

Benin

Status Index (Democracy: 3.4 / Market economy: 2.6)		6.0	Management Index		5.7
System of government	Presidential Democracy		Population	6.4 mill.	
Voter turnout	n. a.		GDP p. c. (\$, PPP)	980	
Women in Parliament	6 %		Unemployment rate	n. a.	
Population growth^a	2.7 %		HDI	0.411	
Largest ethnic minority	25.2 %		UN Education Index	0.42	
			Gini Index	n. a.	
Data for 2001 – if not indicated otherwise. ^{a)} Annual growth between 1975 and 2001. Source: UN Human Development Report 2003.					

1. Introduction

When Mathieu Kérékou—former putschist and the head of state in Benin’s one-party, Marxist-Leninist regime from 1972 to 1990—won the country’s second free presidential election in 1996, his victory evoked many fears over the future of political and economic transformation, a transformation that had begun so promisingly with the National Conference in 1990. Two years after the beginning of Kérékou’s second democratic presidency (he was re-elected in 2001), it may be stated that the worst has been averted and that essential transformational achievements have been preserved.

With the return of Kérékou and his team, however, the country lost that dynamic formative power by which it had distinguished itself in the past. The international donor community, which has been involved in Benin on a massive scale since 1990, has been pressing, with a constantly decreasing likelihood of success, for the implementation of overdue key reforms in the social and economic spheres. The still-admirable stability and peacefulness of the political process will depend in the medium term on these reforms’ success.

2. History and characteristics of transformation

In the recent history of transformation in Benin, the economic and political transformations were nearly simultaneous. While the country’s political transformation is a regionally and internationally celebrated success story, the consolidation of economic reforms still raises many questions. During the first decade of Benin’s political independence, the country’s political development was marked by great instability and a total of six military coups.

In 1972 Mathieu Kérékou, then a young lieutenant, seized power, and within the next few years he installed one of the few formally Marxist-Leninist systems in Africa. The regime went bankrupt toward the end of the 1980s as the flow of aid from the communist bloc evaporated. Its coffers empty, the regime collapsed within a few weeks, and in the now famous National Conference (February 1990), civic forces laid the foundation for a radical change of system.

With the first free elections in 1991, these forces were able to hold their own on the political stage. The essential democratic institutions were established, and the newly founded Constitutional Court quickly gained in stature. The new institutions even survived the return to power of Kérékou, who won the presidential elections in 1996 with the support of part of the original, now divided anti-regime coalition. Kérékou was confirmed in office in 2001 in a controversial election boycotted by all of the important opposition candidates. The presence of Kérékou—formerly Marxist, now a born-again Christian and increasingly weak—as head of state has changed little in the functioning of the country’s democratic institutions, which by African standards is exemplary.

Once Marxism-Leninism had been overcome in 1988-1989, a phase of economic structural reforms began, supported with massive financial aid from the donor community, that may in principle be considered successful. Investment programs in the social infrastructure complemented trade liberalization, budget-restructuring measures and an orientation toward growth. Responsibility for this rests with former President Nicéphore Soglo, during whose administration (1991-1996) radical reforms were introduced.

Contrary to bleak predictions, the current head of state has not turned back the clock of economic history, although the reform process is in fact stagnating. While growth targets continue to be met, structural reforms—encouragement of the private sector through reforms in taxation, foreign trade and investment promotion; privatization of state enterprises; civil-service reform; and deregulation of prices—have fallen short of expectations.

3. Examination of criteria for democracy and a market economy

3.1 Democracy

Following rapid progress in the first half of the 1990s, the political transformational process stagnated during the period of observation. The most substantial obstacles to transformation involve the rule of law and the integration of social and political actors.

3.1.1 Political organization

(1) *Stateness*: In Benin there are no impairments to the state's monopoly on the use of force. Recurring rumors in the 1990s of rebelling military officers near the border with Togo proved unfounded. There are also very few problems associated with political citizenship. This is all the more astonishing given Benin's traditional ethnic/regional tripartition, which would readily suggest the exploitation of this issue, as is the case in many neighboring states.

