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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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, Niger made important progress on both democratic and economic fronts. As promised, the military interim government conducted free and fair presidential and legislative elections in January 2011. In April 2011, power was transferred to the new civilian government under Mohamadou Issoufou. Issoufou then formed stable legislative coalitions with his political party, the Nigerian Party for Democracy and Socialism (Parti Nigerien pour la Democratie et le Socialisme –Tarayya, PNDS-Tarayya) and the Nigerien Democratic Movement for an African Federation (Mouvement Democratique Nigerien pour une Federation Africaine–Lumana Africa, Moden/ FA), a new party under the leadership of former long-term Prime Minister Hama Amadou. Amadou now serves as speaker of parliament and thus far has been a loyal ally to the president. Surprising to many domestic observers, Issoufou appointed a Tuareg, Brigi Rafini, as his prime minister. Rafini is the first Tuareg to fill this position since 1988. The Issoufou government has tried to reach to the parliamentary opposition by offering the formation of a party of national unity. After the first two years in office, representatives of civil society and the international donor community have widely praised the government, particularly given Niger’s manifold political challenges. In order to promote domestic peace, the government raised the salaries of all public sector workers and military personnel. While this might not be prudent in fiscal terms, it ensures the ongoing support of these two key constituencies. The new government has also shown a tough stance on corruption. It established two new institutions in the fight against corruption, though it is too early to tell whether these initiatives are effective. A major challenge for Issoufou’s government is that radical Islamic sects and terrorist Islamic groups continue to infiltrate Niger’s territory. The unfolding situation in Mali and the longer-term consequences of the Arab spring in Libya have led to the proliferation of firearms. In addition, the new president has highlighted the danger of a new Tuareg rebellion in the north. In order to stop the economic marginalization of the Tuareg, and prevent a rebellion, the new government has embraced a new development strategy for the Tuareg populated north.
Economically, there have been no major economic improvements for the vast majority of the population, but there have not been major setbacks either. Economic growth has been solid, which is largely due to good harvests in 2010 and 2011. The inflation rate has been low, though international experts have questioned the accuracy of these figures. Niger has a good credit rating due to its participation in the Highly Indebted Poor Countries (HIPC) Initiative. Economic stability is also due to stable world market prices for Niger’s two key export goods: uranium and oil. Although Niger has experienced macroeconomic stability over the last two years, such stability is fragile. Niger’s economy is still heavily dependent on external factors, such as world market prices, access to donor funds and the weather. International donors and the Bretton Woods institutions recently provided new rounds of funding, which the country urgently needed in order to cover basic expenses. As a result of dependence on foreign aid, the country’s debt burden continues to rise. The government is currently in the process of drawing up a new poverty reduction strategy paper which will guide social spending between 2013 and 2016.

History and Characteristics of Transformation

Since independence in 1960, Niger has endured long periods of authoritarian, military-dominated rule. Since the onset of multiparty democracy in 1993, the country has had five constitutions and one interim civilian government (1991 – 1993), been subject to two longer periods of civilian governments (1993 – 1996, 2000 – 2009), one longer period of military rule (1996 to 1999), and two interim military governments (1999 and 2010).

Authoritarian rule began in 1958, two years before the country gained its independence from France, when Hamani Diori established a repressive one-party regime. In 1974, the military, led by Seyni Kountché, toppled Diori in the midst of an economic crisis and severe drought. Following Kountché’s death in 1987, the (civilian-led) Second Republic was established under the National Movement for a Developing Society-Nassara (MNSD-Nassara) party. Responding to regional and domestic pressure from trade unions, students and those behind the Tuareg rebellion, then-President Ali Saibou initiated democratic reforms in the early 1990s. Niger held a national conference in 1991 that resulted in a constitutional referendum and relatively free and fair elections in 1993 (Third Republic). Mahamane Ousmane of the Democratic and Social Convention (CDS-Rahama) party became the country’s first democratically elected president. He came into conflict with parliament, however, after opposition parties withdrew from the government coalition. Early elections in 1995 forced Ousmane to appoint Hama Amadou (MNSD-Nassara) as prime minister, although this immediately led to a conflict between the two men. The resulting paralysis of political institutions in this semi-presidential system ultimately provoked the military coup led by Colonel Ibrahim Baré Maïnassara on 27 January 1996, which drew support from large segments of the population. The coup also reflected widespread material dissatisfaction and persistent aspirations to power within the military. By contrast, the violent (first) Tuareg insurgency of 1994 and 1995 was settled with a peace agreement.
In response to foreign pressure, Maïnassara held new elections. Noncompetitive conditions and a boycott by opposition parties allowed him to win the presidential election held in July 1996 and legislative elections in the fall, which ushered in the Fourth Republic. Three years of superficially liberalized authoritarianism followed until Maïnassara was assassinated during another military coup launched in April 1999. Its leader, Major Daouda Malam Wanké, re-initiated the process of democratization, which led to a constitutional referendum and parliamentary and presidential elections in July, October and November 1999, respectively. President Mamadou Tandja governed with the help of a coalition made up of the MNSD-Nassara, and the CDS-Rahama. The Fifth Republic (2000 – 2009) marked a period of comparative stability. Until August 2009 the work of political institutions progressed relatively smoothly despite the potential for conflict in the semi-presidential system. The free and fair general elections at the end of 2004 confirmed Tandja and the coalition in power. This government was the first since 1992 to ensure that the public sector and the military received regular payment. In doing so, it precluded another vicious cycle of general strikes being launched by the trade unions, which had crippled Niger’s economy throughout the 1990s and had been a major source of political instability. Stability was nonetheless threatened by a renewed Tuareg rebellion that lasted two years, from 2007 to 2009. The rebellion had a negative impact on freedoms of speech and the press in Niger. Journalists reporting critically of the government’s position and activities regarding the Tuareg or about alleged corrupt activities of government ministers were subject to arbitrary arrests and police violence.

Beginning in 2005, Tandja and then-Prime Minister Hama Amadou (both from the MNSD-Nassara) began to fall out of favor with each other and, in June 2007, Amadou was forced to step down and was replaced by Seyni Oumarou.

Tandja’s subsequent attempts to change the constitution so as to allow him to remain in office beyond 2009 proved successful, initially. Tandja was eventually ousted by the military in February 2010. The military organized a transition to democracy that resulted in a constitutional referendum and free and fair elections being held in early 2011. In April 2011, the newly elected civilian government under Mahamadou Issoufou took office. The Issoufou government has to date respected the rule of law and pursued a strategy of inclusion.

