

BTI 2008 | Burkina Faso Country Report

Status Index	1-10	5.39	# 72 of 125	
Democracy	1-10	6.25	# 59 of 125	➔
Market Economy	1-10	4.54	# 92 of 125	➔
Management Index	1-10	4.56	# 84 of 125	

scale: 1 (lowest) to 10 (highest) score rank trend

This report is part of the Bertelsmann Transformation Index (BTI) 2008. The BTI is a global ranking of transition processes in which the state of democracy and market economic systems as well as the quality of political management in 125 transformation and developing countries are evaluated.

The BTI is a joint project of the Bertelsmann Stiftung and the Center for Applied Policy Research (C•A•P) at Munich University.

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Key Indicators

Population	mn.	13.2	HDI	0.34	GDP p.c.	\$	1,079
Pop. growth ¹	% p.a.	3.1	HDI rank of 177	174	Gini Index		39.5
Life expectancy	years	48	UN Education Index	0.23	Poverty ³	%	71.8
Urban population	%	18.3	Gender equality ²	-	Aid per capita	\$	51.5

Sources: UNDP, Human Development Report 2006 | The World Bank, World Development Indicators 2007 | OECD Development Assistance Committee 2006. Footnotes: (1) Average annual growth rate 1990-2005. (2) Gender Empowerment Measure (GEM). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Political transformation in Burkina Faso has stagnated during the period under review as democratization exhibits various deficits. The promising democratic steps taken after the 2002 legislative elections have been re-directed towards a de facto single party state with a president who, after more than 18 years in power, does not demonstrate real commitment to democratization. Developments during the review period clearly demonstrate that the president is concentrating foremost on retaining power, and that democratic reforms have been carefully designed to be indispensable for remaining in power.

The electoral process has failed to bring necessary political changes. President Blaise Compaoré's re-election to a third presidential term in November 2005, as well as the landslide victory of the ruling Congrès pour la démocratie et le progrès (CDP) during the April 2006 local elections, has strengthened the ruling class' political position. Compaoré and the CDP's victory should not be read as a sign of popular approval for the leadership or the country's economic development; their victory came as a result of increasing disillusionment and public apathy toward elections, which many no longer consider an appropriate instrument of effecting change. Despite the observed improvements in macroeconomic data, the majority of Burkinabé continue to struggle with economic hardship. Violent crime is on the rise, as are the number of conflicts linked to the flight and integration of some 600,000 Burkinabé from Côte d'Ivoire. All of these factors combined increase the risk of instability in Burkina Faso.

There is a growing opposition, located outside of Burkina Faso's political institutions, which does not feel represented by these institutions. The institutions in their present state do not offer a sufficient forum for the articulation of political and social grievances, and the notoriously weak and divided opposition does not offer any convincing alternatives. Shortcomings persist – particularly in the rule of law – which

have prevented any progress in the long sought-after fight against impunity. The Burkinabé government, which continues to struggle with a very high level of difficulty, has clearly made some progress in economic transformation. Most of its actions, however, seem to have been the result of primarily foreign and domestic pressure, rather than domestic vision and foresight. During the review period, the country's economic performance has been good, and the institutional framework for market economic activity improved slightly. Currency and price stability have been broadly guaranteed, while shortcomings persist in numerous areas, such as the absolute level of development and the institutional framework of competition, as well as the welfare regime. Massive debt relief should help the government to wage the fight against poverty, and progress towards the Millennium Development Goals by improving social services for the people.

While the prospects for progressive economic transformation are positive, substantial improvements are needed to keep Burkina on its democratic path. The upcoming legislative elections in June 2007 should bring back the more balanced proportion of power between the ruling party and the opposition that had seemed so promising in 2002. The weak and highly fragmented opposition, however, does not seem ready to bring about this change within the next couple of months.

History and Characteristics of Transformation

Since achieving independence from France in 1960, Burkina Faso has endured continuing political instability, including several military coups and consistent civil strife. The 1983 coup led by Captain Thomas Sankara, who attempted to remodel the country and its society on the basis of a social revolutionary program, stands out for its anti-imperialist and populist leanings. Four years later in 1987, Sankara was assassinated in a military coup organized by Blaise Compaoré. Democratic transformation was introduced and by 1991, several new parties had been formed and legalized. A new constitution was also approved in July 1991 via referendum, albeit with low voter turnout. Opposition forces demonstrated their dissatisfaction with the constitution and strong internal pressure, mainly exerted by the unions, forced Compaoré to consider substantial reforms. The first presidential elections in that same year (1991) led to further opposition boycotts. The only candidate on the ballot, Compaoré, was re-elected with only 25% of the electorate participating.

In 1992, Burkina Faso held its first multiparty parliamentary elections. Facing a weak opposition, Compaoré's Organisation pour la Démocratie Populaire/Mouvement du Travail (ODP/MT) achieved a two-thirds majority. The president's party – renamed Congrès pour la démocratie et le progrès (CDP) in 1996 - repeated its success with an even bigger landslide victory in legislative elections five years later. The dominance of

the ruling party and the weakness of the opposition turned out to be one of the largest obstacles in democratization during this period. Parliament's control function was theoretical at best and work in the National Assembly was reduced to a one-party affair. Party opposition began to form outside of parliament, and the National Assembly began suffering a loss of credibility among the population. Although human rights had improved, state terror and violence did not disappear under the new government. Impunity and a weak rule of law have therefore prevailed. Compaoré had hoped to strengthen his legitimacy shortly after being re-elected as president in 1998 on the basis of a relatively high voter turnout. However, he faced a crisis that not only further revealed the regime's authoritarian character, but also contested the legitimacy of the president, as well as that of the political system as a whole. The crisis centered around the presumably state-ordered assassination of Norbert Zongo, founder and director of *L'Indépendant*, Burkina's most influential private weekly. "Trop c'est trop!" quickly became the slogan of an increasingly radical opposition movement, which demanded justice not only in the Zongo case, but also denounced the deficient rule of law and the lack of political accountability, as well as the deteriorating living conditions experienced by most Burkinabè. Consistent political pressure forced Compaoré to make concessions in order to reduce the tensions. Suggestions made by two political commissions brought about the first political dialogue between the ruling coalition and the opposition, which finally resulted in the adoption of numerous institutional and electoral reforms. The creation of the Independent Electoral Commission, and the revisions to the electoral code in particular, represented a qualitative improvement over the previous system.