There is full separation of church and state, and the president has traveled a long way from revolutionary Muslim to rebaptized follower of a Protestant Free Church. Ethnic or religious violence is nonexistent. There are deficits only with regard to basic administrative structures. The state is present throughout the national territory only with basic infrastructure, but long delays in decentralization (local elections did not take place until December 2002) have hindered the effective use and expansion of this infrastructure.

(2) *Political participation*: Within the sometimes-precarious context described above, free and fair elections for all national and local elections do take place. The power to govern is vested entirely in the elected representatives, and with the former supreme commander of the armed forces as head of state there is little danger of that separate power structures will be carved out of the state. Restrictions on freedom of association and assembly occur only sporadically, as when demonstrations by former President Soglo's *Renaissance Benin* were violently dispersed in the run-up to the local elections; trade union activities are obstructed as well. Draconian press laws have severely restricted the role of the independent media, but the basic principles are not questioned, and the private press landscape remains extremely dynamic.

(3) *Rule of law*: Not only is the separation of powers constitutionally secured, but it has to a large extent also been realized in practice, thanks especially to a Constitutional Court that has declared even presidential decisions null and void. It must be added, however, that in practice Parliament, which over the last decade has often been dominated by the opposition, has seen its authority structurally negated by emergency executive orders from the president (for instance, in budgetary matters).

Judicial review represents the sunny side of Benin's political institutional structure; the judicial system on the whole is its dark side. Ever since the witch hunts of the socialist years (when in 1981-1990 people's courts were set up at all levels in parallel with the normal jurisdictions) the judicial system has been regarded as heavily politicized, bureaucratic and venal. It is a severely underfinanced sector. There is one judge for every 30,000 citizens, for many of whom the nearest court is hundreds of kilometers away. The wording of many laws is antiquated; the criminal code in effect in Benin (*Code Bouvenet*) dates from 1877.

Corruption is also a serious problem. Kérékou had made the “moralization of political manners” and the battle against corruption his campaign theme in 1996. Beginning in December 1996 there were a *cellule d’assainissement de la vie publique* in the presidential palace, numerous investigative commissions and the *Forum national contre la corruption* (1998) supported by civic actors. Financial audits were placed in the hands of international firms. Several managing directors were arrested, and regular purges were carried out on a massive scale in the judicial system and state enterprises, including in the harbor administration. Nevertheless, corruption remains endemic. Civil rights are granted without restriction, though in a country marked by illiteracy and social clientelism the ability to effectively claim individual rights in rural areas has no absolute guarantee.

3.1.2 Political patterns of behavior and attitudes

(1) *Institutional stability*: Institutional interactions at the national level produce considerable losses through inefficiency. This is especially true of relations between Parliament and an all-powerful president (see above). The budgets for 2002 and 2003 were in the end passed by presidential decree. Much also remains to be done for the nationwide development of an efficient system of justice and administration. There is no discernible resistance by relevant actors (including the military) among the national elites, although during the most recent local elections the government apparently did resort to unfair means to prevent former President Soglo’s election as mayor of Cotonou. In the past Kérékou had already disregarded constitutional norms in certain particulars, as when he appointed a prime minister not provided for in the constitution.

(2) *Political and social integration*: Benin has an extremely fragmented and weakly institutionalized system of political parties (index of effective parties: 6.4), but the system is not excessively polarized. There are officially 160 parties in a population of approximately 6 million. There is also a high degree of volatility at the party level; however, if one considers the regional bosses and political leaders behind the shifting party alignments, the ethnically and regionally shaped interaction patterns appear far more stable, which leads one to suspect that informal networks exert a stabilizing influence.

