced consent to the regime, as the extremely low levels of turnout – usually between 10% and 20% – reflect.

Given the supremacy of the regime in electoral procedures, the government is not elected democratically in a real sense. Supported by expanding oil and timber revenue, the government rules quite effectively, including in the historically unstable Pool region. Since the military’s leadership is dominated by Sassou-Nguesso’s family or longtime allies and its mid-level officer corps is dominated by Cuvette regionals, it is highly unlikely that the military would act as a veto power. Moreover, with the recent decision by the IMF to forgive the country’s debt and the increasing willingness of the Chinese government to provide loans with no political conditions, the international community has less leverage over the Sassou-Nguesso government than at any point in recent memory.

According to the constitution, political and civil society organizations can form freely. However, the political system is shaped in favor of those organizations close to the regime. Organizations representing interests contrary to those of the regime are allowed to exist provided they do not challenge Sassou-Nguesso’s authority and democratic legitimacy, however illusory.

Labor legislation provides for basic trade union rights, excluding some groups such as state employees. However, there is a huge gap between theory and practice regarding the implementation of trade union rights, including the bargaining for wage increases or better working conditions. The national social dialogue committee set up in 2011 remains ineffective, unable or even unwilling to prevent workers’ rights violations. Intimidation and arrests of workers by the police occur regularly in labor disputes.

The civilian political opposition is fragmented into more than 100 organizations, and remains too weak to confront the government effectively.

According to the constitution, opinions may be expressed freely by citizens, political and civil society organizations as well as the mass media, including those based online. In reality, this freedom is restricted and regulated when it comes to criticism of the regime and its political priorities. However, the authorities allow moderate criticism as an outlet to ease political tensions, provided it does not challenge the legitimacy of Sassou-Nguesso’s rule. In 2012, the Republic of the Congo ranked 90th out of 179 countries in Reporters Without Borders’ World Press Freedom Ranking and 117th out of 197 countries in the Freedom House’s Global Press Freedom
Rankings, which classified the country as “partly free” (a label which may overstate the extent of freedom of expression, at least in the meaning of the wording).

There are about 40 small private (mostly weekly) newspapers, which are concentrated in Brazzaville and Pointe-Noire. Many of them lack critical distance from the regime and are funded by regime loyalists. Dépêches de Brazzaville, the only daily, is operated by Sassou Nguesso allies and funded with oil revenue. The government has not loosened its grip on the broadcast sector and continues to run the Radiodiffusion-Télévision Congolaise (RTC); members of the Sassou-Nguesso family or ruling circle operate the country’s other major TV stations. The political profile of private radio remains generally low, and the dominant stations are owned by political elites. Political parties are not permitted to run their own radio or television programs. Internet sites that are radically critical of the regime can only operate outside the country. However, individuals and groups can engage in the peaceful expression of views via the Internet, including via e-mail, inside the country, although these are monitored by the government.

3 | Rule of Law

The 2002 constitution provides for the separation of powers, including an independent judicial system and an effective “fourth power,” the media. In practice, however, there are no adequate checks and balances for these powers, since President Sassou-Nguesso and his political allies dominate all sectors of the political, judicial and media systems, including the government, both chambers of the national parliament, the Constitutional Court, other high-level courts and the broadcast media. Control mechanisms exercised by the legislative powers, the courts or the media are almost nonexistent (or exist only on paper). Political decision-making remains in the hands of the president and his closest advisers and allies in the PCT and associated political parties. Constitutionally, the president cannot be removed from office by a parliamentary vote. On the other hand, the president is not allowed to dissolve the parliament, though given the extent to which he dominates it, he has little interest in doing so.

While the judiciary is independent in theory, in practice it continues to be overburdened, underfinanced and subject both to political influence and corruption. In general, it is wholly politically compliant to the Sassou-Nguesso regime. From time to time, politically motivated judgments are handed down against regime opponents (e.g., in the cases of former President Pascal Lissouba, politician Joachim Yhombi-Opango and politician Bernard Kolélas). Moreover, after years of civil war and political instability, the technical capacities of the judiciary are still weak. There is a serious lack of trained staff able to work effectively when it comes to
administering the rule of law. As a consequence of the weaknesses of the “modern” system, traditional courts retain broad jurisdiction, particularly in rural areas.

In theory, officeholders may be prosecuted under criminal law in cases involving corruption, abuse of power and high treason. In practice, however, evidence of such prosecution is extremely limited. If prosecution occurs, it is almost certainly motivated by Sassou-Nguesso’s desire to remove and weaken potential competitors than by the desire to strengthen the rule of law. Critics of corruption are more likely to be punished than corrupt lawbreakers.

Civil liberties (e.g., freedom of the press, of expression, assembly and religious affiliation) are guaranteed by the constitution. Yet although the general human rights record of the Republic of the Congo has improved since 2002, it still remains poor. Nevertheless, the government claims to be committed to improving human rights and civil liberties by creating a National Human Rights Commission (NHRC) and renaming the Ministry of Justice the “Ministry of Justice and Human Rights.” However, this approach lacks credibility.

The Republic of the Congo still numbers among those countries that inflict the death penalty. Nevertheless, capital punishment is currently not being carried out, according to Amnesty International. In addition to having the death penalty, human rights violations remain serious, including politically motivated arrests, physical abuse, torture, rape, killing (e.g., beating to death) and perpetrator impunity. Armed non-state actors also threaten the human rights and civil liberties of Congolese citizens. As is traditional in Congolese society, women and children suffer considerably from discrimination and violence, including sexual harassment, rape, compulsory labor, forced prostitution and human trafficking. The state does not protect them effectively. Despite formal legislation to codify the rights of people, there is strong discrimination against ethnic minorities, including some 300,000 non-Bantu Pygmies. In most regions of the country, local ethnic majority populations discriminate against local ethnic minority groups. Since the state does not protect the population, citizens sometimes resort to vigilante justice, including killing suspected criminals. It remains very difficult in the Republic of the Congo for citizens to get justice for human rights violations committed by state actors. For instance, the families of 353 refugees who “disappeared” without a trace in the 1999 “Beach” incident on their return to the Republic of the Congo in vain tried to gain legal clearance of criminal wrongdoing by armed state actors. Moreover, Colonel Marcel Ntouou, tacitly accused by the government of engineering the 4 March 2012 Brazzaville explosions, has been incarcerated without formal charges since March 2012; his lawyers have been repeatedly harassed and denied access to him.
4 | Stability of Democratic Institutions

Despite its essentially undemocratic character, the institutions of the executive and legislative branches, the government and parliament are relatively stable, buoyed largely by the influx of oil, timber and metallic raw materials revenue. Indeed, any future instability is more likely to result from a power vacuum in the event of Sassou-Nguesso’s incapacitation than from public frustration – however justified – at elite corruption. Public administration and the judiciary suffer from pervasive corruption, a lack of professionalism and poor performance. State institutions are generally regarded as illegitimate, though the Congolese population has little recourse.