The legislative elections of May 2002 shifted the political balance of power, with the ruling party holding on to its absolute majority only by a narrow margin (57 out of 111 seats). For the first time since the inception of the electoral process in 1991, the parliamentary opposition now represented a serious political group. Since then, the crisis in Côte d'Ivoire has profoundly affected the political and economic situation in Burkina Faso. A divided opposition as well as the wave of patriotism that swept through Burkina Faso following the exodus of hundreds of thousands of Burkinabè fleeing the civil war in Côte d'Ivoire have given Burkina's ruling party, the *Congrès pour la démocratie et le progrès* (CDP), renewed strength. The refugee situation has also given the Compaoré government and his CDP the opportunity to pose as defenders of the national interest. Following a rigorous public debate on the constitutionality of Compaoré's candidacy, the Burkinabè, in November 2005, re-elected Compaoré for president by more than 80%.

Burkina Faso has been ranked one of the poorest countries in the world since independence. Until the late 1980s, the state was the dominant player in an economy in which approximately 90% of the population made its living from agriculture and livestock. The rural population lived almost exclusively in a subsistence economy, although food shortages were frequent. Burkina Faso has been heavily dependent on

international aid. A structural adjustment program, developed together with the IMF and World Bank, was implemented in 1991 and extended in 1993 and 1996. Dramatic economic and institutional reforms included the liberalization of domestic and foreign trade (particularly agricultural products), the privatization of state-owned enterprises, tax reform, and the reform of public enterprises and the banking sector. In the late 1980s and early 1990s, average economic growth rates kept pace with the rate of population growth, improving progressively to a peak of 7.5% in 1996. A degree of social cushioning from the structural adjustment program was achieved in some areas, but reform implementation was particularly painful for the poor. Improvements in macroeconomic data did not translate into an increased standard of living for most citizens.

Transformation Status

I. Democracy

Political transformation in Burkina Faso has stagnated during the period under review. The promising democratic steps that followed the 2002 legislative elections have been redirected towards a de facto single party state with a president who does not demonstrate real commitment to democratization after more than 18 years in power. Shortcomings persist particularly in the rule of law and institutional stability.

1 | Stateness

The state's monopoly on the use of force is largely intact. However, during the period under review, some incidents demonstrated that the Burkinabè army is politicized and that the government does not authoritatively control the security forces. Tensions between Niger, Benin and Burkina Faso have increased; they accuse each other's security forces of crossing the border to rob and harass villagers. The dispute has simmered quietly for years, since the exact location of the border has never been agreed on. The return of refugees from Côte d'Ivoire has resulted in an increase in crime, while light arms have been flooding the region.

Monopoly on the use of force

Although Burkina Faso has a relatively high degree of ethnic diversity (more than 60 ethnic groups, with the Mossi constituting almost half of the population), the definition of and qualifications for citizenship are not politically relevant. All ethnic and religious groups or minorities exercise their rights and basic freedoms without any discrimination and with full equality before the law. The preponderant majority fundamentally acknowledge the state's constitution.

State identity

The state is largely defined as a secular order. Religious dogmas have no noteworthy influence on politics or the law. More than 50% of the Burkinabè are adherents of animist beliefs. Muslims represent roughly 35% of the population, Christians about 10%. Though Muslims are less politically influential than Christians, who are better organized and have played an important role in the education of state elite, there are no tensions between the religious groups. Thus far, Islamic fundamentalists do not exercise any influence.

No interference of religious dogmas

The state's basic infrastructure exists throughout the country, but shows functional deficiencies in many areas. In April 2006, municipal elections were held for only the third time in the country's history. The government has presented the creation of 309 new rural communes as the last step in its decentralization program, which aims to devolve basic administration, social services and some political decision-making responsibility to local authorities. However, experiences over the past decade suggest that their financial resources will be thin, which will limit the extent to which they can exercise genuine autonomy and strengthen local state administration.

Basic
administration

2 | Political Participation

The constitution guarantees all citizens the right to elect officeholders through direct, general, uniform and free elections, as well as the right to vote and to run for office. The legislative elections of 2002 were the first to follow preliminary changes to election laws, and they were described as largely transparent and fair. These changes, which had increased the smaller parties' chances to win mandates, were revoked by the Congrès pour la démocratie et le progrès' (CDP) parliamentary majority after they lost their absolute majority in 2002. The electoral law (method of calculating proportional representation, size of electoral constituency) now favors larger parties, in particular the CDP. The principle of equality is heavily constrained by Compaoré's and the ruling party's extensive patronage networks and their control of the state administration. An enormous amount of funds enabled Compaoré and the CDP to run a U.S.-style presidential campaign in 2005, and to bribe and co-opt opposition members and political enemies during the municipal elections in 2006. There are no rules regulating the funding of political parties or candidates, and there are no limits on campaign spending. While the presidential election has been declared free and fair by foreign and national election observers, the Constitutional Court ordered a second round of local elections in 57 constituencies where numerous irregularities were uncovered. Free elections have also been hindered by the dominance of traditional leaders who influence the votes of their followers, often encouraging them to support the ruling party after having been paid by the regime.

Free and fair
elections

In general, the elected government has the power to govern. However, the military can act as a veto power in case the civilian government dares to curtail some of its privileges. Military coup attempts have occurred periodically, although the exact circumstances often remain unclear and government manipulation could not be excluded. Serious clashes between the military and police in December 2006 demonstrated the army's politicization, while the regime was unable to quickly resolve the crisis. Though the military seems to be increasingly unsatisfied with its living conditions, military and security force

Effective power
to govern

training has revealed a lack of republican values and a nonexistent understanding of their respective missions. The extent to which army officers influence political decisions or exercise veto powers is unclear, though the ties between some members of the military and the ruling party are well-known.