The appalling socioeconomic conditions observed in Niger account for many of the political upheavals of the last decades. Since the early 1970s, drought, desertification, government intervention and bad governance have further aggravated a weak economic environment. The uranium boom of the late 1970s subsided very quickly in Niger, whose economy is dominated by agriculture. The considerable national debt incurred by the country between 1983 and 1986 necessitated an IMF structural adjustment program. Given the political instability of the era, there were several irregularities in implementing the IMF program, which led to its intermittent suspension. The implementation of the Enhanced Structural Adjustment Facility (ESAF) between 1996 and 1999 met with the approval of international financial institutions. After a brief disruption, the transitional government and the Tandja administration normalized relations with international donors, which paved the way for several subsequent Poverty Reduction and Growth Facility (PRGF) programs. In April 2004, Niger reached the completion point under the enhanced Heavily Indebted Poor Countries Initiative (HIPC), with debt relief totaling $663.1 million. Niger has
continued to receive extensive loans under the IMF’s extended credit facility. Although in the last few years growth has been stable and inflation low, Niger continues to be plagued by extreme poverty, unsustainable and inefficient public spending, widespread illiteracy, and remains dependent on uranium and oil revenues.
The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The state’s monopoly on the use of force remains limited throughout the country, particularly in the north and along Niger’s border regions with Mali and Nigeria.

The failure to demilitarize the Tuareg rebels in the northern regions has led to the widespread circulation of small weapons, which in turn has exacerbated bandit activities by nomadic groups. Large parts of rural areas throughout the country are not secure and remain crime-ridden. The deteriorating situation in neighboring Mali has spelled for an increase of weapons along the Mali-Niger border. Recent clashes between the police and members of Boko Haram suggest that areas along the Niger-Nigerian border are increasingly falling into the hands of radical Islamic sects. Al-Qaeda in the Islamic Maghreb (AQIM) continues to pose a threat to Western nationals and reportedly cooperates with Boko Haram.

The nation-state is widely accepted as legitimate. Having for decades perceived themselves as a marginalized group, the Tuareg have initiated several rebellions (1961–1964, 1990 – 1995, 2007 – 2009). Their basic demands, which include improving their access to state services and political representation in Niamey, have not been met. The (secret) peace agreement between the former Tandja government and the Tuareg rebels called for improvements with regard to both. The current prime minister (in office as of April 2011) is a Tuareg, but this has had little effect on the relationship between the central government and the Tuareg in the north.

Slavery was banned in 2003, yet, according to international estimates, 43,000 individuals live in servitude. The lack of a functioning judiciary means that these individuals have no means of exercising their rights, even in known cases.

Traditionally, the government has tried to maintain a balanced representation of ethnicities among its employees and within the cabinet. In the past, dismissed ministers were replaced by members from their own community. Although ethnic
cleavages do exist in Nigerien politics, they have little effect in day-to-day party politics.

Like previous constitutions, the constitution of the Seventh Republic calls for a secular state, and Niger’s leading politicians are clearly committed to a secular state order.

However, the situation looks different at the societal level. Conservative Islamic groups, which promote the introduction of Shari’ah law, are increasingly gaining popularity in several parts of the country. Cooperation between Islamic terrorist groups such as Al-Qaeda in the Islamic Magreb (AQIM) and Boko Haram is also growing. The Islamic Council of Niger has consistently advised the government to do more to monitor sermons. Yet since the onset of political liberalization in 1991, the state has lost the capacity to effectively monitor and oversee Islamic organizations.

During the Tandja years (2000 – 2009) there were several clashes between the police and members of these groups. Under the Issoufou government (as of April 2011), there have also been open confrontations between security forces and Islamist fighters.

In many parts of the country, Islamic welfare associations – allegedly financed by sponsors in Saudi Arabia and Pakistan – provide segments of the population with food. The droughts of the last few years, and subsequent poor harvests, have increased their influence. The Islamic University of Say, whose language of instruction is Arabic, increasingly offers an alternative to the secular-style education offered by the state-run University of Niamey. Islamist leaders are also increasingly influencing public policy. Political pressure by such leaders has prevented the family code from being passed in parliament (the last attempt failed in December 2006). A new bill meant to bring about gender equality, the Personal Status Code (Code du Statut Personnel) was also rejected by the Islamic associations, which held numerous demonstrations to protest the bill in the capital. The ongoing political crisis in Mali further increased the influx of Islamic extremists into Niger and members of AQIM have even crossed the border into Niger to kidnap foreign tourists.

The territorial scope of the basic administration is confined to the urban areas. The last Tuareg rebellion has further impaired the administration’s influence in the northern regions. However, in 2010, the transitional government introduced a bill on the “collectivités territoriales” and local elections were held, both of which supported decentralization. Both the public administration and the judiciary suffer from a lack of resources. In total, there are around 100 registered lawyers in Niger, almost none of whom practice outside Niamey. In the rural areas, chiefs collect taxes and frequently fail to transfer that money to the state. The administration is largely inefficient and plagued by corruption. Low salaries exacerbate the problem.
2 | Political Participation

Niger’s last military interregnum formally ended in April 2011 when democratically-elected President Mahamadou Issoufou took office. Both the presidential and the parliamentary elections were deemed free and fair, though the balloting suffered from administrative shortcomings and municipal elections in mid-January suffered from delays. The Constitutional Court’s disqualification of various parliamentary candidates who failed to fulfill the educational criteria set forth in the new constitution also gave rise to criticism that these requirements are elitist and do not take the socioeconomic realities of the country into consideration.

Elections have been conducted regularly in Niger since 1993. Their quality has varied, but in most cases they have met international standards. The 1993, 1999 and 2004 elections were generally considered free and fair. However, the 1996 elections were heavily rigged in favor of the government, which dissolved the electoral commission during the counting process. The opposition boycotted the 2009 parliamentary election, which was conducted immediately after a contested constitutional referendum which allowed President Tandja to remain in office for another three years. Despite the major controversies surrounding the last elections, and despite the country’s mixed fortunes with elections, the electoral body has always been regarded as capable, mindful of democratic procedures and impartial. With the exception of the 1996 elections, all losing candidates have conceded defeat.

In line with its transition schedule, the military handed over power to a democratically elected regime in April 2011. Historically, Niger’s elected politicians have been highly dependent on foreign aid and the local support of chiefs and Islamic clerics. The military has been a constant factor in Nigerien politics, as the current political dispensation attests. The last two military coups (1999 and 2010), however, were undertaken in order to return to constitutional rule and not in order to claim power on a long-term basis. This shows that over the course of the last decade a republican spirit has fostered inside the army.

The growing influence of conservative Islamist groups in society has not resulted in their capacity to act as veto players in government.

Since the beginning of interim military rule in 2010, groups have been guaranteed the right to assemble freely. Since coming to power, President Issoufou has appointed several high ranking members of civil society into government with the intention of creating a greater sense of inclusion. Prior civilian regimes, in particular the regime of former President Tandja (2000 to 2010) at times intimidated civic groups. In recent years this has not occurred. One slight constraint on freedom of association is a...
government ban on identity-based parties and associations or those with particularist agendas.

Since the Tandja regime ended, freedom of speech has improved significantly. For one, there have been no reported incidents of state harassment of journalists in the last two years. The Issoufou government also became the first African government to sign the Table Mountain Declaration, which calls for press freedom in Africa. In addition, freedom of information is now prescribed by the constitution and the law no longer contains punishable offences by the media.

The High Council for Communications (Conseil Supérieur de la Communication, CSC), Niger’s media supervisory body, is composed largely of media professionals. The structure of the media provides for a plurality of opinions. However, the quality of media coverage remains poor due to widespread poverty, illiteracy and the dire financial situation of many media outlets.