Given the very low democratic choice in elections, the Brazzaville regime can be classified as an authoritarian-style government, disguised in a democratic façade. The stability of the Republic of the Congo’s institutions has been reinforced by the 2009 presidential and 2012 National Assembly elections that gave no real contest to any political opposition. Owing to intimidation in the unfavorable political climate of the country, a large part of the population is unable or unwilling to challenge the stability of the institutions. However, powerful vested interests within the PCT framework, including the military, may be a matter of concern, particularly as Sassou-Nguesso attempts to usher in a new, younger generation of political elites, particularly dominated by Cuvette regionals who owe their privileged positions entirely to him. These concerns are likely to grow as the 2016 presidential elections approach. If Sassou-Nguesso opts to amend the constitution, the more ambitious members of the PCT will likely be frustrated; if Sassou-Nguesso steps down, political competition among aspirants could easily turn violent.

5 | Political and Social Integration

A heterogeneous and fragile multiparty system emerged from the transformation process of the early 1990s that was fragmented along ethnic, communal and regional lines. From the civil-war years of 1997 to 2002, the former single-state party, the PCT, has been able to restore its political supremacy in the country by co-opting many small parties and “independents.” The PCT further consolidated its position by creating the PCT-dominated Rassemblement de la Majorité Présidentielle (RMP) in 2007. In the 2012 parliamentary elections, the PCT alone gained 89 out of 139 seats in the National Assembly while parties co-opted by the PCT obtained 28 more seats; while only 19 seats, including 12 independents and seven senate members of the Union Panafricaine pour la Démocratie Sociale (UPADS) did not adhere to the PCT caucus. (Three seats remained vacant, as the elections were postponed in three constituencies of Brazzaville afflicted by a heavy explosion in March 2012 that caused serious damage and the loss of about 300 lives.) In the Senate, the PCT alliance garnered 29 out of 36 seats in the 2011 partial election. Other opposition
parties like the Union pour la Démocratie et la République-Mwinda (UDR-MWINDA), the Union Patriotique pour le Renouveau National (UPRN) or the Parti Social-Démocrate du Congo (PSDC) failed to win parliamentary representation in the most recent elections. Thus the only opposition party represented in the two chambers is the UPADS, founded by former Congolese president Lissouba, recently pardoned. However, UPADS shrunk from 11 to seven seats in the National Assembly in the 2012 elections while in the 2011 partial election, it gained only two seats in the Senate. Given the predominance of the PCT, the parliamentary reality in the Republic of the Congo comes close to a one-party system despite a variety of political organizations.

A large part of former opposition parties has been co-opted into the presidential system, attracted by the oil-wealth allocations offered by the regime. For instance, the Mouvement Congolais pour la Démocratie et le Développement Intégral (MCDDI), the Rassemblement de la Démocratie et le Progrès Social (RDPS) and the Union des Forces Démocratiques (UFD) eventually chose to cooperate with the PCT and the RMP. Since the MCDDI has a strong constituency within the Bakongo ethnic group and in Brazzaville, this party is especially important to Sassou-Nguesso for the purpose of national reconciliation, which he administers via a patronage-based system. However, the relationship with the MCDDI remains uneasy and burdensome. Other RMP-associated parties like the RDPS, the UFD, the Mouvement Action Renouveau (MAR), the Mouvement pour l’Unité, la Solidarité et le Travail (MUST) and the Rassemblement Citoyen (RC) have much less potential to cause trouble to the PCT than the MCDDI, owing to Bernard Kolélas’s enduring legacy.

The viability of some oppositional alliances such as the Front des Parties de l’Opposition Congolaise (FPOC, 2009; more than 20 parties) or the (smaller) Collectif des Parties de l’Opposition Congolaise (2012: twelve parties) remain limited, even though the UPADS and the UDR-MWINDA, the most prominent parties, took part. Many of the opposition parties are burdened with internal problems, including a lack of resources, organization and personnel as well as internal frictions and leadership struggles. Moreover, many parties seem to be one-man shows.

In general, the political opposition outside the PCT-RMP caucus appears weak and fragmented, reducing the checks and balances on the executive in the country. None of the opposition parties enjoys a powerful political base at the national level. Political parties and alliances are largely based on regional frameworks, although there are few real policy differences between them. For the most part, the leadership of opposition parties and alliances appears almost as personalized and autocratic as it is at the PCT-RMP level.

The regime’s stranglehold on power seriously impairs the ability of CSOs to mediate between social forces and the political system. The topography of interest groups is meager, and important social interests (e.g., those of informal-sector workers, the
rural population and women) are underrepresented. The trade unions, including the PCT-friendly Confédération Syndicale des Travailleurs Congolais (CSTC), the Confédération des Syndicats du Congo (CSC) and the Confédération des Syndicats Libres et Autonomes du Congo (COSYLAC), focus on basic issues important to their members, but they try to avoid direct political conflicts. The heads of the main trade unions are associated with the national social dialogue committee set up in 2011. However, the committee is not credited with helping to strengthen workers’ rights substantially. As usual, a body created by the regime seems to turn out as a caricature of civil society participation rather than a significant step toward democracy.

In the area of human rights, organizations such as the Observatoire Congolais des Droits de l’Homme (OCDH) are striving to establish themselves as independent and trustworthy forces, but they have to act carefully in order to avoid repression; even mild dissent earns physical intimidation. Some of the most influential players are Catholic Church leaders – the Archbishop of Brazzaville is particularly important here – who have stressed the importance of national reconciliation and criticized, for instance, the lack of transparency and accountability in the handling of state resources, particularly oil. The Sassou-Nguesso regime has gone so far as to create the Federation Congolaise des Droits de l’Homme (FECODHO), ostensibly a human-rights organization; its primary task is to counter the OCDH’s criticisms.

There is no clear empirical evidence regarding citizens’ consent to democratic norms. Given the very limited democratic scope of elections under Sassou-Nguesso, official voter turnout ratios of 77.5% at the 2002 constitutional referendum, 74.7% at the 2002 presidential election or 66.4% at the 2009 presidential election are subject to a high level of suspicion. International observers and local opposition groups have estimated voter participation in the 2007 and 2012 parliamentary elections to be very low. The opposition spoke about abstention rates of 80% to 95% in the 2012 National Assembly election. If these data were correct, this might indicate an urgent desire for real choices instead of a caricature of democracy when it comes to elections.

The unwillingness to support the voting procedures imposed on the Congolese electorate by the government should not be misinterpreted as a lack of consent to democratic norms. Rather, staying away from the ballot box almost certainly indicated a certain degree of frustration, disillusionment and silent protest among a growing majority of the people.

Poverty, along with a low standard of economic and social development in the non-oil sectors of the country, has impaired the ability of individuals and society to organize. Although oil is the backbone of economic development and society’s elites, the majority of the population is forced to rely on the informal sector and subsistence agriculture to survive. Extended families, village communities and women’s groups are major frameworks of solidarity and self-organization. Within these forms of self-organization, interpersonal trust appears to be high. On a more national scale,
however, matters are very different: Due to the increasing dominance of Cuvette regionals in high-level political positions and economic affairs, southerners and northerners are extremely distrustful of each other, more commonly viewing each other as adversaries to be defeated than compatriots.