Forming coalitions at the parliamentary level is extremely difficult. Interest groups are also fragmented and, as far as formal organizations are concerned, they are with few exceptions relatively marginalized and without influence on the political process. There are few vestiges left of the massive mobilization from the days of the National Conference. This does not mean that antidemocratic currents are dominant in the society. The social capital of the many agricultural developing societies in particular is considered high; this social capital is also considered the principal explanatory factor for the peaceful change of system, which occurred

without a single death. It is seldom deliberately brought to bear in the formulation of local or national policy, however, but is more likely to remain defensive (as protection against the state, tax levies, etc.), or to be used to further informal economic activities (such as the smuggling trade with Nigeria).

There are no survey data on attitudes toward democracy, but the Beninese are extremely proud, and justifiably so, of their politically pioneering role (they were long regarded as the Cinderella of Francophone Africa), and acceptance of democracy is extremely high among the elites. In the face of a multiplicity of parties, the steady discourse of *changement* and informal coalition-formation processes that have little transparency for citizens, growing apathy can be observed. By the beginning of November 2002, only 20 % of eligible voters had registered for the local elections that were to take place at the beginning of December. Up to now the massive influx of external aid as a democracy premium has averted protests about overdue “returns” from the change of system, even though privatization has brought about dismissals in the public sector.

3.2 Market economy

Benin has made progress in the transformation of its economic system, especially in macroeconomic stabilization. However, certain structural reforms—in particular, encouraging the private sector, privatizing state enterprises and reforming the civil service—have yet to occur.

3.2.1 Level of socioeconomic development

Benin is among the world’s absolutely poorest countries. 34 % of the population (60 % in rural areas) lives in absolute poverty, and despite favorable macroeconomic background data, the government lacks a clear program to remedy the existing disparities. Women and young people without educational qualifications are especially affected by poverty. Because of an education sector that is not oriented to demand, the illiteracy rate is higher than average, even by African standards, and stands at 61 % (77 % for women). Benin’s intellectuals, on the other hand, have been considered the intellectual elite of Francophone Africa since colonial times.

The structural disadvantages faced by women—both politically and in terms of education, access to land resources, employment and compensation—have changed little in recent years. The northern part of the country (in particular Atacora Province) is also structurally hindered in its development by weak infrastructure.

3.2.2 Market structures and competition

Against the opposition of numerous donor countries, the government continues to subsidize the cotton sector so strategically important to the state budget, by maintaining a procurement price fixed by the government. Privatization of the state-owned marketing company for the cotton sector has made no progress. The basic rules of a market-based competitive order have been in effect since the beginning of the 1990s, but are inadequately enforced in certain areas. Informal trade with Nigeria and Togo, which contributes substantially to the national income, takes place outside the formal economy (and outside the rules that apply within it). The industrial sector is, by the standards of the Economic and Monetary Union of West Africa (UEMOA), not very competitive.

The foreign-trade regime is essentially defined by the provisions of the UEMOA zone's customs union. These provisions went into effect in January 2000. Though Benin has granted itself certain regulatory exceptions to protect its faltering industry, on the whole it possesses the most liberal foreign-trade regime in Western Africa and the one with the lowest duties. After the bankruptcy of the state-owned banking system in 1988 provided a substantial contribution toward system change, the financial sector was liberalized, starting in 1990, and foreign banks have (since 1995) become firmly established in the country.

There is an effective banking-supervision agency. The first indications of a crisis appeared in connection with the privatization of SONACOP (the marketing company for oil products), as audits of two major banks brought to light not only a poor financial situation, but also numerous violations of accepted standards. The first Beninese banking company (Bank of Africa–Benin) has been listed on the stock exchange in Abidjan since 2000.

3.2.3 Stability of currency and prices

Benin belongs to the African Financial Community (CFA) zone, whose currency is firmly pegged to the euro. The rise in prices following high inflation rates (37.4 % in 1994) in the aftermath of the CFA devaluation is under control, and fluctuates slightly between 4.2 % (2000) and 3.1 % (2001). Reducing the budget deficit was the core mission of economic policy in the 1990s. Budget management is efficient, which is astonishing given the high level of corruption. In 2001, 86 % of budgeted expenditures were actually executed.

