

Guinea

Status Index (Democracy: 4.28 / Market economy: 4.11) 4.20		Management Index 3.86	
HDI	0.466	Population	9.0 mn
GDP per capita (\$, PPP)	2,097	Population growth¹	2.7 %
Unemployment rate	-	Women in Parliament	19.3 %
UN Education Index	0.41	Poverty²	40.0 %
		Gini Index	40.3 (1994)
Source: UNDP: Human Development Report 2005. Figures for 2003 unless otherwise indicated. ¹ Annual growth between 1975 and 2003. ² People living below national poverty line (1990- 2002).			

A. Executive summary

President Lansana Conté's poor health and the unexpected death of Togo's dictator Gnassingbe Eyadéma followed by a succession crisis in early February alarmed and confused both the government and opposition in Guinea. This series of events recalled the state of affairs in 1984 when General Conté seized power via a military coup following the death of Guinea's dictator, Sékou Touré. There are no clear provisions concerning succession procedure in the event of Conté's death or resignation due to poor health.

Indeed, nothing underscores the absence of democratic structures in Guinea more than the lack of succession planning and regulation. No official provision has been made to entrust a vice president, prime minister or the chairman of the National Assembly to serve as the interim president in accordance with the constitution. The military leadership renounced in public any intention of taking power in September 2004.

Guinea appears to be in a state of lethargy. While administrative work is carried out routinely, government management remains poor and prevents far-reaching economic and political decisions from being made. Figures in most socioeconomic sectors show a negative trend. The international donor community has reacted to Guinea's failure to satisfactorily implement democratic reforms and the Poverty Reduction Strategy Paper by suspending substantial payments.

However, negotiations with multilateral donors resumed in early 2005. Bilateral relations with partners have never been dropped—especially ties with Asian countries that have emerged without raising much attention.

Two serious threats to Guinea's stability, the civil wars in Sierra Leone and Liberia, ended in 2002 and 2003. In 2004, the conflict in the Côte d'Ivoire came to a fragile standstill as well. However, Guinea also profited from these

situations, as international organizations were headquartered in Conakry, aid deliveries to war-torn countries were directed via Guinea, the road between Bamako and Conakry was extended at the height of the Ivorian crisis and Mali's foreign trade re-directed. Nevertheless, hopes of reforms being resumed went unfulfilled once external pressure diminished.

For the most part, Guinea's government has failed to pursue a reliable policy of transformation, and there is little optimism for change in the near future. Changes at the top of leadership and external assistance are urgently needed. This includes both the donor community and the resources of hundreds of thousand Guineans abroad.

B. History and characteristics of transformation

Guinea's interior rather than its coastline provided the key attraction for France in the 19th century. The northern regions bordering the old kingdoms of Mali provided the greatest opportunity for raw materials such as peanuts, cotton and other plants. Guinea first began to attract more attention when bauxite and other minerals were discovered in the 1930s and after 1945, when France began foreign aid for its African colonies (FIDES). Due to mining needs, infrastructure received the bulk of investment. Consequently, in contrast to the Côte d'Ivoire, Guinea's national movement was built much more upon the rapidly increasing working class than the political class. The combination of a union movement with socialist tendencies, the memory of formerly powerful regions of Western Sudan, such as Old Mali and Songhai, and the glorification of the anti-colonial resistance all contributed to an explosive atmosphere that led to Guinea's refusal of French plans for a *Communauté Française* on September 28, 1958. This event concluded the first phase of transformation. France ended relations with Guinea and Guinea declared independence on October 2, 1958 under President Sékou Touré.

Fed by endless ideals, illusions and ideologies, a new era of transformation began. Dedicated to a vision of development determined by nationalist role models, Guinea's transformation aimed to eliminate the deficiencies of colonialism. Developing infrastructure and providing basic needs received primary attention. The Guinean government also sought an end to forced bilateral relations with France and form the core of an African community with Ghana and Mali. It failed, however, to consider the insufficient socioeconomic conditions, the enormous ethnic, economic and regional discrepancies, and the almost irreversible dependence on pre-existing world trade requirements.

Sékou Touré's rule grew increasingly dictatorial. Following his death in 1984, the armed forces seized power under Lansana Conté. A new democratic constitution in 1991 facilitated the gradual introduction of democracy and a market economy with the government-owned mining sector and other state or parastatal enterprises

receiving attention first. One decade later, hopes of democratic and economic improvement proved futile. Manipulated elections, oppression and intimidation had poisoned the political climate. The generosity of international donors toward the regime failed to result in improvement. Highly dubious parliamentary and presidential elections in 2002 and 2003 underscored the desolate state of affairs in Guinea under Conté. His illness and unwillingness to give up authoritarian rule have only aggravated the situation.

However, the impact of civil war in neighboring countries, particularly Sierra Leone and Liberia, has also frustrated transformation in Guinea. In 2001, nearly 600,000 refugees—many of them bandits and rebels—posed a serious challenge to Guinean security forces and exacerbated an already difficult social and economic situation.

C. Assessment

1. Democracy

In the period under review, there was only one important national election, generally accepted as flawed: the re-election of President Conté on 21st December 2003. Conté won after the opposition coalition's withdrawal on the grounds that the election was a farce. At the time this report was written, local elections were to be held in 2005, and preparations were underway. In spite of administrative decentralization, however, grassroots opinions seem unlikely to win any influence at the national level.