II. Economic Transformation

6 | Level of Socioeconomic Development

Despite post-conflict economic consolidation, the Republic of the Congo continues to face enormous economic and social challenges left over from years of civil war and political turbulence. The Sassou-Nguesso regime has not only faced the challenge of reconstruction but also the pressure of the IMF and international creditors to transform a strongly state-interventionist economy into a free market economy, which proved to be very difficult owing to vested interests and other obstacles. During the period under review, progress toward a more market-oriented economy has been continuously slow (temporarily ridden by setbacks), as ongoing global financial and economic challenges as well as the eurozone crisis make their impact felt. The government has largely rescinded the transparency gains that marked oil revenue management between 2006 and 2010, when it was campaigning for debt relief; in frustration, the IMF closed its country office in 2012. In 2012 the oil sector accounted for 67% of GDP, 87% of exports and 84% of government revenue.

In the UNDP HDI of 2011, the Republic of the Congo attained an HDI value of 0.533, ranking 137th out of 187 countries. In 2010, the combined gross enrollment ratio has been estimated at 58.6%, while the share of women with at least secondary education has been estimated at 43.8% of the female population. The income Gini coefficient was 47.3 and the Gender Inequality Index (GII) 0.628 in 2011. Some 22.9% of the population lived in a situation assessed as severe poverty by international standards in 2009. A very tiny class of people in the state elite, the military and business circles can be perceived as rich, while the middle class is also small.

The Republic of the Congo continues to be wracked by severe social, economic and regional disparities that are a consequence of its one-sided integration into the global market economy, corruption and incompetence in government and economic management.

The very important hydrocarbon (oil and gas) sector is a very capital-intensive industry with low labor requirements. The sector remains a world-market-oriented enclave in the country, with only low trickle-down effects for the majority of the population. In 2012, the non-oil sectors contributed a mere 33% of GDP. While a
large majority of the working force has been trying to earn a living outside the hydrocarbon sector, agriculture, fisheries and forestry combined made up only 4% of GDP, while non-oil industries and services contributed about 8% and 21% respectively. Much of the non-oil-based GDP is generated in the informal sector. Despite the negligible GDP share of agriculture, a substantial share (36%) of the population still lives and works in rural areas.

<table>
<thead>
<tr>
<th>Economic indicators</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>$M</td>
<td>9593.5</td>
<td>12007.9</td>
<td>14425.6</td>
</tr>
<tr>
<td>GDP growth</td>
<td>%</td>
<td>7.5</td>
<td>8.8</td>
<td>3.4</td>
</tr>
<tr>
<td>Inflation (CPI)</td>
<td>%</td>
<td>5.3</td>
<td>5.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Unemployment</td>
<td>%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign direct investment</td>
<td>% of GDP</td>
<td>19.4</td>
<td>18.4</td>
<td>20.3</td>
</tr>
<tr>
<td>Export growth</td>
<td>%</td>
<td>11.2</td>
<td>18.2</td>
<td>18.1</td>
</tr>
<tr>
<td>Import growth</td>
<td>%</td>
<td>1.4</td>
<td>22.5</td>
<td>10.0</td>
</tr>
<tr>
<td>Current account balance</td>
<td>$M</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public debt</td>
<td>% of GDP</td>
<td>57.2</td>
<td>23.9</td>
<td>22.5</td>
</tr>
<tr>
<td>External debt</td>
<td>$M</td>
<td>5223.7</td>
<td>2617.9</td>
<td>2523.1</td>
</tr>
<tr>
<td>Total debt service</td>
<td>$M</td>
<td>166.4</td>
<td>114.2</td>
<td>102.3</td>
</tr>
<tr>
<td>Cash surplus or deficit</td>
<td>% of GDP</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax revenue</td>
<td>% of GDP</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government consumption</td>
<td>% of GDP</td>
<td>12.2</td>
<td>10.4</td>
<td>10.0</td>
</tr>
<tr>
<td>Public expnd. on edu.</td>
<td>% of GDP</td>
<td>-</td>
<td>6.2</td>
<td>-</td>
</tr>
<tr>
<td>Public expnd. on health</td>
<td>% of GDP</td>
<td>1.1</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>R&amp;D expenditure</td>
<td>% of GDP</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Military expenditure</td>
<td>% of GDP</td>
<td>-</td>
<td>1.1</td>
<td>-</td>
</tr>
</tbody>
</table>

7 | Organization of the Market and Competition

The government is moving from a state-run economy to a more market-oriented system, but progress remains slow, and the country continues to be plagued by corruption, deficiencies in the rule of law and inefficient state-owned enterprises (SOEs). Although the regime has been forced to pursue economic policies in line with IMF and World Bank conditions, the Republic of the Congo was still struggling among the worst performing countries in 2012 as regards economic liberalization. In the 2012 Index of Economic Freedom (published by the Heritage Foundation) the country ranked only 167th out of 179 classified countries, while in the most recent (2013, published in 2012) Doing Business Index of the World Bank, it came 183rd out of 185 classified countries, much worse than two years before.

Despite the government’s avowed commitment to pursuing market-oriented policies, including the privatization or restructure of some major SOEs, the Republic of the Congo still has a long way to go before it will have a fully functioning, competitive market economy. In particular, the IMF has urged the Republic of the Congo: “to bring the internal controls and accounting system of the state-owned oil company (Société Nationale des Pétroles du Congo, SNPC) up to internationally recognized standards; prevent conflicts of interests in the marketing of oil; require SNPC officials to publicly declare and divest any interests in companies having a business relationship with SNPC; and implement an anti-corruption action plan with international support.” Progress in the direction demanded by the IMF has been very slow (even suffering temporary setbacks) in the period under review. Indeed, the SNPC and related downstream sectors remain dominated by Sassou-Nguesso’s family members.

There is no information regarding anti-cartel legislation. However, there is clear evidence that state monopolies operate in “strategic” sectors of the economy, including that of oil. In what is sometimes a cat-and-mouse game, the Sassou-Nguesso regime tries to defend state monopolies against external pressure, largely from the IMF and World Bank, to liberalize and deregulate the economy. Increased Chinese economic intervention reduces the regime’s incentives to embrace market-oriented reforms.

As a member of the Central African Economic and Monetary Community (CEMAC), the Congo applies CEMAC’s customs rules, with 18.7% average tariff for most-favored nations.

Under IMF pressure, the government has committed itself to the liberalization of its economy. Yet to a large extent the foreign trade regime remains under the control of the state and its actors. The most significant drawbacks include import and export quotas, restrictive import licensing rules, non-tariff barriers, bureaucracy,
government export-promotion programs, an inefficient customs service and a lack of transparency.

More recently, the government started reforms to improve trade and customs procedures, including computerization of data. However, corruption remains a major factor capable of thwarting all attempts to bring forth transparency.

The financial sector and the banking system have been largely privatized, though Sassou-Nguesso retains controlling interests in some of them. Major banks, including Crédit du Congo and La Congolaise de Banques, are now in foreign private hands, mostly from France and Gabon; BGFI Bank Congo, however, is largely controlled by the Sassou-Nguesso family, with input from its Gabonese shareholders. Although the number of banks operating in the country has grown in recent years, the financial sector remains tiny, confined to a small number of customers (companies and individuals), while the majority of the population does not or only marginally participates in it.