As a rule, the government respects the constitutionally guaranteed freedom of assembly and association, a right exercised extensively by different political and civic groups. However, the government often accuses these groups of partisanship and has repeatedly attempted to curtail citizens' rights to demonstrate and strike, sometimes even with excessive force.

Association /
assembly rights

Freedom of the press and media pluralism are relatively ensured. State-owned media outlets exhibit a significantly pro-government bias, but the private media are relatively independent and often critical of the government. However, many journalists are pressured into self-censorship by periodic police harassment, particularly investigative journalists who try to report on corruption or human rights abuses committed by powerful people. Four trials of journalists were held in the first quarter of 2007.

Freedom of
expression

3 | Rule of Law

The institutional separation of powers between the executive, legislative and judicial branches is guaranteed in the constitution, but limited significantly in practical terms. The president's broad powers and the overwhelming majority of the ruling party have guaranteed the executive a legally secured monopoly on power in a highly presidential system. Parliament's authority and involvement in the political decision-making process is ineffective, and its control function is severely limited.

Separation of
powers

The judiciary is formally independent and institutionally distinct, but dominated and politicized in practice by the executive branch. The executive branch orchestrates judicial appointments and promotions, and prosecutors are part of the hierarchy headed by the minister of justice; because of this, the executive interferes in judicial decisions. The judicial system suffers from rampant corruption that is both rooted in and perpetuates overall inefficiency, political pressure, poor equipment, the economic vulnerability of its members, and inadequate legal training. In July 2006, after almost eight years of investigation, the judge investigating the murder of Norbert Zongo dropped all charges against the prime suspect; it is unlikely that the case will be taken up again. Local civil society organizations, as well as Reporters Sans Frontières, accused the government of having ordered the case to be dropped. Justice moves swiftly in cases involving accusations against members of the political opposition. Most of the people consider justice to favor the politically and economically powerful.

Independent
judiciary

Public officials can be sued for abuse of power and other inappropriate actions. The leaders of the ruling party, however, are rarely subject to such measures. In general, the only public officials who face lawsuits are those disloyal to those in power, granting most politicians de facto immunity. Fighting rampant political and bureaucratic corruption, including the criminal prosecution of corrupt officeholders, is one of the public's main demands, but a lot remains to be done.

Prosecution of
office abuse

The constitution forbids torture, but in practice, citizens are subject to torture and inhumane or degrading treatment when in police or military custody. Human rights groups have often denounced extrajudicial killings and a lack of justice against security service members. When political tensions are high, there is little protection against arbitrary arrest of political opponents, among others. Prison conditions are harsh, and human rights groups repeatedly call attention to cases of long-term detention without trial. Equality before the law and due process under the rule of law exist in theory, but in practice, it is often only citizens with the financial means who have access and the right to a fair and speedy trial, including an independent lawyer at their side. Freedom of religion and a ban on discrimination, both guaranteed by the constitution, are generally respected. A small elite employs repression, torture and murder to prevent exposure of its illegal activities. Protected by the non-independent judiciary, a culture of impunity has developed which the government, thus far, has not tackled politically or legally, despite high public pressure. Traditional chiefs and their relatives, who still consider the members of their community to be their possessions, sometimes commit human rights abuses. Despite the law condemning gender discrimination, women's rights are not always guaranteed in practice because of traditional values that view women as inferior. There is no legislation that specifically addresses gender discrimination, but the law seeks to punish certain social practices and backward customs that discriminate against women.

Civil rights

4 | Stability of Democratic Institutions

Democratic institutions are functional only to a limited degree, and do not have intra- or inter-organizational stability. Stability suffers greatly from shortcomings in the rule of law and a dysfunctional, politicized administration that lacks both qualified personnel and materials. Acceptance and support for democratic institutions is low among large segments of the Burkinabè population, and these institutions are nearly irrelevant for the rural population. Parliament in particular is generally viewed as powerless. It remains to be seen whether the April 2006 local elections and the official completion of the decentralization program will bring these institutions closer to the people. The turnout at the April 2006 local elections was low, less than 50%.

Performance of
democratic
institutions

The army is not reliable in guaranteeing stability and security. As noted, there have been repeated displays of discontent and open protests. There is a culture of military coups that persists. Burkina Faso has a strong civil society that could be seen as a potential veto power should the various tensions, disillusionment and grievances within society not be addressed by the country's democratic institutions.

Commitment to democratic institutions

5 | Political and Social Integration

There are few restrictions to founding a party in Burkina Faso; currently there are more than 100 parties registered. Except for the CDP's legislative domination, the party system is highly fragmented and the level of organizational stability is low. It remains unclear, even among scholars, as to what objectives each of the 100 political parties represent. The system lacks programmatic capacities and shows grave weaknesses vis-à-vis the population's social integration and political education. These deficiencies mean that parties can only partially fulfill their constitutional role. Civil society groups are much more able to integrate large parts of the population, and contribute significantly to the absorption of democratic awareness and action. Ideologies and programmatic issues do not play a significant role in party membership. Floor-crossings are frequent and mostly seem to follow strategic political calculations. Voters' decisions are rarely geared to programmatic topics.

Party system

Non-parliamentary groups and an active civil society develop and articulate societal concerns. Burkina Faso has a diverse landscape of interest groups dominated by unions, student associations and human rights organizations. The quality of representation is high. Despite a rather small labor force, labor unions in particular are well organized. The network of interest groups that cooperate with one another has become highly politicized, and has the power to coerce the state to be more cooperative.

Interest groups

Notwithstanding imperfect political transformation, citizens' consent to democracy in the liberal sense is high. According to a representative survey poll by the Institute of African Affairs in Hamburg in 2006, around 70% of all respondents prefer democracy to any other kind of government. Respondents also strongly support multiparty competition, an independent judiciary and other characteristics of a democracy under the rule of law.

Consent to democratic norms

Civic self-organization in Burkina Faso operates independently from the state and must be viewed against the background of the broad landscape of interest groups. In many areas, it takes on a representative function that government institutions are not able to perform. Civic organizations are cooperative and strategic. They generally operate under principles of self-regulation, and are a voice of political

Associational activities

concerns. Highly-integrated civil society organizations in Burkina Faso strengthen democratic action and consciousness. They benefit from a partnership system with NGOs and considerable support received from migrants. However, many civic organizations have been corrupted or domesticated by the ruling power.