1.1 Stateness

The state's monopoly on the use of force is not challenged significantly. In spite of the great variety of ethnic groups, there are no movements for secession or regional autonomy. However, there is a plurality of security forces. Complicating the situation, however, is the large number of armed forces – both governmental and extra-governmental – that exists in the country. Aside from the army and police, the government employs presidential guards; a new municipal police force in Conakry and places enlisted – but unarmed – youth at the disposition of local authorities. Other risky groups include traditional youth organizations and secret societies – especially in the forest region – which have benefited from regional arms trafficking. Together with returned Guinean fighters and armed refugees from the neighboring countries who have gone into hiding, such groups provide an occasional menace to the local population.

The secular order of the state does not seem to be at risk. Indeed, Guinea, as a predominantly Muslim country (more than 90% of the population is Muslim),

exhibits greater secularism than other West African countries with a smaller percentage of Muslims.

The question of citizenship is clearly regulated, and ethnic and religious minorities are not denied civil rights. There is no serious discrimination against immigrants of the second or third generation. This is an essential difference from the country's neighbors: Côte d'Ivoire, Liberia and Sierra Leone. In recent years, as many as 600,000 refugees from Liberia and Sierra Leone have put considerable strain on the country's social and economic structure. While most of the original refugees have returned home, others have entered the country again because of the continuation of the conflict in Côte d'Ivoire. This may create a new challenge to Guinea, since at least two of the country's largest ethnic groups – the Malinke and the Peulh, both of which are traditionally Muslim – have some relations to the rebels of the northern part of the Côte d'Ivoire and their supporters in Burkina Faso.

Due to lack of infrastructure and capacity, administrative structures are unsatisfactory. Many decisions and actions remain incomplete and erratic, allowing for a significant degree of arbitrary action and corruption.

1.2. Political participation

Multiparty elections have been held regularly since the introduction of the constitution in 1991. However, elections have been neither free nor fair, and the ruling Party for Unity and Progress (PUP) and the President Conté exercise full power. Because the December 2003 presidential elections were marred by irregularities such as rigged results and an unbalanced electoral commission, they were boycotted by major opposition parties, the coalition of which is called Front Républicain pour l'Alternance Démocratique (FRAD).

The military is a significant actor because the president emerged from the ranks of the armed forces. Although disloyalty within its ranks (and within other sections of the security apparatus) cannot be ruled out completely, this seems presently to be under the control of the executive. The last mutiny, which resulted from poor payment, occurred in 1996. Extra-governmental armed groups, such as the secret societies and armed youth organizations may qualify as veto actors, albeit with limited influence.

Although groups and associations are allowed to assemble freely, the government can easily interfere or ban meetings or other collective forms of expression. Quite often, alleged irregularities are employed for such measures.

Guinea ranked 157th of 193 countries on Freedom House's Freedom of the Press Survey and was determined 'not free' with a rating of 71.

The political leadership's populist sensibilities in the realm of freedom of expression cannot be underestimated as this has enabled responses to certain events. As such, the media (including the *La Lance* newspaper and the *Lynx*, which emulates the *Canard Enchaîné*) has won some rights and played a significant role in the country, even if censored or banned from time to time. This was the case in November 2004 with *Le Quotidien*. The 'rival' of these papers is the government newspaper *Horaya*. Foreign television and broadcasting systems have become far more important. France Inter(national), TV 5, BBC, CNN, Voice of America or Deutsche Welle influence public opinion around the country and thus cannot be ignored by the state authorities.

1.3. Rule of law

The 1991 constitution mandates the separation of powers and the independence of the judiciary. The dubious quality of the 2003 elections, the concentration of power in the executive branch and the limited independence of the judiciary, however, all reveal that there are no effective checks and balances within the Guinean government.

In spite of its shortcomings, however, it must be said that the strong connection between expatriate Guineans and European or American lawyers, journalists, and NGOs hampers the government from overtly discriminating against accused or sentenced persons.

The judicial system is formally independent. However, the education of the personnel and the equipping of the courts suffer from considerable deficiencies. In numerous cases, the president or the ministries have put pressure on judges, attorneys and district attorneys' offices that resulted in foreign defenders being consulted for politically influenced trials, as in the case of Alpha Condé. In this particular trial, the federal prosecutors were unable to pursue investigations of human-rights violations (specifically, accusations of torture), because the justice minister refused to grant permission for such.

In spite of the repeated appointment of commissions to fight corruption, neither the executive nor the judiciary has managed to exercise effective control. Officeholders who have abused their positions are usually not brought to court. Even if their offenses are made public or reported to the police, they are often able to avoid prosecution, postponing the trial or stopping it altogether. Due to the authoritarian nature of government, however, no offender can be sure that they will not be "sacrificed" for the tactical benefit of the executive.

After a sixteen-year moratorium, the death penalty once again came into force in 2001, and has remained legal since then

While civil liberties are guaranteed on paper, those who seek redress for such violations in the official judiciary system cannot be sure to get sufficient support. Nevertheless, their own social network (traditional and family

authorities, religious groups, formal and informal institutions) is occasionally to help victimized parties to have their rights recognized.