Under the influence of the Bretton Woods institutions, financial management and the financial sector have undertaken serious efforts toward reform in recent years through, among other things, substantial decentralization. Primary responsibility for this rests with Abdoulaye Bio Tchane, the former Minister of Finance and Economic Affairs, who has since been acting as the director of the Africa Department of the IMF. Benin is one of three countries worldwide selected by the

World Bank for implementation of the Public Expenditure Reform Adjustment Credit (PERAC), which has set extremely precise conditionalities.

3.2.4 Private property

The planned economy is a thing of the past, but a dynamic private sector has failed to develop nevertheless. Along with bureaucratic inefficiency, the inadequacy of provisions for safeguarding investments is responsible for this development. The corrupt and cumbersome judicial system continues to suffer under the stigma of the revolutionary people's courts and witch hunts. To this may be added conflicts between codified and traditional law as applied to land ownership, conflicts that particularly impede the acquisition of land. Privatization is the great problem child, and the government sees the source of the problem not only in the trade unions—which have traditionally been relatively strong—but also in the numerous elections and the effective democratization of the decision-making process. (Soglo's electoral defeat in 1996 is—falsely—attributed to the privatization of SONACOP, the marketing company for oil products.) Undoubtedly, however, bureaucratic obstacles and clientelistic interests should be mentioned first.

By the time the system was opened up, the entire economy had been nationalized. Benin inherited an active trade union sector from its socialist days. Although more than 100 state-owned enterprises have been privatized in all since the first structural adjustment program (SAP) was signed in 1989 (for a total of CFAfr 423 billion), the companies that are most important economically were not among them, with the sole exception of SONACOP. In particular, postal and telecommunications services, water and power distribution (SBEE), the textile sector (COTEB), the railroad (OCBN), and the airport have been awaiting privatization since 1989; in some cases the process (i.e., an appropriate bill in Parliament) has yet to be initiated.

All of these companies are heavily in deficit, and donors have refused further loans to the heavily indebted state-owned enterprises until the government demonstrates a serious commitment to privatization. But Kérékou has given numerous political friends directorships, as rewards for helping him win re-election in 1996 and 2001. Now Kérékou must avert their repudiation. Former Minister of Finance Bio Tchané has also made public the extent to which various political heavyweights have in some cases blocked one another in contending for contract awards, in the end preventing a decision, and by extension preventing the actual privatization.

3.2.5 Welfare regime

Social networks organized by the state have always been meant only for those employed in the civil service (SMIC). The greater part of the population, active in agricultural export and subsistence production, must rely on the protective structures of informal social networks of family and clients. The necessary task of poverty reduction is approached with international aid programs, but only modest progress has been made in the health care and education systems in rural areas. Despite great ethnic heterogeneity, no one is at a disadvantage for ethnic reasons in access to higher education and the civil service.

However, women and girls in fact do remain at a disadvantage in their educational opportunities; there is a 41 % gap between the school enrollment rates for boys and girls. The government has long balked at dismissing state employees, a fact that (together with the delays in privatization) even led to the interim suspension of an IMF loan in 1998. When the government agreed in January 1999 to do away with automatic annual salary increases, loan disbursements were resumed. The number of state employees, not including the military or diplomats, was reduced from 37,200 (1989) to 30,500 (1999).

3.2.6 Strength of the economy

As measured by the official figures and the IMF's verdict of July 2002, the economic situation is "good," and the progress made in recent years is "satisfactory." Growth has been steady at slightly more than 5 %, and inflation and the budget deficit appear to be under control. The official figures should all be considered with reservations in Benin, more so than in the neighboring states. The scale of the informal economy (of trade especially) is immense and can scarcely be estimated. Growth depends relatively little on private-sector development, but much more on good harvests and movements in international cotton prices—as well as on the volume of international aid, with which numerous public investments are financed. Economic growth therefore remains "artificial." The debt service ratio has fluctuated in recent years between 12 % and 16 %. Benin has honored all of its obligations and has been rewarded with several debt restructurings as a result. It profited in July 2000 from the HIPC (heavily indebted poor country) initiative (remission of \$460 million), although it must still obtain approval for its Poverty Reduction Strategy Papers (PRSP).