II. Market Economy

Burkina Faso's economic performance has made some progress, and the institutional framework for market economic activity improved slightly. Currency and price stability have been guaranteed widely. However, shortcomings persist in numerous areas, such as the absolute level of development, the institutional framework of competition, and the welfare regime.

6 | Level of Socioeconomic Development

Burkina Faso is one of the poorest countries in the world, and ranks 174th out of 177 countries on the UNDP Human Development Index 2006. GDP per capita is \$1,169. Some key indicators show a minimum level of development. Social exclusion and marginalization on the basis of poverty, education and gender discrimination is severe and structurally reinforced, especially in the rural areas. Burkina has not managed to reduce its social disparities, high poverty rate, or gap in income distribution. Improved economic performance and economic growth rates did not lead to an improvement of the people's living standards. School enrollment rates increased slightly, but the literacy rate remains very low. Although the government promotes education for girls, women are still at a distinct disadvantage when it comes to access to education, particularly in secondary and tertiary schools. Two-thirds of all women participate in the economy yet continue to be under-represented politically. The majority of the rural population lives in a subsistence economy. Existing development imbalances between regions did not diminish during the period under evaluation. In the northern parts, people suffered from famine and had to struggle seriously with the consequences of the poor harvest of 2004.

Socioeconomic
barriers

Economic indicators		2002	2003	2004	2005
GDP	\$ mn.	3,203	4,182	4,824	5,171
Growth of GDP	%	4.4	6.5	3.9	4.8

		2002	2003	2004	2005
Inflation (CPI)	%	2.2	2	-0.4	6.4
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	0.5	0.7	0.3	0.4
Export growth	%	11.7	10.1	2.4	3.3
Import growth	%	6.1	31.3	3.5	2.2
Current account balance	\$ mn.	-	-	-	-
Public debt	\$ mn.	1,408.8	1,597.5	1,904.8	1,919.8
External debt	\$ mn.	1,548.2	1,736.3	2,048.6	2,044.5
External debt service	% of GNI	1.4	1.1	1	0.9
Cash surplus or deficit	% of GDP	-	-	-4.7	-4.1
Tax Revenue	% of GDP	-	-	12.5	12.1
Government consumption	% of GDP	13.1	12.8	13.0	12.8
Public expnd. on edu.	% of GDP	-	-	-	4.7
Public expnd. on health	% of GDP	2.3	2.6	3.3	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.5	1.3	1.3	1.3

Sources: The World Bank, World Development Indicators 2007 | UNESCO Institute for Statistics | Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security

7 | Organization of the Market and Competition

The institutional framework for free market competition is weak. The 2006 Index of Economic Freedom describes Burkina Faso as “mostly unfree.” Responding to pressure from the IMF and World Bank, foreign trade has been increasingly liberalized. However, the process is by no means complete in several sectors and protectionism is rampant. In addition to tariffs, trade barriers exist in the form of licenses and fees. Burkina’s business environment is ranked as the second worst in the world, according to the World Bank’s publication, *Doing Business in 2006*. Among other reasons, this is due to high costs and lengthy procedures for obtaining a new business license, rigid labor regulations, slow enforcement of contracts, an imbalanced tax code, outdated customs regulations, and corruption among customs agents and the civil service. This ranking was heavily denounced

Market-based
competition

by the government, which challenged the selected criteria. Some pro-business reforms have been undertaken in 2006, but many issues remain outstanding. The informal sector is expansive. About 50,000 Burkinabè work in the formal sector, out of a population of more than 13 million. There are only a few common ground rules for market participants and regulation is inconsistent. There has been no progress in drawing up a new legal and regulatory framework for the electricity sector. The mining sector remains poorly regulated.

The formation of monopolies and oligopolies is not regulated consistently, though the government has continued with its program of structural reform. Its progress, however, remains disappointing, especially regarding the privatization of important sectors like oil imports (Sonabhy), power utilities (Sonabel), or telecommunications (Onatel). The cotton sector experienced an increased dynamism with the arrival of the two new private cotton enterprises, Dagrís and Faso Coton, which broke the monopoly of the now partly privatized Sofitex in 2004.

Anti-monopoly
policy

Regional trade was expanded when a common foreign tariff was adopted as part of the West African Economic and Monetary Union (WAEMU). Regional trade has suffered significantly due to the conflict in Côte d'Ivoire. At the same time, it enforced the identification of alternative trade routes that reduced the dependency from Côte d'Ivoire.

Liberalization of
foreign trade

Burkina Faso's banking system is supervised by the common central bank serving all members of the WAEMU, the Central Bank of the West African States (BCEAO). Previously regulated and controlled by the government, Burkina Faso's banking system continues to undergo restructuring. Recent attempts to tap the working population's cash and informal sector have yet to prove successful.

Banking system

8 | Currency and Price Stability

Burkina Faso benefits from its membership in the CFA franc zone. The common, stable currency has fixed parity with the euro. Strict fiscal and monetary regulations within the WAEMU, which more or less acts like a central bank, keep domestic inflation low by African standards. Because price development is highly dependent on the annual crop yield, inflation rates are subject to considerable fluctuation (2000: -0.3%; 2001: 4.9%; 2002: 2.2%; 2003: 2.0%; 2004: -0.4% (IMF statistics)). In 2005 and 2006, Burkina reaped record cereal harvests. Inflation was high in 2005 (6.4%), mainly due to high food prices. Healthy economic growth and sound monetary policy contained inflationary pressure to an annual rate of 3.2% in 2006 (EIU estimate). The strong euro helped to mitigate the high prices of imported oil.