1.4. Stability of democratic institutions

Institutions do not enjoy democratic legitimacy – indeed, Guinea’s “democratic” institutions are in reality part of its authoritarian regime. Rather than stability, the country has been suffering from a complete stagnation in all fields of policy and economy during the past two years. The main reason is the determination of the sick president and, in effect, his main followers in the PUP, to exercise power. The president is almost unable and reluctant to make any decisions due to the severity of his diabetes. He has not yet appointed any deputy or successor. Between April 2004, after the resignation of Prime Minister F. L. Fall and December 2004 when Cellou Dalein Diallo was appointed, the position remained vacant.

Political lethargy affects all institutions of the country; a standstill in public matters has created something of a “phantom stability.” Actions eventually taken by the government provoke dissatisfaction and even riots, as seen with the increase of rice and fuel prices or the nonfunctioning of water and electricity in Conakry and other towns. Guinea’s institutions, which are democratic in formal terms only, are scarcely in the position to take the political, judicial or administrative initiative to find solutions to such critical problems, much less to afford relief. As such, the government itself represents the most formidable obstacle to creating functioning democratic institutions in Guinea.

1.5. Political and social integration

The present party system does not give the population sufficient opportunities to express their political, social and economic interests. Although the mushrooming number of political parties and alliances may express actual needs, most have no serious influence on policy-making. The hegemonic PUP, which has won every election with sound majorities in since the introduction of the multiparty system in 1991, is seen a clientelistic coalition whose members and fractions are hardly qualified to aggregate societal interests. In the case that individuals or groups within this party tried to lobby for substantial and controversial demands, their actors may be excluded from matters of importance.

The lack of trust in governmental institutions is visible in the fact that, while a significant number of NGOs tries to find solutions for many social, cultural and economic questions, they do not typically desire a mediating role for reasons but tactical ones.

Guineans in the diaspora have very often founded or supported local or national NGOs, occasionally making use of traditional youth organizations or ethnic groups. Combined with their financial assistance from abroad they can mediate occasionally in local or regional matters. Altogether, the network of cooperative associations in Guinea is weak and many important social interests are underrepresented. Therefore, although reliable survey data does not exist, it is not surprising that the citizens' consent to democratic procedures is limited.

A disintegrative factor in Guinea, as in many other African states is the widening gap between rural and urban areas, between (newly) rich and poor parts of the population and – to a certain extent – a conflict between generations. The authoritarian character of the regime hinders the development of trust that cuts across different segments of society. Under these circumstances, social capital stands little chance to function as an integrative structural element.

2. Market economy

There has been no substantial improvement of the macroeconomic situation during the past two years. This lack of improvement – in particular on the insufficient implementation of the Poverty Reduction Strategy Papers (PRSP) – was seen negatively by international financial institutions. Again, this can be attributed to the half-hearted political will of the government.

2.1. Level of socioeconomic development

In spite of its natural wealth, Guinea ranks among the poorest countries in the world according to the HDI, at 160 of 177. Other indicators are also quite poor compared with more positive developments in previous years. No up-to-date figures are available regarding poverty. For the period between 1999 and 2001, 40% of the population lived below the national poverty line of less than \$2 per day (Gini-Index 1994: 0.40). Consequently, social exclusion is quantitatively and qualitatively extensive and structurally ingrained. The primary school enrolment, however, is surprisingly high, having increased from 25% in 1990/91 to 61% in 2002, after starting from nearly nothing in the early 1990s.

2.2. Organization of the market and competition

The market competition in Guinea functions under limited conditions. On the one hand, there is vibrant competition among foreign investors in the mining sector. Domestically, however, the efficient operation of business is disturbed by infrastructural and financial shortcomings.

The organization of the market is poor. According to the Heritage Foundation/Wall Street Journal Index of Economic Freedom (IEF), Guinea ranks 93rd of 161 countries. This level is almost unchanged from previous years. Six of its 10 components show poor performance. Competition in Guinea is of a twofold character. The influential foreign mining companies enjoy rather great freedom, following the colonial industrial interests and those of former president Sékou Touré's more or less socialist regime. Compared with other former colonies in Africa, the Guinean economy had a much stronger capital intensive secondary sector than those colonies whose GDP was based on the primary sector.

The primary work of converting the planned economy was concluded in 1995. Starting then, although there were interruptions created by putsch attempts and mutinies as well as the lingering of bureaucratic structures from the previous government, the main concern was creating better tools for the market-economy. As is visible in the rapid growth of the country's informal sector, this did not succeed. The state still controls large parts of the economy. According to the Economist Intelligence Unit (EIU) Country Profile 2004, vestiges of Sékou Touré's central planning bureaucracy have discouraged entrepreneurs and investors.

Nevertheless, great efforts were made during the early and mid-1990s to reduce or dissolve state owned companies and monopolies – such as Air Guinée and textile and food processing companies – or to privatize them. There is no outspoken anti-monopolistic policy; many remaining state-owned companies have been either fully or partly privatized. For example, 60% Guinea's telephone company is now owned by the Malaysian company Berhad, while the state retained a 40% share of ownership. However, competition is increasing with the introduction of new mobile telephone operators such as Sotelgui. A similar and more complicated development has taken place in the field of electricity: Sogel, the state owned electricity company, has been re-nationalized due to foreign investors' frustration with the permanent state interference and bureaucratic difficulties. Investors from abroad have also withdrawn from the water sector.