3 | Rule of Law

Niger’s current “Seventh Republic” is subject to the 2010 constitution, which explicitly highlights the importance of mutual checks and balances. Like several of those preceding it, the constitution foresees a semi-presidential system that provides for a distinct separation of powers between the president and the prime minister. In contrast to those preceding it, the current constitution strengthens the rights of the legislative vis-à-vis the executive in particular with regard to the right of the legislature to approve the prime minister (the president can propose and dismiss the prime minister); it outlines the respective rights of the president and the prime minister in case of cohabitation (i.e., the majority of parliament can name the prime minister). The new constitution further specifies the judiciary’s control mechanisms allowing it to scrutinize more carefully the president and the prime minister. The Constitutional Court cannot be dissolved by the president and is the only institution with the mandate to interpret the constitution.

Prior to the Seventh Republic, the judiciary was often subject to interference at the hands of the executive branch. Since 2011, no similar incidents have been reported, but there have also been no reasons for the newly elected government to interfere. Checks and balances between the president, legislature and prime minister might be compromised somewhat by the fact that both the president and the prime minister belong to the same party (the semi-presidential system runs the risk of institutional deadlock when president and prime minister belong to different political camps).

Although in the recent past the Constitutional Court and the Supreme Court have ruled against several executive decisions, these rulings were ignored or led to the dissolution of the courts. Prior to the Seventh Republic, high-ranking judges were
often subject to intimidation campaigns by the presidency. High-ranking politicians are rarely subject to judicial action; if and when they are subject to investigation, cases are either abandoned or delayed indefinitely. The lower levels of the judicial system are overburdened by work, notoriously under-resourced and plagued by corruption. There are very few registered lawyers beyond the capital Niamey and the costs of legal aid are too high for the vast majority of the country’s population. The judiciary is largely ineffective.

Corruption continues to plague both the private and public sectors in Niger, with the uranium sector particularly affected by it. Issoufou’s government has followed the lead of the former military interim government in trying to fight corruption in the public sector. For example, many public officials who abused their positions for private gain during the Tandja years have faced criminal charges, and in 2012, two members of the cabinet had to resign due to corruption allegations. In October 2011, the government also inaugurated two new institutions in order to curb corruption in the public sector. The “Bureau d’information de Réclamation contre la Corruption” is solely responsible for fighting corruption in the legal system, and the “Haute Autorité de Lutte contre la Corruption” aims at fighting corruption in the public sector at large. In August 2011 an anti-corruption hotline was also set up. However, it is too early to assess whether these new institutions have been effective.

Civil rights are guaranteed by the constitution, yet these rights are often violated in practice and not respected throughout the country. Outside Niamey, where lawyers and sufficiently trained legal aid are rare, citizens have almost no legal recourse. Access to legal protection is very expensive and thus impossible for 95% of the population. Despite constitutional protections, nomadic peoples have little or no access to government services. Significant traditional structures prevent large segments of the population from expressing their civil rights. In the eastern part of the country, women among the Hausa and Peul (also known as Fulani or Fulbe) communities are often not allowed to leave their homes without a male escort. This applies in particular to women in rural areas. Family law gives women inferior status in property disputes. According to human rights groups, around 8% of the population are subject to forced labor. Slavery still exists despite an official parliamentary ban in 2003. Child marriage and child prostitution is a problem in the rural areas. The U.S. State Department’s Trafficking in Persons report classifies Niger a tier 2 country, though it is close to being classified a tier 3 country (the worst possible rating). The government acts against traffickers to the extent that it is able to do so. The National Commission for the Coordination of the Fight Against Trafficking in Persons is ineffective. There is no reliable information about the situation in the northern regions.
4 Stability of Democratic Institutions

The return to democracy in April 2011 entailed re-establishing Niger’s democratic institutions. Historically, such institutions have been unstable and weak, as evidenced by several military coups between independence and 2010, and former president Tandja’s highly contested attempt to prolong his term of office in 2009.

In the 1990s, Niger also suffered from frictions between the executive and the legislative with detrimental consequences for democratic rule. Such frictions have thus far been avoided under Issoufou’s administration.

Cooperation between President Issoufou, Prime Minister Brigi and the speaker of the National Assembly, Hama Amadou, remains stable and amicable, if hindered by personal rivalries. Such stability is fragile, however, as it may be a result of the sudden influx of development aid which followed Issoufou’s inauguration.

Local government officials are often not aware of their competencies and thus remain inactive.

Democratic institutions are accepted by the majority of the political actors. For example, all political parties and civil society groups support multiparty elections. Historically, winners and losers alike have accepted the outcomes of elections, provided they met international standards, which was not the case in 1996 and 2009. Hence, these elections were not accepted by the losers. The most recent election of January 2011 was considered free and fair.

Yet not all political groups in Niger support its democratic institutions. Some figures within the major opposition party, the MNSD, for example, still back former president Tandja and would support a return to one-party rule. Radical Islamic groups and Islamic welfare organizations reject the secular state, as well as civil liberties and freedoms in general. So far, these radical groups have not constituted a real threat to the democratic secular order, but their support in rural areas should not be underestimated.

The Tuareg rebels do not respect Niger’s democratic institutions either, though they might claim otherwise. The military’s respect for democratic institutions and processes is mixed. The military intervention in February 2010 illustrated that the army is still able and willing to intervene in civilian politics, but the particular circumstances of the intervention, which had the explicit goal of reestablishing democracy, revealed that the army regards itself as the guardian of democratic rule rather than its opponent. That being said, there have been several attempts by military personnel to overthrow the Issoufou government. While none of these attempts had
any chance of success, such actions indicate that there are still individuals inside the army that do not accept democracy as the only game in town.

5 | Political and Social Integration

Since 1993, Niger has held six presidential and eight legislative elections. In contrast to many other African countries, there has been a relatively low level of voter volatility. While party splits do occur, they are not very frequent. Overall, the party system displays moderate fragmentation, low-to-moderate polarization and a medium level of institutionalization by African standards. Political alliances are fickle, which makes the political environment unstable and unpredictable. The ability of the party system to produce different alliances, however, also indicates a low level of ethnic and political polarization. Party politics is clearly driven by clientelistic considerations. The coalition behavior of individual parties immediately prior to elections shows that clientelism and the desire to gain access to resources dominates political behavior.

Niger’s low voter turnout rates (51.6% in the first round of the 2011 presidential elections, 49% in the second round, and 49% in the 2011 parliamentary elections) demonstrate that political parties do not enjoy deep roots in society. All parties have regional strongholds. Cooperation between parties and civil society organizations is ad-hoc. Cooperation between parties and trade unions or other interest groups has never been institutionalized.

Since the early 1990s, a variety of interest groups have formed. Most of these have very few members and lack the ability to aggregate interests, and hence, they lack the ability to influence policymaking. The government did include civil society in the task of drafting a new poverty reduction strategy, but this was an isolated case; civil society rarely, if ever, influences policymaking. For such groups, very few coordination mechanisms exist, the capacity to analyze political issues is severely undermined due to lack of funding, and most lack a clearly defined purpose. The bottom line is that civil society groups lack money, education and active members. Outside of Niamey, interest groups are virtually nonexistent.