Anti-inflation /
forex policy

Foreign exchange reserves have declined during the period under review. The fall has been largely due to worsening terms of trade (which reached its lowest point in 2005), lower world cotton prices, higher world oil prices and the euro. Burkina's trade deficit remained high, mainly due to low world cotton prices, high oil prices, and diminished remittances from Côte d'Ivoire. The government followed a revenue strategy (with a focus on strengthening tax and customs administration), but implementation has not been sufficient enough to reduce the fiscal deficit. Public expenditure increased more than revenues did. When external debt had increased to high levels in the past, Burkina benefited from comprehensive debt relief in the period under review. By adhering to IMF guidelines, the country became eligible for Heavily Indebted Poor Countries (HIPC) Initiatives I (1997) and II (2000) that led to an overall debt cancellation of \$734 million (until 2006). In 2005, Burkina Faso wrote off 100% of its debt to the IMF, World Bank and African Development Bank (AfDB) as part of the IMF's Multilateral Debt Relief Initiative (MDRI). This brings total MDRI debt relief to \$1.5 billion (equivalent to nearly three-quarters of Burkina's total external debt in 2004), and the outstanding debt stock can be estimated to have fallen from 38% of GDP in 2004 to only 12.3% of GDP by the end of 2006 (EIU estimates). These newly available funds are to be used for poverty reduction and progress towards the Millennium Development Goals.

Macrostability

9 | Private Property

Due to legislation in the past decade, land is generally the state's property and is leased to farmers and other interested parties or institutions. These measures are intended to prevent arbitrary acts by traditional authorities, accommodate the increasingly diverse population, and facilitate decentralization. Some unsettled land tenures have led to disputes and even violent clashes during the period under review. Property rights and the acquisition of property are adequately defined under the law, but weaknesses in the judicial system complicate or prevent their implementation. The government is planning the creation of a new body to monitor infringements of intellectual property rights. The proposed revision of the investment code, which would favor small and medium-sized enterprises, would complete the process of issuing property titles to owners who applied for them years ago. Custom forbids women from acquiring real estate, so only men own land in the rural areas.

Property rights

The progress of privatizing state-owned enterprises was unsatisfactory during the evaluation period. Private companies are the backbone of the economy, but there are still state companies and strong market concentrations that are tolerated by the state. Twenty-six state enterprises had been privatized since 1994, while several remained on offer and more than a dozen had been liquidated.

Private
enterprise

10 | Welfare Regime

The wage-dependent portion of the population is very small and is essentially the only group to benefit from a modest social security system. Existing social welfare laws provide pensions, disability insurance, occupational injury insurance and health insurance. Workers and unions have demanded improved social welfare networks for years, and continue to make this a key issue in several strikes. Privatization and the liquidation of a number of enterprises and services have resulted in high job losses with little hope of compensation.

Social safety nets

It is nearly impossible for individuals to combat poverty alone, particularly in rural areas. Despite intensified government efforts, welfare services, medical care and access to sanitation remain poor. Women's access to higher education is facilitated, yet the proportion of women in higher education remains far below that of men. Equal opportunity in access to public services exists in principle. However, the disabled are often subject to social and economic discrimination against which no legal protection exists. Survival for the disabled is frequently dependent entirely upon cooperation with well-organized beggars' organizations, particularly in Muslim areas.

Equal opportunity

11 | Economic Performance

There was robust economic performance during the period under review, despite external shocks that have increased fiscal pressures. Record cereal and cotton harvests and the favorable CFA/euro exchange rate to the U.S. dollar offset the negative impact of rising world oil prices and lower world prices for the country's principal export, cotton. The economy grew strongly in 2005 at 7.1%. Sound macroeconomic policy implementation continued in 2006, and real GDP growth remained strong, at an estimated 5.6%, while inflation fell to 3.1%. GDP per capita increased from \$1,100 in 2002 to \$1,169 in 2004, although there was a slight decrease from the previous year. Despite this growth, Burkina's economy remains small and highly sensitive to external factors. The state revenue base needs to be increased to counterbalance relatively high expenditures and the budget deficit. High expenditures limit the government's margin to increase wages, as has been demanded by the unions for the last two years. The improved debt service ratio needs to be used to increased spending in poverty reduction and social services. To avoid jeopardizing long-term debt sustainability, the Burkinabè government will need to avoid new borrowing, which could mean a more modest increase in Millennium Development Goals-related expenditure (which may prove to be politically difficult). Limited economic activities in the formal sector curb the government's ability to levy taxes. Government reforms that focus on strengthening the tax and customs administration, as well as

Output strength

improving fiscal transparency, have had limited results so far. The current account deficit increased, and employment figures remained unsatisfactory. Burkina's cumulative foreign direct investment (FDI) stock has continued to rise (from \$39 million in 1990 to \$68 million in 2005); however, this level of FDI is very low and reflects obstacles to investment in Burkina such as the country's landlocked position, high costs of production, and the lack of easily extractable natural resources.

12 | Sustainability

The government considers environmental issues selectively. An extensive semi-nomadic economy and the need for fuel (wood) in urban areas make overgrazing and soil erosion key problems in Burkina Faso. Desertification aggravates land disputes. Awareness of these issues has led to the pursuit of environmental sustainability. Implementation of the UN Desert Convention and recommendations of CILSS (Comité permanent inter-Etats de lutte contre la Sécheresse dans le Sahel) are prominent and often used as a reference in development. There is substantial opposition to Burkina Faso's field trials with genetically modified (GM) crops, which started in 2003. These trials were led by U.S. and European companies and were authorized for expansion during the period under review. Heavy protests from civil society, environmental groups and the agricultural workers' union forced the government to postpone its decision as to when GM seeds will be released into the general farming system.

Environmental
policy

The state system of primary, secondary and tertiary education remains inadequate, despite increased investment and some improvements. According to Burkinabé government figures, the gross enrollment rate at the primary level was still only 41% (48% for boys, 33.4% for girls), 10% at the secondary level, and only 1% at the university level (though the minister in charge of education claims 60% gross enrollment at the primary level). Permanent infrastructure and investment in science, as well as research and development, remain underdeveloped. There were only 17 researchers in R&D per one million people (1990 – 2003, HDI). Official numbers on public expenditures on education are not available.

