

BTI 2008 | Guinea Country Report

Status Index	1-10	3.72	# 109 of 125	
Democracy	1-10	3.98	# 88 of 125	➔
Market Economy	1-10	3.46	# 116 of 125	⬇
Management Index	1-10	2.62	# 113 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.

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Key Indicators

Population	mn.	9.4	HDI	0.45	GDP p.c.	\$	2,060
Pop. growth ¹	% p.a.	2.2	HDI rank of 177	160	Gini Index		38.6
Life expectancy	years	54	UN Education Index	0.34	Poverty ³	%	-
Urban population	%	33.0	Gender equality ²	-	Aid per capita	\$	21.0

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

Autocratic President General Lansana Conté, who came to power in 1984 by a military coup d'état, has been seriously ill with diabetes and leukemia and probably amnesia for several years, leaving him unable to govern his country. Since 2000, the economic and social situation has continuously deteriorated. Inflation has accelerated to 30 and 40% in 2005 and 2006 respectively. Particularly since salaries in the formal sector were not increased accordingly, this has led to growing impoverishment among increasingly larger parts of the population. Consequently, nationwide opposition has grown, and its increased organization has made it stronger than ever before. In a nation that has suffered two long dictatorships over 48 years (and 60 years of colonial dictatorship) sheer misery and despair have bred active disobedience. As political parliamentary and extraparliamentary opposition parties that were created at the beginning of the 1990s were not able to properly organize, new structures of popular resistance grew within civil society, particularly in trade unions, which are historically the backbone of the independence movement under the Sékou Touré regime (1958 to 1984).

The trade unions called general strikes in February/March (five days) and June 2006 (nine days), and a third in January/February 2007 (48 days) that turned into a popular uprising protesting for radical change in the most corrupt country in Africa. The regime resorted to violent suppression of a peaceful political strike and killed at least 15 people in June 2006 and probably far more than 150 people in the beginning of 2007. For the first time in Guinea's history, a state of siege was declared in February 2007. Only after regional mediation by the Economic Community of West African States (ECOWAS) did President Conté finally yield and appoint a new prime minister given wide executive powers. President Conté chose Prime Minister Lansana Kouyaté, an international career diplomat, from a list of four candidates that trade unions and civil society representatives submitted. Guinea's knotty relations with the international

financial institutions (IMF, World Bank) have not improved during the period under review. Although Guinea reached the decision point in the poverty reduction program for heavily indebted poverty countries (HIPC) in 2000, the completion point has yet to be obtained. A three-year IMF poverty reduction program for 2001 to 2004 was abandoned in 2002. An informal twelve-month IMF Staff-Monitored Program was agreed upon under Prime Minister Cellou Dalein Diallo but was not completed, since Diallo was dismissed in April 2006. The entire economic framework continued to suffer from insufficient separation of powers, particularly the dependence of the central bank on the president himself, who considers the central banks as his personal property and withdrew funds at his will. There was no efficient control of budgetary receipts and expenditures, as well as a serious lack of competent and honest staff throughout the administration.

However, the European Union resumed development cooperation with Guinea (European Development Fund) at the end of 2006 after difficult “consultations” from July 2004 to April 2005 on democratic development, press freedom and human rights. International relations were kept at a minimum. There was only one state visit from outside the region in 2006, South Africa’s President Thabo Mbeki. President Conté himself has not left the country except for a few medical trips. Even cooperation within the Mano River Union (Guinea, Sierra Leone and Liberia), revitalized in 2003 after the end of civil wars in the two neighboring countries, was conducted unsystematically and almost only in the field of immediate security needs. Guinea’s president has not participated in summit meetings of ECOWAS or the African Union for a number of years; the foreign minister represents the country at such and other international meetings.

History and Characteristics of Transformation

In pre-colonial times much of Guinea’s territory was organized in Islamic theocratic states, especially in the Fouta Djalon mountains and in Upper Guinea. In the coastal and forest regions, village chiefs ruled separated communities. France took an imperialistic interest in Guinea at the end of the 19th century. In Upper Guinea, which borders on the old kingdom of Mali, agricultural produce such as peanuts, cotton and other plants could be produced, which would secure a connection to Senegal, Western Sudan (today: Mali) and the Sahel regions. The French could only establish the colonial state after violent wars against the resistance, headed by leaders of the interior like Almamy Samori Touré and Yaya Diallo.