The trade balance is structurally in deficit, as Benin imports roughly 10 times as much as it exports. In reality, however, the bulk of the imports are re-exported to neighboring countries through informal channels; for example, less than 15 % of automotive vehicles imported to Benin are licensed there. Thus it is not surprising that with increasing trade there has also been a steep rise in the deficit. It is suspected that illegal imports and corruption together cost the state CFAfr 60 billion annually in lost revenue, not including illegal re-exports to Nigeria. Cotton

accounts for 72 % of exports and goes primarily to India, Indonesia, Thailand and Morocco, where it is processed further.

3.2.7 Sustainability

Ecological compatibility is not anchored in political institutions, and economic and social actors do not recognize its justification. The shrinking of old-growth forests, degradation of agriculturally useful land, overfishing, air pollution and coastal erosion attest primarily to the inability of governmental management to design policy for the future or to implement decisions in this area administratively. The donors and the government have invested heavily in primary education, and over the last 10 years they have also achieved an improvement in the pertinent indicators in that field. Occupational training has also come to receive priority under development policy. Research and development takes place only in a few think tanks sustained by donors.

4. Trend

(1) *Democracy*: After the promising new beginnings of the democratic “pioneer,” the last five years have seen a certain stagnation in the process of democratic consolidation. State identity and political participation (both at a high level), as well as the rule of law (at a somewhat lower level), have maintained their existing qualitative levels. The level of consolidation also remains substantially unchanged, though it has tended to deteriorate more than it has improved (implementation of decentralization remains to be seen). Benin could serve as the classic example of the limits of consolidation within an African context, where stronger institutionalization, particularly of political parties, and a more systematic integration of social actors in political decision-making processes encounter structural boundaries that cannot be overcome without fundamental socioeconomic changes, but where at the same time no actor questions democracy any longer as the principal regulating agent for peaceful conflict resolution and changes of government.

(2) *Market economy*: Basic development indicators for the period reflect minimal improvement in a low level of development. Most social indicators registered a clear rise between 1990 and 1998, though they rose from what was a very low level to begin with. The HDI rose by 12 % between 1992 and 1998, and with certain indicators, such as a drop in infant mortality (by 25 % between 1989 and 1999), Benin had the greatest success in all of Western Africa. The indicators have stagnated since the middle of the 1990s.

Table: Development of socioeconomic indicators of modernization

	HDI	GDI	GDP Index	UN Education Index	Political representation of women	GDP per capita (\$, PPP)
1998	0.411	0.391	0.36	0.40	6.0%	867
2000	0.420	0.404	0.38	0.40	6.0%	990

The basic institutional conditions, following distinct improvements during the Soglo administration (1991-1996), have also not developed further. Contrary to initial fears, even Kérékou and his government, in which numerous Marxist-Leninist comrades-in-arms of old hold positions, have refrained from undoing essential *acquis*. Desired progress in, for example, the judicial sector, decentralization, privatization, investment protection and civil-service reform has either not occurred or has not even been envisaged.

Overall economic development, as measured against the classic macroeconomic data, has improved markedly in quantitative terms. Per capita income increased by 1.7 %, on average, between 1989 and 1999. In qualitative terms, there has been recognizable progress, especially in the management of public budgets, but it remains evident that positive overall economic development is based primarily on economic developments in the global market, the strong support of the international donor community and favorable climatic conditions, and not on improved, more diversified economic facilities for the country.