Owing to the monitoring system of the Central African Banking Commission (COBAC), the country’s financial sector has become less vulnerable to shocks originating from domestic economic problems or international financial and economic crises. However, the banking system is still structurally weak, and there is no functioning capital market. A micro-finance sector, which aims to support small-scale projects, especially in rural areas, is being developed.

8 | Currency and Price Stability

As a member of the Central African Economic and Monetary Union (Communauté économique et monétaire de l’Afrique centrale, CEMAC), the Republic of the Congo uses the CFA franc, which is pegged to the euro. Thus, the stability of the currency is to a large extent influenced by decision-making in the euro zone. Another important factor is the monetary policy of the Bank of Central African States (Banque des Etats de l’Afrique centrale, BEAC), the central bank of the CEMAC countries, which is located in Yaoundé, Cameroon. According to the IMF, BEAC policy aims to maintain price stability and strengthen the external position of CEMAC members. There is no clearly defined national policy regarding price stability and foreign exchange. The IMF is putting pressure on the Brazzaville government to subordinate its policies to IMF rules. When IMF pressure lessens the government may feel inclined to leave the path.

The country’s average annual rate of inflation scored 3.6% between 2010 and 2012. The world market situation of oil, gas and food can threaten price stability at the national level. While a boom based on oil has raised the Republic of the Congo’s export income and state revenue to unforeseen levels from 2004 to 2008, the oil
The Congolese economy has suffered a world-market-related downturn in 2009, taking an upturn again from 2010. As a result of the boom, the country has not only received large surplus amounts of foreign exchange but has also faced the challenge of a major increase in the amount of money in circulation. By contrast, inflationary pressure has lessened from 2009 due to the effects of the global economic crisis. From 2010, with the global economy rebounding, the Republic of the Congo started to face new risks of inflationary pressure, fueled by high oil prices, rising export income and enhanced government revenue. Under IMF pressure, however, the government pursued tight fiscal policies that tended to reduce the problem of inflation. Nevertheless, the inflation rate surged to 5% in 2010, dropping to 1.3% in 2011, only to surge once again to 5% in 2012, while in 2012 GDP growth has also been projected at about 5%.

Given the country’s dependency on food imports, inflationary pressures can also be attributed to soaring international food prices, which has been felt mostly in the period preceding 2009 and once again from 2010 onwards. Food subsidies are politically motivated, as the government attempts to reduce food costs to placate the urban population.

As the economy of the Republic of the Congo remains heavily dependent upon oil, world markets, international donor commitments and external debt relief, it is very difficult for any government of the country – whatever the political color of the regime – to pursue consistent fiscal and debt policies. As the Sassou-Nguesso regime, bowing to the oil-related vested interests of the state elites, the military and international oil companies, does not show a determined inclination to change the dependency path, it can be held (at least partly) responsible for its incapacity to enforce such policies.

However, the government undertook steps to comply with IMF conditionality, albeit only gradually. In December 2008, the Republic of the Congo concluded the second consecutive mid-term IMF Extended Credit Facility (ECF) agreement (formerly PRGF), stretching to 2011. Subsequently, the country managed to attain the completion point of the HIPC debt relief initiative of the IMF and the World Bank in 2010. Owing to debt relief, granted by the Paris Club and other creditors, major macroeconomic data improved from 2010. In 2012, public debt has been estimated at 23% of GDP and foreign exchange reserves at more than $8 billion. However, external debt took an upturn again (to $7.5 billion in 2012) while the current account oscillated just above the zero line. Under IMF pressure, the government bowed to fiscal and debt policies aimed at fostering macroeconomic stability. However, due to the country’s world market dependency as well as rampant corruption in the state apparatus, the government did not have the leverage to sustain a consistent policy approach.

On the surface, at least, a process toward macrostability has been initiated. However, macrostability is highly vulnerable to challenges of any kind caused by national or
international developments in the oil sector. This has been underlined equally by the 2004 – 2008 boom in international demand and the resulting high price of oil and by the 2009 drop and once more by the upturn which started in 2010. Hence, the perspective of macrostability remains erratic and unpredictable. If the government did not feel the need to comply with IMF policies, the country would not have the institutional safeguards and capabilities to pursue policies suitable for achieving macrostability.

9 | Private Property

The state remains a major property owner of both real estate and land but does not generally discriminate against private or especially foreign investors, including from the oil sector. However, privatization has been slow, and state-owned enterprises have a disproportionate influence on economic performance and business conditions in key sectors, including oil. State influence, bureaucracy and corruption are significant impediments to the protection of property rights. Starting, running and sustaining a business is expensive and dependent upon regulations that are not sufficiently transparent.

One of the major impediments has been the complexity of the tax system. However, from 2010 the government took steps to simplify this system. While income tax has flexible rates between 1% and 50%, corporate tax has been fixed at 35% and value added tax at 18%.

The EIU has mentioned “security risks to business in Congo” resulting from “the lack in clarity of regulation, and slow and poorly functioning government institutions on which investors may depend for routine matters.” The EIU has also complained that the “security of contracts and the enforcement of justice cannot be guaranteed through the slow-moving justice system.” The country’s overburdened and insufficiently funded judicial system offers limited protection for business and property rights.

However, there have been no recent reports of state expropriation of major private assets.

The government is under strong pressure to improve the investment climate for private, and especially foreign, capital. Bowing to the IMF and the World Bank, the government has declared its official commitment to encouraging private-sector investment and to allowing the privatization of state-owned enterprises. There are several major obstacles to privatization, including vested interests within the state elite that wish to retain public ownership, a lack of political will to ensure the smooth privatization of state companies, and areas of political instability and corruption that act as disincentives to private investment. The very poor performance of the
government regarding private sector issues has been reflected in the country’s poor (and even deteriorating) performance in the World Bank’s Doing Business Index.

10 | Welfare Regime

In the Republic of the Congo, most people are forced to rely on family and community structures as the social basis of survival. Subsistence agriculture and the informal sector shape the living conditions of a large majority of the population. For employees in the formal economy, a basic social security system has been established that provides for insurance in cases of accident, illness, disability, old age and death, as well as maternity and family allowances. Moreover, a legal minimum wage is in place. Retired high-level civil servants and state employees are supported by the Caisse de Retraite des Fonctionnaires (CRF), whereas the Caisse Nationale de Sécurité Sociale (CNSS) is responsible for other beneficiaries. Despite some increases in payments, made possible by the oil booms (2004 – 2008, from 2010), the amounts available for most beneficiaries remain generally low, and most public sector employees engage in corruption to ensure their post-retirement welfare. With international assistance, special programs have been created for demobilized civil-war combatants in order to encourage their reintegration into civilian life. These programs, however, have been governed by Sassou-Nguesso political allies – Michel Ngakala, most notably – who have generally embezzled foreign funding at the expense of reintegration programs.