The trade unions have been weakened as the formerly powerful umbrella organization for trade unions, Union Nationale des Travailleurs du Niger, has split into several smaller umbrella organizations.

The Coalition Équité/Qualité contre la Vie Chère au Niger, which has long demanded better living conditions, is a rare example of a powerful group. Its success can be explained by the fact that everyone in Niger supports its main goal of reducing the cost of living given the extremely dire economic conditions. In contrast, civil society
groups are often deeply divided politically. Some Islamic organizations, for example, are in favor of gender equality, while others campaign aggressively against it.

While there is no recent survey data available for the acceptance of democratic norms in Niger, there are several examples in recent years of Nigeriens displaying a commitment to democratic ideals. Whenever democracy has been seriously threatened, the Nigerien people took to the streets to demonstrate in favor of democratic norms and procedures.

For example, demonstrations in support of the military caretaker government (2010 – 2011), which took place after the military had announced its intention to return Niger to democratic rule, indicate that support for democracy remains high. Also, the political discourse is clearly driven by ideas of how to improve democratic standards rather than abolish the democratic experiment.

It should be noted, however, that the situation looks bleaker in many rural areas, where radical Islam has taken root. The political upheavals of the last 20 years have given rise to the spread of radical Islam. Islamic clerics have called for the overthrow of democratic politics and the introduction of Shari’ah law. As a result, anti-democratic attitudes in rural areas have increased over the last few years.

Social self-organization is rather poorly developed, though the number of self-help associations has increased in recent years. In particular, craftsmen employed in the informal sector are known to be well organized. Feminist groups are also known to form self-organized groups.

A lack of relevant survey data and the vastness of the country (in combination with infrastructural shortcomings) mean that trust between different segments of society is hard to assess. In rural areas, where 80% of the Nigerien population resides, social life has been structured for centuries along both hierarchical and gender lines. While these forms of social organization are not conducive to modernity and democracy, they instil a medium level of mutual trust. The Kountché military regime (1974 – 1987) implemented so-called local development councils, which dealt with the developmental needs of their respective local communities. While these are no longer in place, they have institutionalized the cooperation of local leaders.
II. Economic Transformation

6 | Level of Socioeconomic Development

Niger is one of the poorest nations on Earth. In the latest HDI ranking (2011) it ranked 186 out of 187 (0.295). In previous years it scored similarly. Life expectancy at birth is 55 years. On average every Nigerien attends school for around one year of his or her life. The Gini coefficient is 34.6%, which initially does not appear too bad. The fact that almost everyone is poor puts this rating into the right perspective. Seventy five percent of the population lives off less than $2 a day. Less than a third of the population is able to read and write. While 71% of the population receives primary education, only 14% receives secondary education and less than 2% make it to college. The quality of schooling outside the cities is extremely poor. Very often parents do not send their girls to school out of fear the girl might marry a teacher. The formal sector of employment does not extend beyond the civil service. In general women suffer more from exclusion and poverty than men do.

In the last five years, Niger has experienced two to three major droughts. In August 2012 large parts of Niamey were flooded, which left thousands of people homeless. The influx of refugees and former Nigerien guest workers from Mali and Libya has worsened an already desperate humanitarian situation. GDP growth has consistently been between 5% and 6%; however it is largely dependent on the export of uranium and oil. The government is preparing a poverty reduction strategy paper, but in the past, these strategies were not effective. Niger’s deeply engrained export economy, uneducated population and poor climate make near-universal poverty very difficult to overcome.

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### Economic indicators

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<td>1172.8</td>
<td>1268.2</td>
<td>1408.4</td>
</tr>
<tr>
<td>Total debt service</td>
<td>$ M</td>
<td>45.2</td>
<td>26.9</td>
<td>34.5</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>15.0</td>
<td>14.6</td>
<td>14.4</td>
</tr>
<tr>
<td>Public expnd. on edu.</td>
<td>% of GDP</td>
<td>4.6</td>
<td>3.9</td>
<td>4.5</td>
</tr>
<tr>
<td>Public expnd. on health</td>
<td>% of GDP</td>
<td>2.7</td>
<td>2.4</td>
<td>2.9</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>0.9</td>
<td>-</td>
</tr>
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</table>


#### 7 | Organization of the Market and Competition

While the new government announced its commitment to attract private investment, Niger remains one of the most difficult countries in the world to do business. The World Bank 2013 Doing Business report ranks Niger 176 out of 185 economies. Market competition operates under a weak framework. In the 2013 index of economic freedom, Niger ranks 128 out of 179. Within sub-Saharan Africa, it ranks 26 out of 46. It takes 17 days and 9 procedures to start a business. The country’s investment code foresees tax and custom exceptions. Additional tax benefits are possible but need to be discussed with the Ministry of Commerce. The National Council of Private Investors is supposed to be reactivated soon.

Overall, there is a distinct lack of economic diversity and little prospect of a broad-based private sector emerging in the next few years. Niger remains highly vulnerable to external shocks and continues to have an underdeveloped financial sector. Despite two changes of government (in 2010 and 2011) there have been no reforms in this area. With the exception of petroleum, the market sets prices, but the government...
influences prices through state-owned utilities. Foreign capital and domestic capital are legally equal. All sectors are open to investment. Land ownership requires approval by the government. As in all francophone countries, the CFA is pegged to the euro.

Since the 1980s Niger has tried to privatize several state-run companies. Under the guidance of the World Bank, it divested itself of monopolies in water, electric power and telecommunications. The privatization of other state monopolies has stalled. The oil-distribution company (SONIDEP) and the national electricity company (NIGELEC) still hold monopolies. However, three mobile phone and two Internet licenses have been granted and genuine competition is these sectors has commenced. An independent multisectoral regulatory body has been created to help ensure free and fair competition. For 30 years the French government-owned company AREVA held a virtual monopoly over Niger’s uranium.

Various foreign firms are competing in the nascent gold and oil sectors, but some businesses are turned off by a bureaucratic investment framework that remains outmoded and non-transparent. Further privatization is also held back because these investments are not likely to generate attractive returns.

In principle, trade is liberalize. Niger has been a member of the World Trade Organization since 1996. Its participation in international trade is very limited with regard to both imports and exports. The 2013 Economic Freedom Index rates Niger’s trade freedom as moderately free, which is in line with the global average. The World Bank states that Niger’s trade regime is in line with the trade regimes of other low-income countries. Niger also participates in the West African Economic and Monetary Union (WAEMU). Membership entails a customs union marked by a considerable degree of de facto protectionism and state regulations.

The Central Bank of West African States (BCEAO) governs the banking system. The Nigerien bank sector is highly concentrated, as 90% of all deposits are held by just four banks. The deposits of GDP ratio is one of the lowest in the West African region. The financial sector has not been negatively affected by the financial crisis because it has few links to the world economy. The cover rates for bad loans fell from 74% in 2009 to 64% in 2010. Although liquidity is high, access to credit is difficult because there is a general hesitancy to loan. The new government is in the process of setting up an agricultural bank and a housing bank. Participation in banking is very low among the population.