Education policy
/ R&D

Transformation Management

I. Level of Difficulty

Structural constraints on the government are massive. An already extremely high poverty rate is further challenged by the need to accommodate hundreds of thousands of Burkinabé returning from Côte d'Ivoire, where they had been a source of support. Other constraints include a weak infrastructure and deteriorating climate conditions (soil erosion, desertification, irregular rainfalls, locust plagues, etc.), and a lack of well-educated people in the various sections. The prices for the main export goods, cotton and cattle, cannot be calculated in advance, and the expected gold boom does not necessarily spell reliable benefits for Burkina Faso. The economy is extremely dependent on climate development and global market prices (cotton, oil, etc.). Trade and economic development are limited by the country's landlocked location in a Sahelian region, as well as a lack of natural resources.

Structural
constraints

Burkina has considerable civil society traditions. The fluctuation and fragmentation of existing political parties do not reflect these traditions. One of Burkinabé society's key strengths lies in its numerous organizations and associations, some of which are rooted in pre-colonial society. These organizations include the "groupements villageois" and youth associations, which were originally self-help groups or warrior companies. Trade unions, student unions and a wide spectrum of literacy, environmental and women's advocacy groups, such as trader and professional organizations, are vital to civil society in Burkina Faso. Powerful trade unions organized several general strikes during the period under review that forced the government to cede concessions, thus demonstrating once again the strength of civil society in Burkina Faso. Other illustrative examples include group protests that successfully pressured the government to postpone its decision on the release of GM seeds.

Civil society
traditions

Ethnic and religious conflicts are infrequent; however, dissatisfaction with the government increased significantly during the period under review. A potential for conflict has been growing and could erupt into violence if the government continues to abuse its power, fails to punish politically motivated crimes, and fails to demonstrate a commitment to narrowing the social gap between a small

Conflict intensity

wealthy elite and the masses of the poor. As is typical for a Sahel country, in which the seasonal movement of livestock is commonplace, the herders' search for pastures often leads to clashes with local farming communities. Some of the clashes seem to have an ethnic background, though the most important conflict factors are questions regarding land.

II. Management Performance

The Burkinabé government has clearly made some progress as far as the difficult path of economic transformation is concerned. However, it seems that most actions are the result of primarily foreign and domestic pressure, rather than any vision or foresight on the part of the government. With regard to democratic development, the government shows no commitment to implementing decisions that may limit its power, but rather seems to have rolled back some of the democratic progress that has been achieved over the last years.

14 | Steering Capability

The government pursues long-term aims in the formulation of its economic policy aims and objectives, although it sometimes suspends such policies in favor of short-term political benefits, particularly in the run-up to elections. It is somewhat constrained in setting strategic priorities since Burkina depends heavily on foreign aid. When it comes to democratization, the Compaoré leadership claims to be committed to long-term aims, but such aims are regularly compromised by short-term interests of political bargaining and office-seeking.

Prioritization

Compaoré's government pursued an economic reform strategy with goals appropriate to the country's problems, yet was not very successful in achieving some of them. The reform policy, as implemented, was associated with high costs for certain sectors of the population, and welfare improvements were made available only to a small elite. Improvements are not expected for the majority in the short or medium term. Although reforms may be well-considered, properly prepared and legally enacted, they often fail to become fully implemented in practical terms. In many cases, the government simply does not have the required capacity to supervise and monitor results. Furthermore, decentralization and a culture of self-help translate into measures being left to local institutions or organizations for implementation. Often, these organizations' financial support is dependent on foreign donors and valued as a source of relief for the state budget. All in all, the government seeks to achieve reform, but effective reforms are limited to a market economy. This has been disappointing in regards to the

Implementation

country's democratization.

Individual measures meant to facilitate democracy and a market economy exhibit limited consistency and coherence. Democratic reforms have been partial and shortsighted, reaching only as far as needed to appease looming social unrest and intense popular pressure. For the most part, reforms reflect the Compaoré administration's self-serving strategies rather than the long-term aim of furthering democracy. The country's democratic development reflects little willingness in learning as far as the political leadership is concerned; its actions are determined foremost by the will to remain in power and to safeguard its power as comprehensively as possible. Flexibility is shown if it is considered beneficial within the context of power retention. The political leadership may have recognized opportunities for democratic development in recent years, but have not taken advantage of them.

Policy learning

15 | Resource Efficiency

Available human, financial and organizational resources were efficiently utilized in very few areas. Immense amounts of resources are wasted because of corruption and the lack of infrastructure, coordination and official monitoring. Furthermore, the majority of the state's resources are distributed to a small elite via patronage networks. Extravagant building projects in the capital show that more funds have accumulated in urban areas than ever before. A new international airport is planned to be constructed 35 km northeast of Ouagadougou. The government has not yet indicated how it intends to finance this investment, which has been estimated at XOF 237 billion, and it remains questionable whether the decision was made according to economic criteria. Generally, requirements set by the IMF and World Bank have been met, and reform plans have been implemented according to schedule. Public services are deficient in many areas, particularly in education, health care and infrastructure. These deficiencies hindered or complicated further economic transformation. The same is true for the promotion of entrepreneurship among lower and medium income groups. The Burkinabé in diaspora, particularly beyond Africa, are not being tapped enough for business purposes; humanitarian issues dominate contacts. Similar problems arise in terms of political capital. Many Burkinabé respond with caution or distrust to government appeals for them to contribute knowledge, human and economic resources to meet development objectives. The fruits of their good will have often been reaped by others. Consequently, directed reforms are often met with skepticism.

Efficient use of assets

This skepticism on the part of the population helps to explain conflicting objectives, even in cases where the government may show farsightedness in seeking necessary changes. Peasants and urban laborers fear that their efforts are

Policy coordination

misused for the benefit of a small, impenetrable elite. The government tries to coordinate conflicting objectives and interests, but is not always successful. Different parts of the government tend to compete among each other against the background of a highly fractured ruling party. Heavy personal infighting and rivalry between CDP members has been particularly prominent during local elections where many intra-CDP conflicts ended in violence.