Table: Development of macroeconomic fundamentals (1997-2001)

	1997	1998	1999	2000	2001
Growth of GDP in %	5.7	4.5	4.5	6.1	5.8
Exports (f.o.b.) in \$ billion	424	414	228	186	209
Imports (c.i.f.) in \$ billion	577	573	474	438	455
Inflation in % (CPI)	3.7	5.8	0.3	4.2	3.3
Budget deficit as % of GDP	4.2	0.9	1.1	3.5	3.0
Current account balance in \$ billion	-154	-132	-181	-182	-158

Source: Various issues of the Country Report Benin, Economist Intelligence Unit.

5. Transformation management

5.1 Level of difficulty

There are numerous and sometimes contradictory challenges confronting transformation management in Benin. Benin is a bitterly poor country; owing to selective support of its cotton sector and thanks to its harbor (which has profited from political turmoil in Nigeria and Togo), it experienced astonishing growth, beginning in the late 1980s. The country was able to increase its GNP per capita (PPP) steadily to \$990 (2000 figure).

Despite such progress, its HDI and GDI values remain at rock bottom. Moreover, Benin is a society of great ethnic heterogeneity, and a society that in the past has been heavily politicized (though not its social conflicts, despite all the Marxism-Leninism, or *laxisme-beninisme* as it was referred to in Benin). The administrative and judicial systems remain relatively inefficient and corrupt. At the rural level, on the other hand, it is evident that the society has the considerable social capital of peaceful coexistence and traditions of community-oriented nongovernmental organizations (NGOs) to build on. This social capital has led to strong acceptance of democratization.

5.2 Reliable pursuit of goals

The donor community has repeatedly questioned the capacity of the present government (under President Kérékou) for strategic planning. Following the presidential elections in 1996, an entire year elapsed before the president presented his government's program (*programme d'action*). Even the manner in which the PRSP were handled speaks volumes: The government presented the World Bank with virtual copies of its policy statement twice in succession without developing ideas or visions for future strategies or priorities. One could say that international donor circles are attempting to take charge of strategic planning in the government's stead.

Though no one doubts the necessity of further reforms, there is as yet no coherent strategy that binds different sectors together and anticipates bureaucratic and political opposition. Politics in Benin consists more in exploiting the weaknesses of one's opponents (about which Kérékou is very much in the know after 30 years of governing) than in constructive and proactive intervention. The President is personally modest—Benin does not have its own presidential aircraft, for instance—but he appears to take a greater interest in the hereafter than in the earthly needs of his compatriots. Though the political system is adequately consolidated, legal certainty and stable, basic economic conditions are not assured.

5.3 Effective use of resources

Since its democratic opening, Benin has had access to considerably greater resources, particularly in the form of loans from international aid programs. Three structural-adjustment programs (SAPs, 1989-1997) were followed by an enhanced structural adjustment facility (ESAF, 1997-1999) and a poverty-reduction and growth facility (PRGF, 2000-2002); PRSPs are expected.

How efficiently has the government applied these resources? Donor organizations have become much more skeptical than they were even as late as the mid-1990s. On the one hand, the administration's technical competence in controlling basic macroeconomic conditions has clearly improved; on the other hand, political will is presently insufficient for the structural reforms that are needed to enable a truly effective use of resources. In this connection, one might mention in particular the inability to limit illegal trade, the long-blocked decentralization (the first local elections did not take place until 12 years after democratization at the national level), the likewise long-obstructed modernization of the civil service (recruiting, career model) and a judicial system still in need of reform.

Effective reform initiatives are difficult to imagine under the present government. The public services provided in recent years (particularly human resources in health and education) have been of central importance to economic growth. Most of these public services were donor-financed. In such other areas as the protection of property rights or the battle against corruption, a whole series of steps has yet to be initiated, although efforts on the part of the government and civil society to take action are clearly evident. Cultural legacies may be of functional importance to social stability, but the government does not make conscious use of them.