Equal opportunity does not exist. In particular, there are strong biases in terms of ethnicity and gender. There are institutions tasked with compensating for gross social differences, but they are limited in scope and quality. Discrimination against women is ubiquitous in most sectors of the economic, social and political systems, while access to – and exclusion from – opportunities is highly dependent on the ethnic origin of the individuals involved. Discrimination also limits access to secondary and tertiary education as well as to public office.

With the rise of female ministers in successive Sassou-Nguesso governments, regional discrimination is perhaps now more salient, with high level ministerial, parastatal, and military posts reserved exclusively for Cuvette regionals and other northerners.

11 | Economic Performance

Supported by high levels of international demand and prices of oil – the country’s major source of income – the economy has been able to recover gradually from the wartime crises of the late 1990s and early 2000s. The recovery was also assisted by massive external debt relief (particularly in 2010) and international donor
commitments. However, the process was far from sustainable, with erratic developments in some macroeconomic data. In 2010, the economy grew by 8.8%, followed by a much meager 3.4% in 2011 and a projected 4.9% in 2012, with overall inflation averaging 3.6% in the three-year period. In the same period, oil production was estimated at 315,000 barrels/day (b/d) in 2010 and 299,000 b/d in 2011. While it was projected at 281,000 b/d in 2012, the real production has been estimated at 269,000 b/d. The oil sector alone contributed 67% of the GDP in 2012. Growth of this sector was 13.8% in 2010. However, the oil economy dwindled by 4.8% in 2011 and 6% in 2012 (projected rate).

The contraction has been cushioned by the growth of non-oil sectors like construction, transport and telecom. The non-oil economy (only 33% of GDP in 2012) prospered by 6.5% in 2010, 7.5% in 2011 and (projected) 9.7% in 2012. According to (massively readjusted) IMF data, per capita GDP (PPP) rose to $4,543 in 2011 and $4,708 in 2012 (the benefit of which went mainly to the oil companies and the state elites).

The current account produced only very small surpluses in the three-year period, while government revenue amounted to 37.5% of GDP in 2010, 42.5% in 2011 and a projected 43.4% of GDP in 2012. Gross capital formation represented 20.5%, 25.3% and a projected 33.6% of GDP in 2010, 2011 and 2012, respectively. Owing to substantial relief granted by international creditors in 2010, government debt decreased to 22.5% of the GDP in 2011, while it was projected at 23% in 2012.

Notwithstanding, economic trends remain generally erratic and fragile, depending largely on oil revenue and the level of national oil production. Although the subsistence subsector of agriculture is an important part of the economy in terms of employment and food provision, agriculture in general is also a sector traditionally neglected by governments and their developmental policies. Thus, the Republic of the Congo remains heavily dependent on food imports (19.4% of total imports in 2011) to meet the needs of the urban – and increasingly urbanizing – population. Moreover, the industrial sector outside the oil industry remains fairly weak, and the tertiary sector does not form a pillar of the economy strong enough to compensate for losses caused by an occasional downturn in the oil industry. Although there is no reliable unemployment data, a majority of the population still lives on less than $1 per day. The country, as its Gini coefficient attests, is among the most unequal in the world.

12 | Sustainability

Tropical rainforests still cover more than half the territory of the Republic of the Congo. However, wood is harvested on a commercial scale and, after oil, it is the second most important source of foreign exchange income. Deforestation, soil
erosion and the pollution of the air, soil and water are the Republic of the Congo’s primary environmental concerns. The country is also slightly affected by the local and subregional consequences of global warming, which sometimes means less rainfall than is usually expected or, at other times, heavy rains and flooding. A special sphere of environmental concern is the oil-producing region in the vicinity of Pointe-Noire, which brings high risks of pollution to the air, soil and water. Ecological aspects of sustainability remain secondary in the formulation of economic policy; foresting licenses are often dispensed with little or no consideration of environmental impact. Political factors are more relevant concerns for the Sassou-Nguesso government. Since its primary constituency is located in the north, Sassou-Nguesso’s government requires foreign timber companies to invest in social projects – health clinics, schools, and roads – only in northern communities. Hence the timber sector is stratified, with European firms – bound by EU investment agreements, which require public investment – licensed to operate in the north, and East Asian timber firms more active in the south.

However, the Brazzaville government has chosen to participate in international – and, especially, central African – agreements on protecting tropical rainforests. Many observers, however, believe this participation is motivated by political concerns, and has not affected its domestic environmental policies.

In 2010, the Republic of the Congo ranked 105th out of 163 states measured by the Environmental Performance Index (EPI 54.0).

Education and training facilities are mostly concentrated in the large cities of Brazzaville and Pointe-Noire, while most of the country does not have sufficient education institutions. While the education sector was significantly damaged during the civil war, the government has worked hard to rehabilitate it with international assistance. In 2010, education expenditures amounted to 6.2% of GDP. The gross enrollment rate at primary schools, which had plunged to a meager 50% in 1999, recovered to 108% (and 102% for girls) in 2006 and further increased to 116% (113%) in 2011. The rate of pre-primary schooling was 13%. The rate for secondary school enrollment was 44% in 2005 (the most recent year covered by estimates). In 2001, the rate was 9% in the tertiary sector. The quality of institutions, staff, curricula and material is weak.

Research and development efforts are nascent at best. Shortcomings in the education and technology sectors form a huge obstacle to the country’s economic and social development.

Educational curricula, particularly at the university level, are subordinated to political interests. There is virtually no political or accounting instruction at either of the country’s universities, both dominated by the government.
Transformation Management

I. Level of Difficulty

Although the government’s revenue from oil production gives it a high capacity to pursue an alternative set of social and economic policies (in theory, at least), the level of difficulty facing transformation in the Republic of the Congo nonetheless remains fairly high. The structural, political and socioeconomic constraints on governance are considerable, although many of them stem from past mismanagement. In particular, the political leadership’s governance capacity is constrained by the Republic of the Congo’s extremely high dependence on the export of oil and international raw materials markets. The country remains highly vulnerable to external economic and political developments. The most serious domestic constraints include mass poverty, ethnic, regional and social conflicts, the weakness of civil society, poor education, a deficient infrastructure and the lack of economic diversification (including the generation of foreign exchange). However, it should be stressed that these domestic constraints are used by the Sassou-Nguesso regime to buttress its political position; a crushingly poor southern population is less able to contest northern political dominance, just as northerners who fear southern political ascension are more likely to support the Sassou-Nguesso regime, unpalatable though it may be.

In the economic sphere, unforeseeable crisis-prone developments may impose severe limitations on governance. Such developments may include the ups and downs of world market prices of the major export (oil) and imports (mainly food, energy, capital goods) as well as the cost of external debt (mainly interest). External imponderabilities are associated with neighboring Democratic Republic of the Congo, a land ridden by longtime violent conflicts and fragile post-conflict situations, with the potential of spilling over to parts of the Republic of the Congo (e.g., as a result of refugee flows).