As corruption has increased everywhere throughout the country, the international donor community has moved the fight against corruption to the top of its priority list. Increased transparency has become one of the main demands within donor programs. While minimal progress regarding integrity has been made (e.g., party-financing legislation, judicial reform, creation of the High Authority for the Coordination of the Fight Against Corruption), visible success in the fight against corruption has yet to materialize. In 2005, Burkina was included in Transparency International's Corruption Perception Index with a score of 3.4 and a ranking of 70th out of 159 countries surveyed. Although poor by Western standards, the score is the second best in West Africa and ranks Burkina above 34 other African countries surveyed. However, Ren-lac, a coalition of Burkinabè civil society organizations, suggests that corruption in Burkina is on the increase. Investigative journalism becomes particularly risky if it pries into the elite's involvement in corruption cases. The dysfunctional judiciary prohibits the effective prosecution of corruption.

Anti-corruption
policy

16 | Consensus-Building

The major political actors agree on the market economy. The consensus on democracy is driven by opportunism rather than deep conviction. Consequently, implementation is carried out with reluctance and in response to civil society and foreign pressure. Given the opportunity, the actors currently in power would prefer to return to autocratic rule. Burkina Faso's traditional society, and the various regimes following independence, were famous for their ability to build consensus in a wide spectrum of conflicts. Currently, polarization characterizes politics in Burkina Faso. In many areas, key political and social actors differ on the goals of development and how to attain these goals. The Sankara era continues to define Burkina Faso. The former president's revolutionary reform policies, which aimed for an African socialist society and a grassroots-based economic system, live on in the memory of many Burkinabé. These ideals, sometimes considered reflective of a "true" democracy of fair distribution with a strong farming community, remain popular; market economy transformation is compared to these ideals with disapproval. It should come as no surprise that a minimum of nine parties define themselves as "Sankarist." The majority of the population has yet to taste the fruits of progress toward a socially responsible

Consensus on goals

market economy. At the same time, they suffer the negative effects of privatization, restructuring and liberalization.

It is unclear how the exclusion or co-option of anti-democratic veto actors exactly takes place. Clearly, those who do not favor rapid democratization (in the sense of increased transparency) are within the ruling system. Evidence of co-option is seen in the culture of impunity surrounding affairs such as the assassination of Sankara or Zongo. Those challenging the regime by legitimate means, such as NGOs or labor groups, are excluded and frequently slandered for being “anti-democratic.”

Anti-democratic veto actors

In Burkina, cleavages are manifested in social conflicts or tensions. While the government has thus far managed to prevent the escalation of conflicts (wages and salaries were increased to avoid unrest and further union-organized general strikes), it has not mitigated existing conflicts, particularly those over the legal procedures of unresolved (political) crimes, though escalation has yet to occur. Another significant issue is the permanent friction between semi-nomadic groups particularly the Fulani and farmers over overgrazing. In some cases, government institutions have been incapable of settling violent conflicts peacefully. The de-escalation intervention in the border conflict with Mali, however, has been successful so far.

Cleavage / conflict management

Although the willingness of the government and the parliamentary or extra-parliamentary opposition to co-operate with one another remained low during the evaluation period, numerous civic organizations succeeded in exerting considerable influence over the political agenda, shaping economic and social welfare policy.

Civil society participation

Progress made in consensus-building has in no way satisfied the need for a more comprehensive policy to come to terms with the past. Burkina Faso has yet to establish anything resembling a “Truth and Reconciliation Commission” to scrutinize human rights violations of the past. The political leadership does not address past acts of injustice and does not initiate processes of reconciliation.

Reconciliation

17 | International Cooperation

Improvements in Burkina Faso’s economic transformation balance since the early 1990s have been linked directly to intense cooperation with national and international donors. At the top of the list are the IMF, the World Bank subsidiary IDA, the European Union, the African Development Fund (AfDF) and France, Burkina’s main trading partner and closest Western ally. While the relationship with France had cooled down a bit during Burkina’s difficult period after the Zongo murder and the regime’s intrigues that consequently came to the surface, Compaoré succeeded in making Burkina one of France’s closest and

Effective use of support

most influential partners in sub-Saharan Africa. One reason for the close relationship between France and Burkina Faso is that the Ivorian crises destroyed the relationship between France and its former West African “protégé,” Côte d’Ivoire. As a consequence, France had to support Compaoré in order to counterbalance this strategic situation. The second reason is to be found in the fact that Burkina Faso has enjoyed remarkable political stability during the Compaoré years and guarantees the French a remaining influence in Africa. The once-strained bilateral relations between Burkina and the United States continued to improve; Burkina Faso is now the thirty-eighth country in sub-Saharan Africa to receive preferential access to U.S. markets under the Growth and Opportunity Act (AGOA), thus broadening the growing influence of the United States in the region. Without assistance from external actors, most of which came in the form of grants or loans with favorable conditions, as well as comprehensive debt relief, economic development would have made very limited progress in many areas because of extremely adverse structural conditions. Economic development in Burkina Faso is characterized by the assiduous coordination of reforms and a high degree of willingness to fulfill established conditions as closely as possible. External actors played a more limited role in democratic transformation. In this area, the Compaoré government has demonstrated a willingness to make concessions and policy learning, but only if massive pressure is exerted by international donors and if this pressure seems to seriously threaten its reputation as a reliable partner in the troubled West African Region.

The government is considered credible and reliable by the international community, with slight reservations in terms of democratization and liberalization. In particular, Burkina is able to build confidence in its economic reform policies. Successes in economic reform seem to obscure the lack of commitment to implement democratic reforms or behavioral patterns that should reduce confidence in the Burkinabè government. Examples during the period under review include the Burkinabè government’s apparent support of the automatic succession of the Togolese president, Gnassingbé Eyadéma, who died in February 2005, by his son, Faure Gnassingbé; the decision to drop all charges against the prime suspect in the murder case of Norbert Zongo; or the fact that Compaoré has run again for presidency despite considerable doubts regarding the constitutionality of his candidacy. IMF approval of Burkina Faso’s macroeconomic policy course, based on the completion of the three year poverty reduction and growth facility (PRGF), has strengthened the country’s standing with donors. In response to the significant debt write-off of \$1.5 billion under the MDRI, which will reduce Burkina’s outstanding debt stock to an estimated 12.3% of GDP by the end of 2006, the credit ratings agency Standard & Poor’s improved Burkina Faso’s outlook in July from “stable” to “positive.”