8 | Currency and Price Stability

Niger’s membership in the CFA zone pegs the CFA franc to the euro. This prevents Niger from pursuing its own currency policy. In recent years Niger has enjoyed a low inflation rate. In 2011, annual inflation stood at 2.9%, and in 2010 it stood at 0.8%.
However, in August 2012 the worst floods in the country’s history led to a price increase of 11.7% between August and October. Since then, prices have gone up drastically, indicating the annual inflation rate for 2012 will be significantly higher than the rates of previous years. This demonstrates how economic conditions in Niger are largely dependent on external shocks (in this case: the weather). There is little to nothing the government has done, or could do, to prevent such a scenario.

In 2000 Niger qualified for the HIPC Initiative and consequently received extensive debt relief between 2000 and 2008. Although government debt is smaller than it used to be (15% of GDP at the end of 2009), it is on the rise again (20% of GDP at the end of 2010). Official figures are difficult to trust, however, because no auditing of the public accounts took place between the mid-1970s and 2003.

For almost two decades various IMF credit facilities were granted under the condition that the government create a more efficient public sector. This has not materialized, however. According to the OECD, Niger’s annual budget deficit stood at -25% in 2009 and -21% in 2011. Future estimates are not any more encouraging. All previous governments tried to promote fiscal stability, yet they all failed due to domestic pressure or unforeseen natural disasters such as drought or flooding. Since the new government has come to power, Niger has been showered with new development aid packages, which should decrease debt. In the next few years the account deficits are also estimated to improve due to an increase in oil and uranium exports.

9 | Private Property

It takes 35 days and 4 procedures to register a property in Niger. The international property rights index does not rank Niger. Despite a legal framework for the protection of intellectual and property rights, the government lacks the capacity and resources to fight violations of the law. Law enforcement is poorly trained and there are weak administrative controls. Property rights also remain hampered by an ineffective judicial framework and a court system that is vulnerable to political interference.

The registration of land titles is beset with problems. The 1993 Rural Code decentralizes land administration and allows for registration of customary land rights, but confusion exists over what rights can be registered, and the lack of capacity to manage land registration has caused an increase in land disputes. Those with less power to assert claims frequently lose land rights. The laws outlined in the code have significant regional variations in subjects such as the right to inherit land, individual and family tenure, and women’s land access. Most customary practices reflect the influence of Shari’ah law. International experts view the non-implementation of the existing legal code as a major constraint for economic freedom. While several legal
changes are in the process of being adopted by parliament, they have not yet been finalized.

The new government announced that it plans to attract private foreign investment, but so far this has not materialized. The privatization of the national electricity company and the oil distribution company has failed to attract private sector investors. While Niger’s legal framework grants private companies wide ranging freedoms, in practice, companies encounter barriers to business on an almost daily basis. The poor legal and physical infrastructures make it difficult for small firms to operate, and an inadequate regulatory framework hampers private sector development. In addition, onerous and inconsistent regulations impose substantial costs. According to the World Bank’s Doing Business report, it takes 17 days and to start a business and there are nine procedures that must be performed. Though this constitutes progress, it is still not satisfactory for promoting the development of the private sector.

10 | Welfare Regime

Social safety nets are rudimentary and only cover employees of the formal sector (i.e., public sector workers and their dependents). Life expectancy stands at 55 years. According to official data, Niger spends 2.6% of its annual budget on health provisions. While this appears to be an average figure by global standards, one ought to take into consideration that the Nigerien population is one of the fastest growing in the world. The constitution of the Seventh Republic outlines the right to social protection. Niger’s second poverty reduction strategy (2008 to 2012) is targeted at improving the country’s safety net. There are two institutions that are responsible for social security: the Caisse Nationale de Sécurité Sociale (CNSS) and the Fonds National des Retraites (FNR). The CNSS has been in place since 1965 and covers accidents at work, work-related illnesses and disability. It also provides for health protection of mothers and their children. The FNR is the national pension fund. According to government data, only 47,570 people (out of a population of 16 million) are covered by social welfare.

As a result, the vast majority of the population has to rely on family networks or savings. An alternative source of social security is also provided by Islamic welfare organizations. Although the country participated in the HIPC initiative, there is no comprehensive or long-term strategy to fight poverty. Infact, the great majority of the population lacks even the most basic social safety net. And while the new government has issued various strategy papers to tackle the issue, these initiatives, which include international aid, are neither innovative nor do they outline specific benchmarks.

Nigerien society is strictly hierarchical and heavily segmented. Opportunities largely depend on personal background rather than merit. While the very small political and economic elite are free to consider any educational and professional option, the poor
have little to no opportunity to advance. The situation is particularly dire for women due to religious and cultural factors. Women even face legalized discrimination with regard to inheriting property. According to some recent estimates by local NGOs, the female literacy rate is only 15%, which is significantly lower than international and official estimates. Following the 2011 legislative elections, the number of female MPs decreased from 14 to 11 (out of a total of 113 MPs). Quota laws have been passed but are not enforced in practice. Niger signed the U.N. Convention on the Elimination of All Forms of Discrimination against Women in 1999, but former government representatives have expressed reservations about some of the convention’s articles. The new government has not addressed this issue.

11 | Economic Performance

In recent years, Niger has experienced steady, yet unstable, economic growth. In 2008 the GDP growth rate reached 9.5%, but the rate drastically declined in 2009 (-0.9%), only to reach 8% in 2010. In 2011, GDP growth stood at 2.3%. These fluctuations are due to the fact that output strength is driven by agricultural output (which accounted for 42.3% of the GDP in 2011) as well as by uranium and oil exports. Both agricultural production and the export of mineral resources are driven by factors beyond the government’s influence (i.e., bad weather and fluctuations of prices on the international market). Thus, while the economy’s overall output might appear to be satisfactory, the factors influencing it are somewhat arbitrary.

Official inflation rates remained low (2.9% in 2011, 0.8% in 2010 and 4.3% in 2009). The severe floods of August 2012 have led to a sharp increase in food prices in the last few months and the inflation rate for 2012 can be expected to be higher than the inflation rate of previous years.

For about two decades Niger has tried to enlarge its tax base and modernize its tax system. These efforts have failed despite several extensive multilateral aid packages, and prospects for success in the future appear dim. In 2011, Niger failed to meet WAEMU’s 17% tax/GDP ratio. Niger also suffers from a deeply engrained structural trade deficit (14.8% in 2011; 13.9% in 2010). And while there is no reliable data on unemployment, there is sufficient evidence that the vast majority of the population is either unemployed or underemployed. The situation looks particularly dire for young males seeking employment. Although the overall debt burden is low due to several rounds of debt relief, current spending rates are not sustainable.