The largest mining firm, Compagnie des Bauxite de Guinée (CBG) is still a parastatal—though foreign capital plays the dominant role in the mining sector, where foreign monopolies dominant during Sekou Touré's presidency now face newcomers from Russia's Rusal and, potentially, firms from China.

The government's attitude toward monopolies is inconsistent: although most state monopolies have been dissolved, foreign investors still struggle for market dominance. Alongside worsening economic indicators, one can observe the exceptional growth of a privately owned company – Futurelec Holding – that retains a quasi-monopoly on almost all lucrative market segments in Guinea and extends activities to neighboring countries.

For the most part, foreign trade has been liberalized during the past 15 years in both export and import commodities. However, the almost desperate situation of the state to improve its financial situation is still responsible for a great number of barriers insofar as it imposes numerous duties and taxes through special regulations. As far as articles of consumption are concerned, trade is free, though dominated by expatriate traders, the largest share of which are Lebanese. Their main sources of supply are Asian countries and South Africa. Their interest in making products of the small Guinean industry available for more industrialized countries belonging to the Economic Community of West African States (ECOWAS) such as Côte d'Ivoire, Ghana and Nigeria is limited.

The banking system, which largely follows the French model, has for a long time exhibited considerable flaws. Most Guineans prefer to stockpile cash rather than to deal with the banks' circuitous procedures. Those who can take refuge in the CFA franc zone or make major payments directly in euros or dollars. The restructuring of the banking system, which begun in the mid-1990s, has been concluded. At present, the banking sector is largely controlled by foreign banks that have proved incapable of meeting the private sector's development needs. A consequence of the general environment of insecurity is that interest rates are extraordinarily high. This, in turn, hampers investment.

2.3. Currency and price stability

Unlike other countries in Francophone Africa, Guinea is not a member of the CFA franc zone. Nevertheless, the Guinean franc is an inconvertible currency, tied to the U.S. dollar. Most trade within the region, however, is conducted in CFA francs, which are pegged to the euro. As such, the purchasing power of the Guinean franc has declined with the U.S. dollar during the last two years.

Two other factors are pushing inflation: the mounting prices of petrol and the undisciplined issuing of money through the central bank. The consumer price inflation in 2002 amounted to 3%, and was estimated at 12.9% in 2003 and 17.0% in 2004.

One of the most serious concerns of the international financial institutions and other competent observers is the government's inconsistent fiscal policy. It goes on to record large, unsustainable budget deficits owing to overspending and weak fiscal revenue including the decreasing external support. Efforts to generate fresh revenue have enjoyed little success. External debts of Guinea increased to \$3.4 Million in 2002. No further data has been made available since then. The servicing of debts has been made more difficult by the IMF's suspension of Guinea's PRGF. The country's interim debt relief under the IMF-World Bank HIPC debt relief initiative has been suspended.

2.4. Private property

Private companies are permitted and encouraged. Because of policies supporting privatization in the 1990s, property rights are adequately defined on paper. In reality, however, private property is weakly protected in Guinea, although it has been guaranteed by the constitution. For the majority of the populace, owning private property is a risky business. Although they can purchase property, to do so they must deal with state supervision *and* traditional conventions that vary by ethnic group. This is as great a disadvantage for commercial enterprises as it is for the realm of housing. Poorer Guineans, in particular, have to anticipate, as has occurred in Conakry, that they could become the victims of violent eviction and demolition campaigns. On the other hand, the traditional perception of community property alleviates the over-exploitation of rights of abode and building. The degree to which the expropriations of the Touré era continue to have an effect cannot be exactly determined. It can be assumed, however, that the state has a certain sense of continuity, though it also seeks to create reliable rights, to encourage the founding of companies.

2.5. Welfare regime

The social welfare established under the previous government, which was characterized by overzealous adherence to a planned economy, has collapsed. Today, only employees in the civil service and in large complexes dependent on foreign countries have modest retirement and accident insurance. Everything else must be managed by the individual though a network of family, clan or other relationships. The foreign income from the country's Diaspora population is also indispensable in the provision of social welfare.

The education and health sectors are in disarray as well, despite foreign aid (the partially-suspended PRSP). Those with the necessary means either send their relatives abroad for education or medical treatment or to private schools and health clinics. Less powerful segments of the population lack the means to enforce even those measures that are a part of the internationally stipulated poverty-fighting strategy. The existing infrastructure for education is poor, although there have been recent some improvements in the primary school enrollment. As a rule, there is no discrimination based on ethnicity, or social status or gender. Disadvantages result not from the intended exclusion of certain groups, but rather from traditional attitudes, especially relating to women.

2.6. Economic performance

Since the early 1990s, Guinea's economy has shown considerable growth in the most important export sectors such as bauxite, aluminum, gold. If progress is made on agreements— especially in the bauxite sector and in the development

and promotion of new metals, such as rutile—the resulting income could stimulate the national economy. The same applies to the energy sector, where investment has been flowing into hydroelectric power stations. These measures ought to eliminate the power shortage, at least in city centers. However, the electricity and water supply have worsened in the time under review. For several months, business was paralyzed because of power cuts and reduced water supply. These events were also a key reason for popular unrest that occurred in 2003 and 2004.