There is a range of civil society organizations in the Republic of the Congo. Dozens of them are engaged under the umbrella of the Programme Concerté Pluri-Acteurs Congo (PCPA Congo), together with Congolese state actors as well as French NGOs and ministries. Among other issues, the PCPA Congo is focusing on human rights, peace-building and poverty alleviation. However, many civil society organizations have a very limited scope and profile, largely confined to special issues of a low political profile (e.g., forests). Civil society organizations blossomed in the early
1990s, as the country transitioned from a Marxist dictatorship to a multiparty democracy; since returning to power in 1997, the Sassou-Nguesso regime has sought to weaken civil society organizations, the better to consolidate its authority. The regime does not allow organizations to perform that are openly opposed to it in their programs and attitudes. Since civil society organizations have to be cautious in their actions, most of them are dedicated to modest reform, at best. These organizations are careful to articulate their positions in the least threatening manner possible, since criticism of the regime could result in a political backlash. As a rule, civil society organizations and NGOs avoid political statements that may provoke an unpleasant reaction from the state; instead, they pursue low-profile political issues in order to protect their specialized fields of activity from state interference.

If it comes to political influence in areas of major interest, the government does not allow criticism-prone civil society actors to participate. This has been the case, for example, when the government organized consultations for the elaboration of the country’s Poverty Reduction Strategy Paper (PRSP). Notwithstanding, some courageous civil society activists have not been reluctant to criticize the regime’s human rights record and oil revenue management. The Observatoire congolais des droits de l’Homme (OCDH) and Transparency International have been particularly active here. Since both are relatively visible internationally, the Sassou-Nguesso regime counters them by setting up sham organizations, which work to discredit the legitimate civil society organizations and advocate on the government’s behalf. The government-sponsored Human Rights Commission (HRC), whose members have also been appointed by the government, is widely regarded as ineffective; FECODHO is an ostensibly independent human rights organization that, in reality, is funded by the Sassou-Nguesso regime and consistently defends its worst abuses.

Many civil society organizations have an ethnic or ethno-regional basis. Village-level associations are historically very strong in the country, even though they now have virtually no political leverage beyond the local level.

Ethnic, regional and social conflicts, including mass poverty, all contributed to the political turbulence and civil wars in the 1990s and early 2000s. The Republic of the Congo is riven by strong ethnic, regional and social divisions that are also reflected in political parties, mainly the ruling PCT, the co-opted, but potentially opposition MCDDI and the (not co-opted) opposition UPADS. While there has been little violence since the end of the civil war (including during the review period), the ethnic, regional and social rifts in the country may seriously endanger political processes, as well as social and economic development, in the years to come. Congolese society remains torn by conflicts that are boiling under the surface in an only superficially pacified country. These conflicts, moreover, could turn violent as the presidential elections of 2016 approach.
II. Management Performance

14 | Steering Capability

In order to overcome the problems posed by its recent violent past, the government must improve its governance and tackle corruption. Although the present government is aware of the scope of the problems it faces and possesses the management capabilities to overcome them, its policy priorities are currently inconsistent with sustainable development.

Given its large majority at the national parliamentary level, the political leadership is able to organize its policy agenda without worrying about political competition. The IMF, World Bank and donor pressure influence policy formation. However, the government is almost entirely preoccupied with sustaining its own power and maintaining the ruling coalition. Although it is occasionally able to articulate long-term developmental plans, most projects – such as the new international airport outside Oyo – serve only the interests of the ruling elite and are of doubtful economic relevance. A severe shortage of qualified professionals also adversely affects institutional capacity and effectiveness in outlying administrative districts. The leadership is officially committed to building democracy and a market economy, but its strategic aims are not commensurate with the country’s situation, problems and needs. The government does not formulate security, political, social, economic and environmental policies consistently enough to articulate clearly identifiable objectives and strategic priorities. Even if policies convey the impression of being in line with such objectives and priorities, the government does not really intend to follow or implement them. Sooner or later, policies are corrupted by the vested interests of parts of the state elite. Economic diversification and political decentralization, for instance, are both desirable objectives. Both objectives were subsequently adopted as valuable objectives by the government. Although the government is able to formulate such objectives and priorities, the realities of policy implementation are different. Economic diversification, for example, is far from coming to the surface, given the fact that the oil sector is still dominant. In the political sphere, administrative decentralization has not resulted in any real transfers of powers and competencies from the state to regional and local authorities. Although the constitution calls for a decentralized state, it effectively remains a highly centralized state.

Ultimately, the Sassou-Nguesso regime claims commitment to economic diversification and political decentralization - as well as other political reforms - but it is obvious that the regime has no interest in implementing these reforms.
The political leadership accepts the goals of both a constitutional democracy and a socially responsible and ecologically sustainable market economy, according to official statements. Moreover, the government is principally able to implement its policies effectively; it faces virtually no domestic opposition. The government, however, chooses not to implement the decentralization and diversification policies to which it claims commitment because it has little incentive to do so.

As a result, the government tends to execute policies derived from these insights only when pressured by the IMF, the World Bank or other international actors.

Diversification of the economy, which is urgently needed, is an official goal of economic policy. While the implementation of this policy is impeded by vested interests within the state elite, a slight tendency toward diversification can be observed in recent years.

The political leadership does respond to mistakes and failed policies but its interest is in its own survival and prosperity; it has little interest in generating sustainable growth and participation for the broader population. To this end, the regime actively learns from previous successes and failures. Regarding economic and political transformation goals, however, it reacts with meaningful adjustments only under external pressure from the IMF, the World Bank or other actors. Failed policies are corrected under this pressure rather than by the insight of the Congolese political leadership. Notwithstanding, many development projects serve the narrow interests of the elite rather than the economic interests of the rural and urban poor. So far, there is no sustainable attitude of the state elite toward the needs of economic, social and political development, which can lead the country into a better future without external impetus.

15 | Resource Efficiency

Due to the power of vested interests, the government uses only some of its available oil resources efficiently. To some extent, government officials and their entourages consume state resources themselves, although the precise extent of this embezzlement is unknown, since the government refuses to release oil revenue data. For example, as a result of clientelism, the cabinet comprises over 35 ministers; indeed, the 2002 constitution created a senate essentially appointed by local governments, another source of patronage. Furthermore, the bureaucracy suffers from a lack of skills and professionalism since it is, to a large extent, shaped by ethnic and regional clientelism rather than by merit.

Although the government has occasionally used windfall oil profits to reduce domestic and foreign debt, its primary objective was to persuade the IMF and World Bank to simply forgive the government’s debt burden. Once granted, debt
forgiveness severely undercut the IMF’s and World Bank’s leverage to force the regime to improve the use of available human, financial and organizational resources. For example, once distanced from oil revenue management, the president’s son, Denis Christel, is again in a central position with the state oil company.

Although the ruling coalition’s interests are remarkably homogeneous, it is hard to speak of policy coordination in terms of the normative framework of the BTI, even if limited to technocratic efficiency (and not democracy). Different parts of the government compete against each other; these competitions are encouraged by President Sassou-Nguesso himself, since elite competition for his favor fosters compliance with his interests. Moreover, vested personal and corporate interests remain opposed to the government’s alleged goals of economic diversification and decreased reliance on the oil sector. Many public works projects provide high-value consumption goods to the elite; their construction contracts are allocated to firms owned by members of the governing coalition. Rather than pursue sound long-term economic policies designed to lift large numbers of its citizens out of poverty, the government generally prefers to enrich its constituent members. Slight improvements can only be observed as a result of external pressure by the IMF and the World Bank. These organizations try hard to direct the government to a more consistent and sustainable policy approach.