12 | Sustainability

Niger’s most pressing environmental issues include the serious depletion of vegetation by the burning of grass for crops, the overgrazing of land, soil erosion and increasing desertification. Pollution and desiccation continue to threaten the Niger
River, which is the nation’s main source of water and crucial for irrigation. The severe flooding of Niamey in August 2012 showed that the Niger River is highly vulnerable to international climate change. Recent academic publications predict floods and droughts will become the norm in Niger.

In January 2011, Greenpeace found dangerous levels of radiation in the populated areas near Niger’s uranium mines; the mining towns of Arlit and Akokan were particularly impacted. So far, neither the government, nor the French state-owned company AREVA, which is responsible for the exploration of uranium, have taken any action.

The only exception to Niger’s poor environmental record is the administration of the “W” National Park (shared with Benin and Burkina Faso), which strives to protect fauna and endangered wildlife. Unlawful hunting and poaching have nonetheless become serious issues there, which the government has been unable to address.

Niger’s literacy rate is a dismal 28.7% and remains one of the lowest in the world. Only 15.1% of all females are literate. The literacy rate among young people (aged 15 to 24) is slightly better and stands at 39%. Some 71% of all children enroll in elementary schools, but only 13.4% make it to the secondary level. A very tiny margin of 1.5% manages to gain access to tertiary education. There are three institutions of higher education, the National School of Administration, the University of Niamey, and the Islamic University of West Africa at Say; three additional universities were created in Tahoua, Maradi and Zinder. However, classes at the University of Niamey often have to be canceled due to student or faculty strikes. The strikes are motivated by cuts in budgets or faculty salaries. The entire education system is beset by underperformance and is faltering under the country’s general economic malaise. According to official figures, the government has consistently spent between three to four percent of its annual budget on education. However, U.N. reports have criticized the fact that annual budget allocations for education do not reach recipients.

In 2010 and 2011 the UNDP issued two reports outlining Niger’s progress in achieving the MDGs. Clearly, Niger will not reach the education MDGs. The reports further outline the significant differences between regions when it comes to ensuring access to education. While in Niamey the scholarization rate is at around 90%, only 40% of children in the region of Diffa have access to education facilities. The literacy rate also varies across regions and there are major gaps between rural and urban areas. There are a variety of private secondary institutions, though these are attended by less than 1% of the student-age population.
Transformation Management

I. Level of Difficulty

Niger’s structural constraints are very high. It regularly features at the bottom of the HDI index. A whopping 75% of its population lives on less than $2 a day. Niger scores 0.1777 on the U.N. Education Index, landing once more at the bottom of the ranking. Around three quarters of the population are illiterate and thus unable to contribute anything substantial to the modern work environment. In addition, Niger is landlocked between Mali, Libya, Algeria, Chad, Nigeria and Burkina Faso. As a result it is gravely affected by the evolving situation in Mali as well as by the long-term fallout of the Arab Spring in Libya. Niger’s borders to both nations can be seen as a gateway for the Tuareg and Islamist groups. The same is true for the border with Nigeria and radical Islamist groups such as Boko Haram. It is difficult to think of a more challenging context in which to pursue economic and political transformation.

As pointed out by several development reports, there is no functioning infrastructure beyond the capital. A high population growth weighs heavily on an already frail infrastructure. In the last five years, Niger has been subject to several droughts and severe flooding.

The country’s only hope are its new oil refineries in Zinder (production started in November 2011) and in Agadem (production started in late 2011). In 2014 Niger is scheduled to greatly increase its uranium exports due to the opening of the Imouraren mine.

Overall, however, the structural difficulties facing the country have grown.

Civil society as a whole rests on weak foundations. President Kountché (1974 – 1987) established the so-called “Development Society,” which relied on the advice of local-based cooperative societies, youth groups and professional associations. Neither of these groups was de facto independent and critical of the government. These organizations became the nucleus of the MNSD in 1989. Especially at the local level, many of these associations provide the foundation for contemporary local associations. Most contemporary civil society organizations are concentrated in Niger, consist of very few members and cannot rely on a solid financial base. Their activities are dependent on donor funding. The exception to the rule is trade unions,
which were instrumental in bringing about democratic change in the early 1990s. The trade unions are the only actor with the organizational capacity to mobilize significant numbers of people. At times the unions have also been a destabilizing factor; in the 1990s, Niger experienced general strikes on an almost monthly basis, which worsened the socioeconomic outlook of the country. This was one factor that caused the institutional deadlock of 1996 (leading to a military coup). In the last decade various organizations have come together under the umbrella of the Coalition Équité/Qualité contre la Vie Chère au Niger. This organization’s activities have been confined to urban areas. The movement was divided over Tandja’s attempt to extend his term of office. Various civil society organizations were opposed to the constitutional referendum that ushered in the Sixth Republic, while others – co-opted by the government – staged demonstrations in favor of the new political constellation. Various organizations lack the impartiality required to scrutinize government. In day-to-day politics, civil society does not play an active role. Consultations are rare and occur on an ad hoc basis.

Compared to other African countries and in particular compared to Niger’s immediate neighborhood (Nigeria and Chad), the political salience of ethnicity is low. There are some tensions between the Hausa and the Djerma groups that resulted from uneven economic development due to French colonialism and the early years of independence. During the period of military rule between 1974 and 1989, the government tried to maintain an ethnic balance in all public appointments. While political parties have their strongholds, political party competition is certainly not shaped by ethnic exclusion. The political liberalization of the late 1980s was followed by two large-scale conflicts between the central government and the Tuareg. The last conflict, which ended in 2009, left 70 government soldiers and 200 Tuareg rebels dead. The conflict between the central government and the Tuareg has been officially resolved but tension persists. Although the Issoufou government has appointed a Tuareg as prime minister, no reliable information exists regarding Tuareg satisfaction with the current political dispensation. In January 2012, President Issoufou issued a stern warning that Niger could experience a similar fate as Mali.

In recent years Niger has witnessed the radicalization of Islam in some parts of the country, most notably in the region around Maradi. This had led to clashes between adherents of traditional Islam and the Izala brotherhood, as well as Boko Haram. Nigerien security forces have clashed with both groups on a number of occasions.
II. Management Performance

14 | Steering Capability

The government has expressed its will to tackle long-term problems such as unemployment and poverty. It formulates its strategic goals in cooperation with the international donor community.

In December 2012 the government started its consultation with the World Bank on the new economic and social development plan (2012-2015). However, the policy reforms Niger so desperately needs are the same as 25 years ago: a better equipped and more modern education system, better infrastructure, and government-led efforts to fight poverty and corruption. However, very little has been achieved in any of these areas since the first development aid programs were implemented in the mid-1980s.

In contrast to many other African countries, no Nigerien government has ever formulated a holistic and long-term vision of how to improve the country’s socioeconomic situation. There is no blueprint for future development. In the past, even those policy goals that do exist have not been pursued due to the short-term material interests of the individuals involved. In general, Nigerien politicians work first and foremost for their personal benefit. The numerous political upheavals in the last twenty years, which saw the emergence of five civilian and three military regimes, attest to that. These frequent upheavals also resulted in a lack of long-term policy planning.