On the macroeconomic level, energy issues have influenced the development of GDP growth, which, according to estimates made by IMF and EIU, slowed from 4.2% in 2002 to 1.2% in 2003 and 1% in 2004. Other factors – such as uncontrolled public spending, the central bank's increase of the money supply and increased oil prices have – also contributed to this economic slowdown. On the other hand, Guinea might have benefited from positive developments within the region; namely, the end of the civil wars in Sierra Leone and Liberia, the gradual return of refugees and the disarmament of rebel-bandits. The relief provided for both the population and the budget will not be enough to compensate the above-mentioned shortcomings, which led to the suspension of IMF/World Bank/EU supports, and have, to date, prevented Guinea from fulfilling the entrance criteria for the West African Monetary Zone (WAMZ). At the time this report was written, Guinea's entrance into the WAMZ was being re-considered. A decision was to be announced in July 2005.

2.7. Sustainability

Little can be seen in the way of social and environmental sustainability. The existing educational institutions have regressed from those of the previous government, even though this sector was subject to intense indoctrination. Solid institutions for basic and advanced education have been rehabilitated since the early 1990s, but students at all levels are very often compelled to terminate their education for financial reasons. The bulk of young people – many of them dropouts – have few opportunities to obtain qualifications. Those who reach a higher level due to family prosperity or other support tend to find opportunities in the service sector with foreign-owned companies. Many young people simply emigrate.

Given the country's dependence on mineral production and the latter's expected growth, long-term environmental damage is likely. However, environmental rehabilitation measures are hardly in evidence: indeed, environmental concerns are subordinate to growth efforts and have no institutional framework. Any protests in civil society are handled repressively. Indeed, the environment is threatened by more than just mining and energy generation: soil degradation due to deforestation and slash-and-burn farming and loss of fishing grounds are also problematic. Environmentally sustainable growth takes place only occasionally,

with very little institutional anchoring and even less support from the political will of the state bureaucracy.

3. Management

Based on media reports, surveys of international institutions and simple observation, one may conclude that Guinea's political actors are in a state of uncertainty, if not lethargy. Due to the poor health of the country's autocratic president, far-reaching decisions are made and implemented only sporadically. While the instruments of governmental power still exist, no one receives consent to give them the maintenance they require.

3.1. Level of difficulty

As a very poorly developed country, Guinea suffers from high structural constraints on government. In particular, this is demonstrated by the country's low HDI, which is reflected in widespread poverty and inadequate infrastructure.

To be sure, some of these constraints stem from previous regimes. Both the colonial regime and that of Sékou Touré regimes allowed little space for a self-determination within the artificial administrative unit called Guinea. The governments before the country came under the influence of a democratic constitution showed little enthusiasm for major changes, especially in the field of restructuring the socio-political and economic situation.

The almost-exclusive dependence on the exploitation of minerals and their fluctuating reimbursement continue to hamper solid financial planning. Other problems, such as the past and ongoing civil wars in neighboring countries, cannot be blamed entirely on the government.

During the period under review, Guinea was still involved in the civil wars in Liberia (which faded gradually after mid-2003) and in Côte d'Ivoire. As the intensity of the extremely brutal conflicts fluctuated, so did the number of refugees (some 180,000 in 2004) in addition to fighters and criminals pushing into Guinean territory. Major portions of the state's logistics, security forces and political activities were tied up by this influx.

Profile of the Political System

Regime type:	<i>Autocracy</i>	Constraints to executive authority:	0
		Latest parliamentary election:	30.06.2002
		Effective number of parties:	1.7
1. Head of State:	<i>Lansana Conté</i>	Cabinet duration:	01/03-01/04
Head of Government:	<i>Lamine Sidimé</i>	Parties in government:	1
Type of government:	<i>unified government</i>		
2. Head of Government:	<i>F.L. Fall</i>	Cabinet duration:	02/04-04/04
Type of government:	<i>unified government</i>	Parties in government:	1
3. Head of Government:	<i>Cellou Dalein Diallo</i>		
Type of government:	<i>unified government</i>		
		Number of ministries:	21
		Number of ministers:	23
<p>Source: BTI team, based upon information by country analysts, situation in July 2005. Constraints to executive authority (1-6 max.) measures the institutional constraints posed by a federal or decentralized state, a second parliamentary chamber, referenda, constitutional and judicial review and the rigidity of the constitution. Effective number of parties denotes the number of parties represented in the legislature, taking into consideration their relative weight (Laakso/Taagepera index) = $1 / (\sum p_i^2)$; p_i is the share of parliamentary mandates controlled by party i. Number of ministries/ ministers denotes the situation on 1 January 2005.</p>			

Residents of Guinea suffered great economic, psychological and environmental harm, increasing the existing poverty of the people. The president could be certain that, as the “lesser evil” in light of the events in neighboring countries, he had the good will of the leading industrialized countries and of Nigeria, the top regional power. Because of this situation, and thanks to deft integration of foreign investors in the expanding mining sector, he had the necessary leeway to safeguard his power.