The Republic of the Congo takes part in the African Peer Review Mechanism (APRM), and the country started to cooperate with the Extractive Industries Transparency Initiative (EITI). Under external (IMF, World Bank) pressure, the government has committed itself – rhetorically, at least – to combating corruption and to implementing mechanisms of good governance.

Under the pressure of vested interests in the state apparatus and as a constituent of the problem, the government is unwilling to wipe out corruption. The IMF has given some political credit to the government for taking a few steps toward reforming the state oil company, privatizing a troubled bank (COFIPA) and reintegrating the country into the Kimberley Process (which concerns separating the sourcing of diamonds from conflict) to which the Republic of the Congo was officially readmitted in 2007. Moreover, Jean-Jacques Bouya, a confidant of President Sassou-Nguesso, who had been able to execute projects (“grands travaux”) to the benefit of vested interests in the state elite for years outside government, parliamentary or juridical control, has been integrated into the government in September 2012 to improve the country’s image of transparency (as Minister at the Presidency for Spatial Planning and the General Delegation for Major Projects). Officially, at least, he has finally become accountable to the parliament. But given that the parliament is largely controlled by the president’s party, the PCT, the quality of such control remains questionable at the very least.
In sum, there are some slight improvements in terms of anti-corruption performance, which to a large extent remain cosmetic, given the dominance of the president, his party and his confidants, who are entangled in the system of corruption nurtured by the country’s main resource, oil. However, the prevalent impression is shaped by a generally unsatisfactory performance regarding governance, transparency and corruption.

16 | Consensus-Building

In the rhetoric of the regime, a market economy and democracy are major political objectives. As such, on a superficial level at least, these objectives are shared by a large part of Congolese society. It is, however, highly doubtful whether the government and the political forces backing it are really committed to a market economy and democracy. Sassou-Nguesso himself, alongside strong factions in the PCT, acted as major advocates of state interventionism and one-party rule from the 1970s through to the 1990s. If they are now presenting themselves as advocates of a market economy and democracy, this is due to the dominant international political climate and the need to gain the support of donors rather than to an actual change of mind. The real advocates of democracy and market economy are more likely to be found in the weak opposition parties and in civil society. Despite a referendum and a state-orchestrated “national dialogue,” the government unilaterally imposed the new constitutional order rather than negotiating it multilaterally. In essence, substantial consensus-building has not taken place.

After the Ntoumi militia was down, the government was able to capitalize on the fact that there is no significant force able to challenge it militarily. But this does not mean that the conflicts that led to political turbulence and war have been resolved.

In general, the political forces supporting the government of Sassou-Nguesso and the PCT appear to be able – when they want – to exclude either politically or by force any actors that are not ready to cooperate with the government. Powerful veto actors have been defeated by divisive political maneuvers, including the use of force and incentives to allow co-optation. Given the authoritarian-style approach of the government, it is doubtful whether economic and political reform is really on the agenda. In this sense, the government itself is a major anti-reform veto actor.

Apart from smaller players, there are three major political power centers in the country. The most powerful of them is the Sassou-Nguesso regime, including the political elite, the PCT and the majority of the country’s military officers. Most of them have their roots in the Mbochi ethnic group of the central-northern part of the country. The second player is the (at the time of writing) main opposition party, the Union Panafrique pour la Démocratie Sociale (UPADS), founded by five-year (1992 – 1997) Congolese President Pascal Lissouba (pardoned after nearly 15 years
in exile). The UPADS is primarily backed by the southern regions of Niari, Bouenza and Lekoumou. The third power center is the capital Brazzaville and the surrounding Pool region in the extreme south, with the clan of late Bernard Kolélas and the Mouvement Congolais pour la Démocratie et le Développement Intégral (MCDDI) as major stakeholder. The MCDDI has its strongholds in the Ba Congo population, especially the Lari subgroup, in Brazzaville and the Pool region. The militia of “Pasteur Ntoumi” that gave up its arms in 2008 after years of violent conflict was also rooted in the Pool region.

The 1990s and the early 2000s witnessed a lot of political and/or violent confrontation between Sassou-Nguesso forces and the other actors mentioned. This recent history of the Republic of the Congo clearly demonstrates that the country’s conflicting political forces have not been able to manage political cleavages in a peaceful manner. Although the government has worked hard to integrate as many political and military forces as possible into the new system created in 2002, major ethnic, regional, social and political cleavages remain. The regime tried to impose “solutions” on its opponents according to its own needs, as defined by the regime. Political positions of the opponents are largely left aside. Thus, there is still the potential in Congolese society for the eruption of violence. Given the lack of deeper (and honest) processes of reconciliation and reintegration, the risk of renewed violent conflict cannot be ruled out. The government exacerbates the potential for conflict by limiting high level political, economic, and military positions to northerners, and especially Cuvette regionals.

In general, owing to its indisputable military strength and political supremacy, the political leadership makes little effort to involve diverse civil society organizations in policymaking, although in the rhetoric of the regime civil society actors are invited to participate. If it comes to political influence in areas of major interest, the government does not allow politically opposed civil society actors to participate (for example in the PRSP process, or in regard to consultations over electoral policy and oil transparency). When civil society actors attempt to register their frustration with corruption, their efforts are met sometimes with repression, sometimes with attempts at political diversion. The regime has diversified and readjusted its tactics, using a carrot-and-stick approach that cannot easily be decoded by civil society actors. In recent years, however, the regime seems to have shifted to some extent from violence to political tactics when dealing with the civil society. Apparently, the shift of attitude has been determined to appease the international donor community and to avoid the challenge of economic sanctions, which could be provoked by ruthless action on behalf of the regime.

Different from other war-torn countries, the Republic of the Congo did not create a truth and reconciliation commission to cope with the sociopolitical and moral consequences of violent conflict. The government refrained from introducing institutions and mechanisms which would provide opportunities for open, equitable
and sustainable settlements. Rather it tended to impose dialogues and settlements from above, which meant that real reconciliation could not take place. Moreover, the Sassou-Nguesso regime occasionally exploits memories of the violence of the late 1990s and early 2000s to secure popular acquiescence. Given a lack of reconciliation, societal conflicts could turn violent again in the potential cases of economic, social and political crisis.

Even years after the end of open violent conflict, reconciliation between victims and perpetrators of past injustices remains a question that has not been sufficiently resolved. The political leadership and the government have been less involved in this than the churches and other religious and cultural actors. Religious leaders are a respected non-partisan voice in the country. They were already associated with the campaigns for democracy in the early 1990s, and they stressed the importance of national reconciliation as the foundation for sustainable peace. Governmental approaches to reconciliation and dialogue, which began as early as 1998, have had doubtful success as they have been imposed from above. Radical forces like the politico-military movement of Pasteur Ntoumi have had to accept the peacemaking conditions set by the government if they want to participate. Ntoumi returned to Brazzaville in December 2009 to take the position of “Délégué général chargé de la promotion des valeurs de paix et de la réparation des séquelles de guerre” (general delegate in charge of promoting peace and post-conflict reconstruction) offered to him by President Sassou-Nguesso. In 2005, the late former Prime Minister Bernard Kolélas was granted amnesty from a death sentence in 2005 when he declared his readiness to work for peace within the government’s political framework. Former President Pascal Lissouba was also granted amnesty from a 30-year sentence in 2009, but spends little time in the country.