5.4 Governance capability

As explained above, policies that would place stakeholders' interests in question are not to be expected at this time. Politics functions according to an elaborate system of personal alliances in which loyalty to individuals ranks much higher than policy-making committed either to the general welfare ("development") or even just to clearly defined ideological or sectoral interest groups. The government is therefore well aware of the distributive effects of its policies, although at the same time it is seldom concerned with the efficient control of production factors.

After the government failed to ensure for itself a lasting majority in Parliament (since numerous opposition parties are, in principle, against privatization or reforms in the public sector), its authority to pursue the reforms further has been extremely limited. This harsh judgment applies not only to the aging head of state, but also to many of his ministers, who use their ministries in a relatively populist (and in any case shortsighted) manner to serve clientelistic or personal interests.

The political-administrative system is already overtaxed in processing and coordinating the various political inputs connected to external financing. In such a context as this, complex learning or political wisdom in choosing individual reform instruments is not to be expected of the actors.

5.5 Consensus-building

In Benin there are no longer any significant actors who would question the goal of a consolidated liberal-democratic order. The Communist Party has long since disappeared, the military is loyal, and to date the social contract of the National Conference (February 1990) has not been called into question. At the local level there are still established actors who would be unlikely to have much interest in a radical democratization of local politics, and it remains to be seen to what extent the decentralization that has finally been ushered in will give rise to new conflicts, or threaten the approval of democracy by social actors.

How things stand with the market economy is far more complex. Very few actors in Benin have a clear conception of it, and they may reject SAPs or individual elements of SAPs. This does not mean, however, that they reject the free-market order as such, as the flourishing informal trade demonstrates. In a country such as Benin, the international aid organizations are in a sense the most important veto actors, and extremely powerful ones at that. One would be completely justified in doubting whether they are all similarly pulling for a free-market democracy, but there is a vague consensus on the principal goal.

Since the days of the National Conference, consensus has been elevated to the level of a national religion, and it is indeed thanks to the political elites that the lines of ethnic/regional conflict that were once so crucial have largely ceased to be politicized, or in any case have not been reinforced. There is more than enough willingness to show solidarity in African states, but reciprocity may be achieved only within the family or ethnic groups.

The government is not in a position to influence these processes significantly. In any event, the much-cited consensus at the national level is not fed directly by the social capital present at the micro-level. Benin's political class has handled a reappraisal of its inglorious past in a manner that is also typical of Africa. (In the 1980s, Benin had the most political prisoners of any Western African country, and had a type of concentration camp in the north.) Kérékou received absolution through his voluntary withdrawal from power and in 1996 was re-elected in democratic elections with the support of numerous former opponents of his regime. There was not a single conviction or punishment for crimes, and the former opposition politician Adrien Houngbedji, whom Kérékou had twice condemned to death and who had barely escaped an execution, offered Kérékou his services in 1996 as prime minister.

5.6 International cooperation

The strong support from abroad has been mentioned several times above. Benin's bold pioneering role has gained it a sort of "democracy premium," and it has derived maximum profit from the new situation through extensive cooperation with the World Bank and the IMF. This aid was in fact used principally for the political and economic transformation, but it was also used selectively on an individual basis to overcome domestic political obstacles (privatization). The government therefore has an excellent standing in the international donor community, despite the growing skepticism of some donors regarding the sustainability of the economic reforms and the sluggish pace of decentralization.

Cotonou has become a hotbed of numerous regional organizations and of many donors' headquarters. The culmination was the summit conference of the ACP (African, Caribbean and Pacific Group of States) in 2000, at which the Lomé Convention was renamed the Cotonou Agreement (the meeting was at first supposed to take place in Lomé, then in Fiji, neither of which seemed a politically opportune choice). Benin is an active partner in both the Economic Community of West African States (ECOWAS) and the UEMOA, and it endeavors to implement all joint decisions.