Traditions of a civil society had little chance to develop in Guinea during the last hundred years: the impact of French colonialism undermined the traditional systems in all parts of the country mostly through its tax policy and the enforced recruitment of labor and soldiers. The Touré government’s attempt to transform the society along foreign guidelines caused resignation, emigration and the loss of identity among many. Likewise, the subsequent government – the army and its leader, Conté – showed little interest in promoting a civic culture. A good deal of the civil society that does exist is living outside the country. Nevertheless, their inputs are of great importance for those who desire to change the present situation.

One risk, however, is the question of civil war in Côte d’Ivoire: The northern region of Burkina Faso has backed dissidents in their almost autonomous territory, and have close ties with the majority population in northern Guinea, especially the Malinke and the Peulh (Fulani) who make up a strong group of the Guinean army. The government, however, is more interested in a good relationship with de facto Gbagbo administration in Abidjan.

With regard to ethnic and religious conflicts, while a serious antagonism between various ethnic groups cannot (yet) be observed, it is possible that fundamentalist Christian sects and Muslim groups in Conakry will clash in the future.

3.2. Steering capability

Not much can be expected of the steering capability of Conté's administration in its current state, as far as social and economic conditions are concerned, especially with regard to measures to increase purchasing power. In spite – or because – of Conté's health problems and the standstill this has inflicted on the entire country, steering capacity is in a tailspin.

At present, there seems to be little political will for either democracy or a socially responsible market economy. Even international pressure and suspension of payments have not set much in motion. Under these circumstances, it is not surprising that the reform policy is not implemented effectively or with foresight. Some observers have the impression that the political elite sees the mining sector as a sort of “miracle drug” whose profits will bring the necessary benefits to “heal” the whole society – thus enabling the political leaders to maintain power.

The organizational capability of the various opposition politicians, if they were to come to power, is largely unknown. When the former Prime Minister F.L. Fall, resigned, he published a long statement on the future of Guinea entitled “My Vision of a New Guinea” (“Ma vision d'une nouvelle Guinée” *Jeune Afrique, L'Intelligent*, August 29, 2004.) Since then, however, there has been no further talk of an anti-Conté coalition. It may be that the anger about Fall's defection has caused this silence. Political leaders have not shown any degree of flexibility, in the sense that the reaction to serious events such as riots is mostly prepared behind closed doors in the president's palace or in his village.

3.3. Resource efficiency

The Conté administration appears not to recognize what considerable human resources the Guinean people have among them. If it did, it likely would not have excluded certain ethnic minorities in designing policy and the economy. Furthermore, it would have followed another course in dealing with expatriate Guineans, who in many cases are extremely capable and successful individuals.

The public services provided by the political system are by no means sufficient to alleviate the people's passive mistrust and resistance vis-à-vis the government which minimize its the potential to mediate and coordinate in conflict situations.

The extreme pervasiveness of corruption, whose containment often fails due to the half-hearted efforts put forth by leading government bodies, is having a crippling effect on resource efficiency. Alongside its criticism of Guinea's insufficient financial and monetary reforms in 1999, the IMF mentioned its dissatisfaction with the country's fight against corruption. This complaint was more seriously repeated in May 2004 when an IMF-World Bank mission pointed again at the uncompleted reform of the judiciary, noting that the campaign against corruption had ground to a halt. Until recently, no establishment of an anti-corruption commission had been recorded, and no report had been produced on this matter.

Aside from endeavors in the minerals sector and in the promotion of hydropower as the basis for electricity production, physical resources – as in agriculture – are not as well-used as they could be. On the contrary, one important resource – fish – is in disastrous shape. Little has been done to mitigate this problem.

The fact that Guinea, a country with high-quality soil and a relatively low population, must still import foodstuffs (albeit in decreasing amounts) shows that there is still much left to do, nearly two decades after the end of Touré's dictatorship. Encouragement in the form of microfinancing, rice cultivation, fruit for export and alternative foodstuffs could offer a ray of hope, especially now that the wars in Liberia and Sierra Leone have ended.

3.4. Consensus-building

It cannot be expected that a president who is characterized as resistant to criticism would be open to other political opinions for anything other than tactical reasons. As such, the government's willingness to reach a consensus on reforms is very weak. Nevertheless, there seems to be general agreement on market economy. Opinions diverge strongly on the question of type and degree of democracy and it is very doubtful that the government favors a liberal democracy under the rule of law. Because political calculation is always behind any decision to award loans, grants and permits, in many cases decisions are not made matter-of-factly and based on the principles of advancing democracy and the market economy, but rather based on the interests of the patron in question. Judging by the government's speeches and directives, consensus is seen more as a gesture of submission to external pressure, rather than as the intention to invite the country's diverse parties to have their say.

FRAD, a loose coalition of the opposition parties, has tried several times to cooperate with the government on essential issues. The last attempt was made in July 2004, when the party leaders of FRAD presented a plan for national transition. This was ignored by the government.

This could be another significant reason for the population's dissatisfaction with the government. The government's way of making decisions conflicts with the traditional public debate, that goes on in local and regional communities, which is characterized by a council-based structure. The principle of consensus-building rather than majority or individual decisions is deeply anchored in all of the country's ethnic groups.