Since 1993, every central government has failed to cooperate with representatives from rural areas. As a result, government planning has failed to meet the needs of much of the population. Outside the major urban areas there is a distinct lack of qualified government personnel to plan and execute government policy. The interim military government (2010-2011) gave priority to the food crisis, a fast return to democratic rule and a crackdown on corruption (as well as national reconciliation). It achieved all of these goals. The Issoufou government has been equally strong in its verbal commitment to fight corruption, forming two new institutions designed to fight the abuse of public office.

All civilian governments since 1993 have failed to implement poverty reduction strategies. There are, for example, no policies in place that mitigate the high population growth; awareness campaigns about the consequences of high fertility rates are nonexistent. Debt relief has not been accompanied by any improvements in living standards. There has been some progress in the exploitation of resources; this has largely been driven by foreign, and in particular Chinese, interest in these...
resources. The country’s infrastructure has been deteriorating for many years; improvements were typically the result of external intervention. Shortcomings in implementation can primarily be attributed to poor administrative capacities and corruption. In contrast to previous governments, the Issoufou government is cooperating closely with international donors in putting together emergency plans to protect the country against recurring droughts. In November 2012, the IMF conducted the first review of yet another economic program under the IMF’s extended credit facility. Accordingly, Niger’s positive economic outlook is largely due to increases in the export of resources rather than effective policy making and implementation.

For almost two decades Niger has received generous funding from bilateral and multilateral donors. Its participation in the HIPC initiative canceled almost all of its debt. Despite this, there have been no visible improvements in Niger’s economic and social standing. Policy lessons and innovation remain absent, policy planning is ad-hoc, and there is no long-term master plan of how to stimulate or diversify the economy.

The Issoufou government is cooperating with international partners in ensuring food security, which indicates at least some sort of progress. The new prime minister is a Tuareg, and the government has offered to appoint a government of national unity, which would include the opposition in all major decisions. This proposal indicates willingness, among some members of government, to be more inclusive of diverging political opinions. However, there is no evidence that there is enough momentum or interest in government to allocate more resources to population groups that have been marginalized for decades. Another Tuareg rebellion cannot, therefore, be ruled out.

15 | Resource Efficiency

The government makes efficient use of only some of its available resources. The administration has traditionally been oversized in terms of personnel but under-equipped with regard to technical skills. In fact, so far it does not appear that the Issoufou government is any different from the previous government regarding resource efficiency. The trade unions of the public sector are a powerful political force and in the past their political acquiescence was ensured by excluding them from urgently required austerity measures. Recruitment in the administrative sector lacks transparency, and the allocation of budget items is not subject to public or political scrutiny either.

Contrary to numerous statements by the African Development Bank and the Bretton Woods institutions, Niger does not have a balanced budget. For years, in fact, Niger has suffered from severe account deficits. The debt burden is rising but so far has remained at a sustainable level. As mentioned earlier, this is due to the cancellation...
of debt rather than effective budget planning or prudent fiscal policy. According to the IMF, no budget auditing has taken place for the better part of Niger’s history. Budget International rates Niger as one of the least transparent countries in the world with regard to budget transparency. Deviation of actual budget expenditures from the associated planned expenditures cannot be determined because the government does not release such data.

In recent years, the government has made some progress with regard to decentralization, but efficiency is lacking on the local government level as well. In many areas of the country, government officials are not sure about their role and responsibilities. And among the local population there is a distinct lack of knowledge of the mandate of the authorities, so they are not easily held accountable.

The Seventh Republic, as the current government is known, has set out to have a semi-presidential system. In the past this system has led to institutional breakdown and jealousies between the president and prime minister. This has not occurred since the new government took power in April 2011, but the coalition between the PNSD and Moden is fraught with personal rivalries between its leaders. So far, however, the government has remained stable, despite conflicting interests.

Corruption remains a serious problem at all levels of the state. The interim military government’s crackdown on former ministers in 2010 illustrates the severity of the problem. The new government has established a hotline where callers can report incidents of corruption. As mentioned above, the government has also established two institutions which are supposed to become flagships in the fight against corruption. In 2012 two cabinet ministers had to resign due to their involvement in corruption scandals that date back to the Tandja period. In early 2012, arsonists set fire to the Justice Ministry in order to destroy files that were used in anti-corruption investigations. This incident exemplifies the dimension of the problem. In addition, there is no effective party finance regulation in place, nor is there an effective auditing mechanism of state spending. In fact, the government does not provide any information on state spending. Even parliamentarians who are members of the budget accounts committee lack access to crucial documents. The poor state of the private media and, more importantly, the poor state of the judicial system mean that many cases of high-level corruption have either never been addressed in earnest or have never been revealed to a broader audience. Widespread illiteracy also contributes to impunity in the political realm.

16 | Consensus-Building

The majority of political actors agree on the goals of developing democracy and the market economy. For a long time, some members of the MNSD, the governing party between 2000 and 2010, wanted to see a return to nondemocratic rule. Prior to the
2011 elections, however, the MNSD split into two camps, which considerably weakened the party. Even inside the remainder of the party, the pro-democratic forces appear to be in the majority. Nondemocratic values, however, also exist in parts of civil society and among the trade unions. These groups are not a threat to democratic rule per se, but will do anything in order to attain their economic demands. The military coup of 2010 and the coup of 1999 indicate that the army is willing to restore democratic rule once it has come under serious threat from civilian forces.

The only actors who actively undermine the democratization process are radical Islamic groups who have taken a strongly anti-secular and anti-democratic position. These groups are not new but their support is growing, particularly in rural areas. The growth in support for these groups can be attributed to the political upheaval of the last twenty years and the uncertainties that the democratic project has produced, which has led to a loss of trust in the secular state and its institutions. The principles of a free market economy are not under threat in Niger, but privatization has been slow because state-owned companies have the reputation of turning low profit margins after purchase.

In the past, the military was the most powerful anti-democratic force in the country. However, the military’s behavior in the aftermath of the 1999 and the 2010 coups, when it supported democratic change, indicates that it has redefined its role. To what extent its new roles accepted by all officers, as well as rank and file, is unclear, though. The military’s pro-democratic attitude could be rooted in the generosity of the Tandja government (2000 to 2010) towards the military. The Issoufou government has also strived to keep the military loyal, recently announcing salary increases and better equipment for the armed forces. Still, many analysts see the military’s adherence to democracy as fragile. Other anti-democratic actors include Islamic groups and self-interested politicians. Islamic groups continue to oppose political liberalization, especially with regard to the rights of women and with regard to secularism. And although the political class as a whole has accepted previous election outcomes, powerful self-interests still have the potential to override democratic principles.

The current political leadership clearly prevents cleavage-based conflicts from escalating.

Although all political parties have regional and ethnic strongholds, no party excludes members of individual communities. All political leaders show their commitment to Islamic traditions, yet all accept the secular state. The growing cleavage in Nigerien society is between the urban secular society and the increasingly radicalized rural poor. People in rural areas have been marginalized, both politically and economically, since the early 1990s. While some progress has been made on this front, the urban-based political elite still tends to disregard rural needs. This neglect accounts for the growing rise of radical Islam in rural areas and, consequently, a
growing rift between rural-based radical Islam and the urban-based secular political elite. In recent years, there has been conflict between radical Islamist groups, such as Boko Haram and AQIM, with Niger’s security force, demonstrating the destructive potential these groups hold over the Nigerien state.