Guinea first began to attract more attention when bauxite and other minerals were discovered there in the 1930s and once again after 1945 with the advent of France’s foreign aid to its African colonies (FIDES) for development. Investments were made primarily in infrastructure to facilitate mining. This development nurtured the

formation of a working class that became the foundation for Guinea's national movement, which was not the case in neighboring countries like Côte d'Ivoire or Mali. After World War II, a socialist trade union movement created an explosive amalgam of discontents demanding self-government. On September 28, 1958, Guinea voted against General de Gaulle's constitutional plans for a Communauté Française in all of French West Africa. France broke off all relations with Guinea, which declared independence on 2 October 1958 under President Sékou Touré.

Fed by ideals, illusions and ideologies, a new era of transformation began as the Cold War raged that pursued a nationalist vision of development. Guinea's first president, Ahmed Sékou Touré, who became one of the important leaders of the non-alignment movement, wanted to eliminate the deficiencies of the colonial period, particularly in infrastructure and basic needs; he also wanted to end dependence on France and proposed to form an African community with Ghana and Mali. However, this plan failed to take into account the insufficient socioeconomic conditions: large ethnic, economic and regional discrepancies and almost irreversible dependence on existing world trade structures. But Guinea, as the first francophone country in Africa to declare independence (after Britain's Gold Coast became Ghana in 1957), received support from the socialist countries, and also from the United States and West Germany. Soon Sékou Touré's regime (first republic until 1982, second republic with a new constitution in 1982) became a dictatorship, infamous for its torture camps where numerous alleged opposition members were detained and often died. Sekou Touré's Guinea also became notorious worldwide for its long series of invented and real coup attempts. After Sékou Touré's death in 1984, the military seized power under Colonel Lansana Conté.

After the end of the Cold War, a new multiparty constitution (1991 – third republic) was introduced, with a formal orientation towards democracy and market economy. Economic policies focused on the government-owned mining sector and other state or parastatal enterprises. In the 1990s, a more liberal society developed and the economy flourished. But President Conté never intended to create a genuine democracy – that is, to allow for a change of power. Manipulated elections, oppression and intimidation poisoned the political climate, if less so than under Sékou Touré. The generosity of international donors towards the regime did not translate into improved economic development. After falsified parliamentary and presidential elections in 2002 and 2003, respectively, Guinea's economy began to deteriorate severely, a situation clearly aggravated by President Conté's illness. From the beginning of the 1990s Guinea was seriously affected by civil wars in neighboring countries Sierra Leone (1991 – 2002), Liberia (1989 – 2003) and in Côte d'Ivoire (since 2002). At times, there were more than one million refugees in the country of eight million. In 2001, there were still 600,000 refugees in Guinea, several of them rebels and outlaws. Rebel invasions in 2000 and 2001 tied up Guinea's armed forces, resulting in serious social and economic problems. By 2006, most refugees had left the country or integrated into its population.

Transformation Status

I. Democracy

Throughout its 49 years of independence, Guinea has been ruled by classic dictators, although Lansana Conté is less ruthless than founding president Sékou Touré (1958 – 1984). All nine elections that have taken place since 1993 suffered from major irregularities and outright electoral fraud. The communal elections in December 2005 showed slight progress. Under pressure from the European Union, the government engaged the political opposition parties in a political dialogue from August to December 2006 that led to the elaboration of bills to change the electoral framework. However, these bills have not yet passed in parliament. Parliamentary elections are scheduled for June 2007, but given the domestic turmoil at the beginning of 2007 it is improbable that they will take place on time.

1 | Stateness

Until the beginning of the general strike in January 2007 there was no substantial challenge to the monopoly on the use of force except for a few incidences during the strikes in February/March and June 2006, as well as local incidences in the forest region (East Guinea). There were, however, complaints about growing insecurity over criminal activity that was not sufficiently countered by security forces. Extra-judicial killings by civilians (lynchings) were reported. During the general strike in January and February 2007, there were only few incidents of undisciplined behavior by state security forces.

Monopoly on the use of force

The legitimacy of the nation-state is not questioned. Since independence in 1958, a strong feeling of nationalism has characterized the population. Although ethnic groups extend beyond the borders fixed by the French colony, Guinean citizenship extends to all of the 20 (roughly) ethnic groups.

State identity

The secular order of the state is guaranteed in principle. Guinea has a secular constitution (fundamental law of 1991). The population is over 90% Muslims and 5% Christian (Catholics, Anglicans and Protestants). Government comprises a ministry for the Islamic League, many of the better (private) schools belong to the Catholic and Anglican Churches (although Muslims also attend these schools). The population enjoys religious freedom. Religious traditions, however, comprise the cultural traditions that hinder the equal representation of women.