17 | International Cooperation

Following its violent return to power in 1997 and as a consequence of the stigmatization of non-constitutional takeovers by major powers and international organizations, the Sassou-Nguesso regime was somewhat isolated internationally; the new government however quickly secured strong French support, and has since restored relationships with the European Union, the United Nations, the AU, and subregional organizations. The Brazzaville government also worked hard to improve its relationship with the United States during the presidency of Barack Obama. China is an increasingly important partner to the Sassou-Nguesso regime (both are interested in expanding Chinese stakes in the Congolese oil, forestry and mining sectors). France has remained the regime’s main Western sponsor.

Although the World Bank, the European Union, the African Development Bank and U.N. organizations remain strategic partners, the country’s ascent to lower-middle-income status (fueled by oil revenue) and recent debt relief limit the political
relevance of international donors. Following the years of civil war and political
turbulence, the government has made strong efforts to achieve full reintegration into
the international community and to foster the image of being a reliable and
disciplined partner that has democratic norms and stabilization-oriented
macroeconomic policies, and uses external support in line with the needs of
reconstruction, development and poverty reduction. The country works closely with
international donors. Most notably, President Sassou-Nguesso increasingly styles
himself as an elder statesman in Africa. Although the government works with
bilateral and multilateral international donors (e.g., the IMF and the World Bank),
external pressure – particularly with debt relief – has had limited effect on
government policy, given the power of counteracting vested interests within the state
elite. Corruption and a lack of transparency work as counterproductive factors.

In general, the government tries to present itself as a credible and reliable partner in
its relations with the international community. This is especially the case at the levels
of the United Nations, the AU and other international organizations, with which the
country can gain positive standing without much financial and political cost. Thanks
to its image of reliability, the Republic of the Congo was chosen to become a
nonpermanent member of the U.N. Security Council (for two years), and Sassou-
Nguesso was chosen to lead the African Union for one year (2006 – 2007). Although
the Sassou-Nguesso regime has secured the confidence of Africa’s autocrats, it
remains deeply un-trusted by the IMF, World Bank and most Western governments.

In general, the political leadership cooperates with many neighboring states and
complies with the rules set by regional and international organizations. Relations with
neighboring states are fairly positive. Even relations with the neighboring
Democratic Republic of Congo, which have traditionally been difficult, are currently
stable. A special relationship has been established with Gabon, whose late president,
Omar Bongo, was married to the late Edith Lucie Nguesso, Sassou-Nguesso’s
daughter. The Republic of the Congo is committed to subregional organizations, such
as the CEMAC and the Economic Community of Central African States
(Communauté Economique des Etats de l’Afrique Centrale, CEEAC), as well as to
other recently agreed-upon security frameworks. For instance, the Sassou-Nguesso
regime has contributed troops to the CEMAC peacekeeping force in the Central
African Republic. The Brazzaville government also took part in international
subregional agreements on protecting tropical rainforests. In a broader subregional
context, the Republic of the Congo is striving to improve its relationship with
regional powerhouse South Africa. In recent years, the approach to foster and
maintain good relationships in the subregion bilaterally and multilaterally has been
consolidated.
Strategic Outlook

The Republic of the Congo remains burdened with political and economic problems. Although the government appears capable of managing sustainable political and economic transformation, it has shown little commitment to do so. Congolese democracy is more of an imposed system, shaped to the advantage of the Sassou-Nguesso regime, than a system suitable for developing full-scale democratic structures. Economically, the country is still characterized by a high level of state intervention which benefits the ruling elite. Although, when pressured, the country has taken steps toward introducing and implementing IMF- and World Bank-style policies directed at the emergence of a market economy, the Sassou-Nguesso family’s large interests in the oil and timber sectors often impede reforms. Corruption continues to adversely affect considerable parts of the economy and society. The 2009 presidential and the 2012 National Assembly elections reinforced and consolidated autocratic rule, only superficially concealed by formally democratic procedures. President Sassou-Nguesso and his political coalition continue to dominate the political scene, while opposition outside the PCT-RMP caucus remains marginalized. With debt relief secured, the Sassou-Nguesso regime has little incentive to democratize under pressure from external creditors (IMF, World Bank); with opposition parties weak and fragmented and regime insiders mostly compliant, the primary threats to the ruling coalition come from unanticipated popular uprisings, similar to those that swept the Arab world in 2011 and 2012. Regarding the mid- and long-term transformation of the country, ambitious rehabilitation, poverty reduction, and development objectives have been set, formulated within the framework of economic programs related to ECF (formerly PRGF) agreements concluded with the IMF in 2004 and 2008. Major aims include: consolidate peace and good governance; consolidate the macroeconomic framework and recovery of key productive sectors; improve access to basic social services and social protections; develop basic infrastructure; and strengthen the fight against HIV/AIDS. In macroeconomic terms, the IMF acknowledged “good progress on basic reforms,” after the 2008 ECF agreement expired in August 2011, but also pointed to the need of further and even “fundamental” reform, assessing that the country now found itself “at the crossroads.” In line with IMF conditionality, the Republic of the Congo prepared a 2014 – 2018 program for growth, employment and poverty reduction in cooperation with the UNDP. Once the government secured debt relief, it largely rescinded the oil sector transparency measures that had been adopted under IMF pressure. Dispirited, the IMF ended operations in country in late 2012.

Apart from the macroeconomic agenda, the following factors may be considered essential for the Republic of the Congo in developmental terms:

• An anti-corruption and transparency campaign: Since rampant corruption is one of the main impediments to rehabilitation and development, the fight against it should be intensified. Measures should go beyond economic incentives, specific legislation and administrative measures; the
culture of corruption and impunity at the highest levels of government must be targeted. For instance, the education system should combat this culture of corruption.

- Empowerment of women: Women have a major role to play in the country. Thus, empowerment measures – including improvements in education, qualification and literacy – are crucial to the development of the Republic of the Congo. Discrimination against women is a serious impediment to development that can be prevented through increased educational opportunities for girls and women at all levels of the educational system.

- Social service provision to children and youth: Since impoverishment and disillusionment among Congolese youth heavily contributed to the violence of the civil war, the empowerment of children and youth is a vitally important factor for the future development of the country. Empowerment could assume the form of education, vocational training and job creation, as well as the provision of opportunities for leisure-time activities. Peace education, including instruction on nonviolent solutions to conflict situations, would also help greatly in preventing violent conflict.

- Education and training: Given the importance of education and training in the areas stressed above, improvement in education is highly crucial to the future development of the country. Although the importance of education has been identified in various reports, as well as in political action, this issue should receive greater attention.