The Issoufou government is making efforts to prevent tensions from escalating. The administration has emphasized inclusion, both with regard to marginalized groups as well as with regard to the opposition. It named a Tuareg prime minister, which was an important and symbolic act, though it is clearly not enough to end the tensions between the Tuareg minority and the central government. The government has also reached out to civil society and to the opposition. In addition, some members of Issoufou’s government are advocating the formation of a government of national unity. Hence, the Issoufou government has demonstrated a commitment to political and social cohesion, facilitating a concerted effort to modernize the country’s economy and liberate the political system from dissent.

Overall, the impact of civil society in everyday political life is low. At times, however, the political leadership has taken the advice of civil society into consideration when formulating policy. In 2010, for example, when the government was drafting the new constitution, civil society groups were invited to give their opinions on the draft. More recently, the World Bank and the government consulted with civil society about the content of the poverty reduction strategy, which will be in place for four years.

Various civil society groups have been taken a stand against rising food prices, which led to several rounds of talks between the government and civil society groups. It should be noted, however, that civil society is only included in policy-making when political survival is at stake, or when the inclusion of civil society groups is advocated by Western donors. The truth is that links between civil society groups and political parties are weak and the relationship between the political class and civil society leaders is characterized by mutual mistrust. Recent calls by President Issoufou for civil society to play a more active role in political life is a positive step, but will not change the overall situation.

Since the end of dictatorship, reconciliation between perpetrators of crimes and their victims has never been addressed in earnest. This applies to the victims of the Kountché regime (1974 – 1987) and the Maïnassara regime (1996 – 1999). The attempts by the National Conference in 1991 to identify previous political and social injustices resulted in the humiliation of the army, which was one cause for the 1996 coup. Perpetrators enjoy impunity while victims have no serious recourse. Various governments have emphasized new political beginnings and, in doing so, deliberately overlooked justice.
The Issoufou government has made some attempts to rectify these mistakes, at least regarding the deprivation of certain groups. In December 2012, as mentioned earlier, it offered the formation of a government of national unity to the opposition. During the course of 2012, the government announced a new development program for the Tuareg part of the north, which is said to be worth $2.5 billion. So far the economic plight of the Tuareg community has not been addressed by any previous government. In January 2013, Issoufou warned that a new Tuareg rebellion in the northern regions cannot be ruled out given the unfolding situation in Mali. The appointment of Brigi Rafini as Prime Minister – the second Tuareg to hold this position – had great symbolic value, though this should not be overemphasized. In the country’s authoritarian past, Rafini served in key administrative positions. Some media sources speculate that the decision by the Appeal Court in May 2011 to release former President Tandja from prison was a result of President Issoufou’s interference. Allegedly his intention was to reach out to the many pro-Tandja forces in the country.

17 | International Cooperation

World Bank data for the last ten years show a rapid increase in development aid to all sectors of the government. In addition, Niger benefited extensively from debt relief offered under the HIPC Initiative. In March 2008, the country also qualified for the Millennium Challenge Account. Meanwhile, development indicators, such as the MDGs, show that there has been no progress with regard to development goals. Instead, much of the influx of foreign aid (in particular the increase in the budget that is due to debt relief) has simply gone into financing the civil service and keeping the military happy. This is still the case under the Issoufou government. One of its first initiatives was to increase in salaries of public sector workers and soldiers.

While the salary increases have resulted in political stability, such expenditures do not constitute ineffective use of resources. At the local level, the government often fails to inform the population about the benefits of development programs – a situation that is perpetuated by high rates of illiteracy. In contrast to many other African countries, Niger does not have a development strategy in place for promoting economic growth and the prosperity of its population. At the same time, the government has been open to external advice and some development programs – in particular the fight against extreme poverty and against famine – have been somewhat successful. The Issoufou government works much closer together with international NGOs and the international community in order to mitigate the consequences of recurring droughts. Overall, however, short-term expediencies and rent-seeking behavior hamper the effective use of available support.

The peaceful and democratic transfer of power from the interim military government to the newly elected civilian government strengthened Niger’s reputation at the regional and international level. The Issoufou administration clearly enjoys...
international legitimacy and was able to attract generous development packages from Western donors. Niger has also strengthened its credibility by demonstrating its commitment to a multilateral solution to the evolving crisis in Mali (and supports the ECOWAS intervention with 500 troops).

Niger is a charter member of the African Union and the West African Economic and Monetary Union. It belongs to the Niger Basin Authority and the Lake Chad Basin Commission, the Economic Community of West African States, the Non-Aligned Movement, and the Organization of the Islamic Conference.

Once elected, Issoufou’s government sought close relations with Niger’s immediate neighbors. Its foreign policy towards Mali is in line with other ECOWAS nations. Since the return to multiparty democracy, therefore, Niger’s reputation is where it was before the constitutional crisis of 2009.
Strategic Outlook

Although the last two years were characterized by political stability, Niger continues to suffer from the same economic challenges that led to the implementation of the first structural adjustment program thirty years ago. Since then, little progress has been achieved.

The majority of the population remains both politically and economically marginalized. As an agricultural nation subject to drought, the main determinant of economic well-being is still the weather. Corruption in the public sector is endemic. Radical Islamic groups penetrate the hinterland. On its own, the Nigerien state is unable to move ahead.

Concerning social development, Niger is trying to achieve the Millennium Development Goals, but progress has been slow due to low state capacity and the embezzlement of funds. Therefore, the anti-corruption initiative of the government needs to be supported and monitored by the donor community. The government and the donor community should also insist on the inclusion of civil society when drawing up anti-poverty reduction strategies. Anti-poverty strategies also need to be accompanied by improvements in state capacity and better monitoring of aid flows. In it also crucial that all sectors of the educational system be overhauled.

Economically, the new government should design a long-term strategy. This should include ideas of how to diversify the economy and how to make the country’s economy less dependent on the export of uranium and oil. It also should include ideas on how to rebuild the country’s insufficient infrastructure.

At the political level, state institutions ought to be strengthened. In particular, the judiciary needs better equipment and more personnel. In its first two years in office the Issoufou government has respected fundamental civic rights. The donor community should continue to support the new government but not fall into the same trap of providing support without regular systematic evaluations of what has been achieved with this support. Niger benefited greatly from HIPC relief yet the released funds ended up in state coffers.

Finally, the international community should realize that Niger can play an important role in stabilizing the Sahel zone and in contributing to peace and stability in Mali. Harnessing this potential would require development initiatives in the underexplored northern regions of the country. To curb the spread of radical Islam, rural areas need to be included in policy planning. Otherwise, the central government will continue to lose the rural population to Islamic welfare associations. Likewise, to mitigate the influx of radical Islamic groups from outside the country, Niger also needs military help in securing its porous borders with Nigeria, Algeria and Mali.