Credibility

Working within a regional context is a key element of Burkina Faso's statehood: more than 60 ethnic groups live beyond the state's borders; nomads and migrant workers depend on pastures and jobs in neighboring countries; the fight against desertification is impossible without regional collaboration; seaport access is dependent upon agreements with neighbors to the south; and the CFA franc pegs the country to the other states with the same currency. Burkina Faso's economically and politically important relationship with its closest regional partner, Côte d'Ivoire, suffered greatly during the period under review. Relations with Côte d'Ivoire will improve only if the peace process makes real progress. On 4 March 2007, peace agreements were concluded in Ouagadougou, with President Compaoré as a facilitator. A significant improvement, however, seems possible only if a presidential change would take place in at least one of the two countries, since the conflict contains a very personal aspect. Burkina Faso has proven a reliable and cooperative partner in economic affairs with other countries, as well as with international and regional organizations. During the period examined, it actively and successfully fostered economic cooperation. However, Burkina Faso's record in the political arena is mixed. After having won great respect for his role as an active mediator in African conflicts, such as the conflict between Ethiopia and Eritrea, Compaoré sabotaged this respect with his problematic involvement in regional conflicts in Angola, Liberia, Sierra Leone, Côte d'Ivoire, and coup plots in Mauretania and Guinea. While the African Union (AU) and the Economic Community of West African States (ECOWAS) clearly condemned the Togolese military's attempt to install Faure Gnassingbé as president of Togo following the death of his father, Compaoré undermined the organizations' positions by declaring support for Gnassingbé, which has been underlined by mutual visits. However, President Compaoré successfully helped Togolese political leaders reach an agreement in August 2006. Many think that President Compaoré's active role as mediator in both the Togolese and Ivorian crises is partly motivated by his desire to restore his image. Despite these contentious roles, Compaoré chose economic issues as the basis for styling himself as a subregional leader. In 2005, he was reappointed chairman of the so-called "l'Autorité Liptako-Gourma," a collaborative framework set up in 1970 by Mali, Burkina and Niger, whose goal is to promote some of the area's resources. Moreover, Compaoré became president of the Community of Sahel-Saharan States (CEN-SAD) and continued to play a leading role, together with Benin, Chad and Mali, in protests against U.S., EU and Chinese subsidies to their own cotton producers. The December 2005 visit to Ouagadougou by the newly elected Liberian president, Ellen Johnson-Sirleaf, could signal a new era in the relations between the two countries.

Strategic Outlook

The gradual opening of the regime and carefully designed reforms of recent years were part of Compaoré's tactical moves to remain in power, not a sign of democratic reform-mindedness. Developments during the period under review seem to have demonstrated this more clearly than ever before. As for democratic transition, the country seems to have taken a step backward rather than a step forward during the period under review. Compaoré and the Congrès pour la démocratie et le progrès (CDP) are more powerful than ever and enjoy an unprecedented legitimacy, despite a widely disappointed, dissatisfied and disillusioned population in a highly tense social atmosphere.

Burkina's relative stability could be endangered by a growing opposition, located outside of political institutions, that considers these institutions incapable of representing their concerns. The institutions in their present state do not offer a sufficient forum for the articulation of political and social grievances. There are already signs that sectors of the radical opposition may be tempted to turn to non-electoral and violent forms of political action. The upcoming legislative elections of 6 May 2007 should restore a more balanced proportion of power between the ruling party and the opposition, a balance that had looked so promising in 2002. The weak and highly fragmented opposition, however, does not seem ready to bring about this change within the next couple of months.

Civil society, in this regard, seems to be facing a dilemma. On the one hand, there is obvious discontent with the government and the president, since too little has been done to improve the overall living standard. On the other hand, the notoriously weak opposition does not offer any convincing alternatives, and despite the shortcomings of Compaoré's government, it has guaranteed a level of stability over many years in a country surrounded by fragile states and conflict-ridden neighbors. Disillusionment with politics and a declining public interest seem to be common reactions to this ambivalent situation.

Substantial improvements are needed to keep Burkina on the path toward democracy. The government and state institutions need enhanced legitimacy through more transparent and accountable politics, and a real and far-reaching reform agenda. In concrete terms, this means that the following steps must be taken:

The rule of law should be strengthened and the functioning of the justice system should be improved. Enhanced human, financial and technical capacities will be

of great importance in this regard, but the most important prerequisite is the formal and de facto independence of the judiciary.

The fight against corruption has to be the top priority, not only for the government but also for donor programs. Enhanced transparency and accountability are needed in all areas of Burkina's political, social and economic life. Since corruption is deep-rooted, the successful fight against it will require a long-term approach. Concrete and comprehensive results can only be expected if neopatrimonial structures are weakened and certain attitudes and political behavior change.

The government should allow for an electoral reform process. More proportional representation and more inclusive politics are necessary. In this context, an improved system of checks and balances is also needed. Only then will state institutions be strengthened, thereby adding to the stability of the country. It will therefore be of great importance to build the ability of the parliament to counterbalance the massive power of the executive. Also, major improvements are needed with regard to understanding the role and the workings of the political opposition.

An independent commission should be established to examine all allegations of Burkinabè interference in African countries. The Compaoré government has never acknowledged its role in the conflicts of neighboring countries, but it has suggested that, whatever links it may have had in Liberia and Sierra Leone in the recent past, it now supports regional peace efforts. Assuming that this is true, Burkina's stabilizing role as a peacemaker should not only be supported, but should also be steadily monitored and facilitated by its African and international partners.

The same partners should unequivocally emphasize to Compaoré and his government that all relevant actors in Burkina should strictly avoid playing the nationalistic or ethnic card, as was done in the Ivorian civil war. The absence of ethnicity as a political instrument has always been the strength of Burkinabè politics, and this has reduced the risk of facing conflicts comparable to those of many of its regional neighbors.