6. Overall evaluation

In view of the originating conditions, current status and evolution achieved, as well as the actors' political achievements (management), this assessment comes to the following concluding evaluations:

(1) Originating conditions: If one limits oneself to the observation period chosen for this report, a period that, by and large, coincides with the period beginning with Kérékou's re-election, then Kérékou found far better starting conditions when he reassumed office than he had left behind in the wake of his first term. The democratic order had proved itself through a second transfer of power, and the state, in contrast to the many neighboring countries that descended into civil war or ungovernability, had mastered well the process of radical economic reform and of establishing new, pluralistic and competition-oriented political institutions.

The political class was able with its new beginning to fall back on long-exiled compatriots who had fled what had been Western Africa's Latin Quarter to Western universities and financial institutions. This intellectual potential, combined with the country's economic insignificance (powerful economic, domestic or foreign veto actors were lacking) provided for favorable basic conditions that were put to determined use for the double transformation.

The power configuration of old regime versus democratic opposition had already been broken in 1996 when large segments of the former opposition sided with

Kérékou before the second ballot in the presidential election. It would have required more than a few years to transform a completely bankrupt state with social indicators that were catastrophic—even by African standards—into a prosperous democratic market economy, but the massive influx of funds and favorable climatic and world economic conditions made Benin a top performer, with one of the fastest-growing economies in Africa.

(2) *Current status and evolution:* The decision-makers did not succeed in qualitatively broadening the democratic transformation. Although the *acquis* was not questioned, the presidential elections of 2001 ended in a fiasco after Kérékou's two most important opponents withdrew after the first ballot because of putative election fraud. There have been no recognizable efforts toward greater concentration and institutionalization in the political party system. Popular participation remains weak, and the necessary extension of the political reform process to the countryside would never have happened without strong and unrelenting pressure from donors.

Social actors have little influence in political and economic decisions. The political elites appear to be resting, as it were, on laurels that continue to be woven for them against a background of catastrophic regional developments.

The path of market-economy transformation has been far longer and thornier, and Benin is falling farther and farther behind. During the observation period, the positive momentum of macroeconomic development was maintained, and a reasonable budget policy was pursued. At the same time, however, little progress was made toward the structural reforms necessary for a free-market order.

(3) *Management:* The actors' relative management achievement must on balance turn out negatively. Given the favorable originating conditions, one cannot overlook the fact that opportunities were missed, and in the economic sphere especially there has been a lack of decisive, purposeful and conceptual leadership. A bad choice of leaders in high state office tends to overshadow restrictions on further transformation to a market economy that are more immanent and less dependent on personnel (lack of private sector traditions, the predominance of informal trade with Nigeria, endemic corruption).

Democratic stability was maintained in spite of weak managerial performance in the realm of domestic reforms. A small nucleus of excellent bureaucrats and politicians, working in alliance with the ever-watchful donor community, guarantees the steps to economic reform.

7. Outlook

The overall positive transformation picture underscores the assessment of many observers that Benin's transformation may be regarded as successful in principle. Along with the willingness of the autocratic regime to relinquish office without violence, the consensus of the political class and massive foreign support has been responsible for this success.

Since it is not to be expected that the parliamentary elections of 2003 will lead to a radical change in the political spectrum, one will have to wait until the end of Kérékou's term of office in 2006, when, according to the constitution in effect, neither he nor his historic opponents Soglo and Bruno Amoussou will be able to compete again (only Houngbedji may make one more attempt), and when they will make way for a new generation of decision-makers. By then it will be clear whether decentralization has left changes in the political process or has brought about more effective control of local resources and greater participation of broader segments of the population.

To Kérékou's successor will fall the task of tackling unfulfilled reforms in the administrative and political spheres (electoral process, party systems and party financing). The process of further economic reform, on the other hand, cannot wait until 2006. Here, much more than in the political sphere, further development will be contingent on variables that lie beyond Benin's managerial capabilities: political, economic and monetary-policy developments in Nigeria and the region, and trends in the price of cotton. It is to be hoped, in any event, that the donor community will maintain its pressure and in particular decisively support and guide decentralization, privatization and the reform of the judicial system.