It is difficult to identify influential veto actors on a national or regional basis. Occasional mutinies in the armed forces or riots about living conditions cannot be identified as easily – as they do not form well-organized groups – is the case in societies with a stronger democratic tradition.

The present system does not allow individuals to test out their organizational abilities via decentralized institutions, as is the case in Ghana or Uganda, nor does a second parliamentary chamber exist with a regional (ethnic) base. For this reason, citizens tend to fall back on their patrons – who are often selected based on ethnicity, rather than on tangible proof of performance – following a transfer of power.

The government is not in the position to manage political cleavages. Instead, those who have annoyed the president are thus excluded from decision-making or have withdrawn into exile, to their villages or into professional or academic duties. This includes parts also the ruling party, which is deeply split into multiple factions. Thus, although the parliament is dominated by the PUP, it is rarely asked to explore important projects.

Knowledge, experience and controversial opinions are not used to promote social capital, by either by the government or civil society much less in the political process as a whole. The waste of human and intellectual resources is a deplorable phenomenon of the present situation.

When it comes to key situations of conflict, power is exercised in whatever way necessary. In the cases of various putsch attempts and mutinies, the measures range from a death sentence to a pardon or rehabilitation. The sentence of persecuted opposition leader Alpha Condé was in fact lifted under international pressure. In domestic matters, however, he is largely muzzled as no amnesty was granted to him

In all conflicts, consensus-building and reconciliation are undertaken without the use of formal democratic institutions. The judiciary in particular has been hindered considerably a number of times in its attempts to reach a just compromise.

The situation for freedom of the press worsened in 2004. After the closing of the *Quotidien*, other papers were banned. This gave the EU – a strong supporter of the

independent media – additional reasons to withhold its funding for the government.

At present Guinea is a long way from approaching the victims and perpetrators of past injustices in a conciliatory way. The prospect of establishing a truth and reconciliation commission as in South Africa or Sierra Leone remains a mere hope among the opposition. The president has publicly honored or flattered the family of Sékou Touré.

3.5. International cooperation

While it is fundamentally true that Guinea is working with international donors in many ways, external help is not being used consistently to improve political and socioeconomic conditions. This fact is a key point of criticism among the opposition as well as among NGOs and other organizations. Clearly, donor funds either disappear into the thicket of corruption, or are used for purposes far removed from the original intent.

The disastrous economic legacy of Sekou Touré's regime and the subsequent lack of far-reaching reforms led the government to accept the need for substantial international support. In the late 1980s and early 1990s the political leadership more or less accepted this fact, albeit half-heartedly. The goodwill of the donors – especially the IMF and World Bank and the EU – was remarkable: initially, many of the Guinean government's shortcomings were forgiven. Reasons for this attitude included the disturbances in the neighboring countries as well as an interest in the huge country's mining potential.

The gradual termination of the civil war in Liberia in mid-2003 with the expulsion of President Charles Taylor was of great relief for Guinea. Since then, thousands of refugees have returned home and the current acting president Gyude Bryant, proved his interest in establishing good working relations within the region. While donors also were relieved about the increase in stability, they still frowned upon the government's incomplete economic and political reforms. Due to the seeming reluctance of its transformation policy, Guinea became regarded as an unreliable partner.

Guinea however, enjoyed a good reputation as a cooperative member of the peacekeeping forces in its neighborhood. A matter of concern, however, is the present situation in the northern Côte d'Ivoire and Guinea's tensions with Burkina Faso: the Compaoré regime and the northern Ivorian rebels accuse Conté of working too closely with the regime of Laurent Gbagbo in Abidjan. In the case of Burkina Faso, old conflicts have not yet been settled. Whereas Guinea was a strong opponent of Taylor's brutal regime in Liberia, Burkina Faso's president had supported him. An unknown factor is the strong contingent of Malinke soldiers in the Guinean army who feel some sympathy for their relatives in both

countries. In case of Conté's possible death, a Guinean government dominated by those from the country's northern region may take a different position in this conflict.

Guinea's formal rapprochement with France in the 1990s could completely erode mutual distrust. Even the fact that more than 180,000 Guineans earn their living in France does not change this. Another constant in Guinea's foreign relations is its relationship to the United States. Even while Touré was in office, American bauxite interests provided an anchor for Guinea's often-weak economy. Until recently, the United States generally went to bat for Guinea on such matters as granting loans or special drawing rights with the IMF. It was recently stated that Guinea is America's most important partner in francophone West Africa. West Africa is strategically important for the United States; even more so since September 11, 2001, and not least because of the existing or supposed oil reserves in the Gulf of Guinea. In addition, the United States has a considerable interest in a moderately Islamic Guinea as a factor of stability in a region that is rocked by crises and whose conflicts could add a new dimension to international terrorism. However, Guinea is contesting the rumor that it was 'bought' with loans in 2003 by the United States and Britain to favor of aggression against Iraq.

While Guinea is occasionally described as isolated or even ghettoized, it is actively making an effort to get involved in international cooperation. Since late 2002, this has been emphasized by its two-year membership in the U.N. Security Council, where Guinea sees itself as a spokesperson for African countries in the Iraq crisis. As such, it is under a good deal of pressure from the United States and France.

As the only Francophone country in West Africa that does not belong to the CFA franc zone, Guinea is extremely eager to cooperate with regional and sub-regional organizations. These include the African Union and the Economic Community of West African States (ECOWAS). Its contribution to U.N. peacekeeping troops and the ECOWAS military branch is remarkable.

Guinea's strong cooperation in regional organizations also includes an attempt to create a West African Monetary Zone (WAMZ) – this was frowned upon by the IMF – and the *Organisation pour la Mise en Valeur du Fleuve Gambie* (OMVG) and the *Organisation pour la Mise en Valeur du Fleuve Sénégal* (OMVS). It can be assumed without hesitation that these organizations serve to add to the president's prestige, hold on power, and correspond to the desire of most Guineans to communicate smoothly with their ethnic and linguistic relatives across the borders.

The Mano River Union (MRO), consisting of Guinea, Sierra Leone and Liberia, is experiencing a revitalization: Although more far-reaching decisions going beyond agreements on taxes, tariffs and customs have not yet been fully implemented, transnational meetings of youth and academic organizations backed by NGOs are a promising sign.

4. Trend of development

The past four years are not characterized by any great positive changes in the field of market economy and even less in democratic development. The latter was due to an almost paralyzed situation, partially due to the illness of President Conté, and partially due to the general economic and conflict situation in the neighboring countries. The less Conté and his remaining followers are able to play the card of blackmailing the population with regional insecurity, the more the government's neglect of democratic reforms becomes obvious. The picture of a dam bursting in near future may illustrate this trend.

4.1. Democratic development

Some positive approaches of previous years toward democratization have more or less disappeared; stateness, political participation and the rule of law have deteriorated. During the time under review, the opportunities to make efficient use of the democratic rights that have been painstakingly wrung from the presidential system since 1991 could not be fully exercised. National and local elections were prepared, carried out and analyzed in an atmosphere of intimidation and open fraud, so that in the end the resulting government is in no way representative. Also, there was no neutral election commission.

The possibility of exerting influence through parliamentary channels was, and will remain low. A relatively independent and fair parliamentary president, El-Hadj Biro Diallo—who, according to the constitution, would take over official functions for the president if the president were to die or become incapacitated—was replaced in late 2002 by a man who is loyal to the president, Aboubacar Somparé. This move effectively muzzled even the PUP-dominated parliament.

Guinea does not qualify as a democracy. At present, there is no sign of democratic consolidation in Guinea at present.

4.2. Market economy development

Given the lack of Human Development data for the years before 2002, overall socioeconomic development cannot be evaluated adequately. Nevertheless, a modest improvement appears likely.

According to the IEF, the country's institutional framework has remained at its previous (inadequate) level. After a period of some progress, the past two years have witnessed negative trends. The government is primarily to blame. It is no surprise that crucial donors such as the IMF, World Bank and European Union have suspended payments.

Considering key macroeconomic indicators such as moderate growth rates and worrisome inflation, overall economic development has stagnated during the period under investigation. The failure of the government in the field of economy lies first and foremost in its hesitation in implementing poverty reduction strategy. An improvement remains unlikely as long as the present political leaders remain in power.

Development of macroeconomic fundamentals (2000–04)

	2000	2001	2002	2003	2004
Growth in GDP in %	1.9	3.8	4.2	1.2	1.0
Exports in million \$	666.3	731.1	708.6	609.3	610.9
Imports in million \$	587.1	561.9	668.5	644.3	637.4
Inflation in %	6.8	5.4.	2.2	12.9	17.0
Budget deficit in % of GDP	5.0	3.4	6.2	5.1	5.6
Current account balance in million \$	-155.2	-102.2	-199.8	-187.5	-186.7

Source: EIU Country Report Guinea, November 2004.

D. Strategic perspective

The end of President Conté's rule could renew hopes for democratic and market economic progress in Guinea. His borderline totalitarian interference in democratic and market structures combined with a policy of neglect in other areas has paralyzed the state. Public disorder may therefore grow increasingly frequent.

However, the prospects for a promising, powerful, pro-democracy and market economy head of state are bleak. Neither the fractured PUP nor the divided opposition has identified a strong leader, excepting Aboubacar Somparé, the president of the National Assembly. Somparé is accepted among moderate politicians as a diplomatic and realistic politician.

An army officer could potentially rise to power—even if only as a transitional solution. Such an individual could gain status and credibility and thus develop acceptance among most political actors within and outside Guinea.

While the challenges to be faced—i.e. an autocratic regime and several socioeconomic deficiencies—appear insurmountable, there is cause for hope. The foundations of democracy and a market economy established in the 1990s could be re-activated. The PRSP must be implemented together with improvements to and increased civic education. Returnees, Guineans in the diaspora and NGOs could play a key role here.

Sub-regional cooperation, particularly within the Mano River Union and ECOWAS, must be tasked with concerns that are more practical. In terms of international cooperation, the current wavering cooperation with the United States and France will not serve as a blueprint for a sound foreign policy aimed at transformation.

Guinea will need foreign assistance for a long time. However, this assistance cannot appear as a form of colonial rule. Guinea's prospects for a promising future can be undermined by the pressure to serve as an unconditional ally in the fight against terrorism or securing foreign oil interests in the region.