No interference of religious dogmas

Government structures cover security and public order, but not much more. Only rudimentary school, health and agricultural advisory services are available throughout the country, particularly in rural areas. During the January/February 2007 strike, civilian authorities were chased away by protesters in 30 out of 33 prefectures.

Basic
administration

2 | Political Participation

Since the promulgation of the present constitution in 1991 nine elections have been held. None of them was free or fair. In the last legislative elections in June 2002, votes were not even counted but the distribution of parliamentary seats was negotiated with non-boycotting opposition parties that presently hold 24 out of 114 seats. Opposition parties boycotted the presidential elections of December 2003, which were only made possible by an amendment to the constitution allowing President Lansana indefinite terms of office; a nominal candidate from Conté's entourage received about 5% of the votes. Though more promising, communal elections held throughout the country in December 2005 were still not considered free and fair.

Free and fair
elections

Until the uprising in early 2007, the government had the effective power to govern, but was itself the principal undemocratic veto actor. All executive, legislative and judiciary powers, formally independent from each other, are effectively controlled by President Conté. The army, of which General Conté is the Supreme Commander, has special weight and privileges. Political opposition parties and, more recently, since general strikes in February/March 2006 (five days), June 2006 (twelve days), and particularly in January and February 2007 (48 days), trade unions and civil society organizations have become counterweights to the autocratic regime. Most significantly, their increased relevance has led to the forced nomination of a new prime minister with extended responsibilities as chief of government, Lansana Kouyaté.

Effective power
to govern

There is partial freedom of association, and more than 40 political parties are registered. Freedom of assembly is restricted and demonstrations are prohibited except after government authorities grant special permission. However, demonstrations were held in spite of the general prohibition, and during the general strikes the security forces, mostly the presidential guard, violently suppressed them. Hundreds of people were killed and many hundreds injured.

Association /
assembly rights

State media are strictly controlled by government and are mere instruments of crude propaganda. In September 2006, some private radio stations were licensed to broadcast but they were destroyed or closed down in the January 2007 strikes. Numerous weekly private newspapers with low circulations are sometimes very critical of government institutions. In Freedom House's Index on the Freedom of

Freedom of
expression

Press Guinea ranks 149th out of 194 and is regarded “not free”; in sub-Saharan Africa it places 33rd out of 48.

3 | Rule of Law

There is hardly any real separation of powers. The executive strongly dominates all other branches. President General Conté intervenes in legislative and legal matters at his own will and without respect to the nominal constitution. The most prominent case occurred on 16 December 2006 when he liberated businessman Mamadou Sylla and party stalwart Fodé Soumah personally from the central prison in Conakry. This was the incident that galvanized trade unions into action to call the January 2007 strike. National Assembly speaker Somparé Aboubacar has also not hesitated to appeal to judges to proceed according to his interests. The National Assembly, however, voted against President Conté’s proposal to extend a twelve-day martial law period on 23 February 2007, the first independent opinion in the history of independent Guinea. Poorly paid, judges are vulnerable to state intervention and generally accept demands made by those in other branches of government, including governors, prefects and sub-prefects.

Separation of powers

There is no independent judiciary. The judiciary is somewhat institutionally differentiated, but its decisions are subordinated to political authorities and functional deficits such as scarce resources; corruption hampers the whole apparatus. Justice Minister René Gomez announced a five-year plan for a judiciary reform program in summer 2006 but had no time to start implementation.

Independent judiciary

In general, officeholders can exploit their offices for private gain without fear of legal consequences. No officeholders have been held responsible for corruption or other bribery over the last few years. In fact, President Conté himself said publicly that all his ministers were thieves. Transparency International ranked Guinea as the most corrupt country in Africa on the Corruption Perceptions Index in 2006. Ranking 160th out of 163 countries, Guinea displayed the second worst value of all countries worldwide (1.9 as opposed to Haiti’s 1.8 on a scale of 1 to 10).

Prosecution of office abuse

Though civil rights are not regularly violated, they are not adequately protected. The number of prisoners is relatively low at about 0.03 % of the population, about 3,000 people countrywide. However, most of them will languish in prison for years without trial, and many die of malnutrition or insufficient medical care. According to a Human Rights Watch report from 22 August 2006, torture is frequent, although more so in police stations after arrest than in prison. Courts have judged on some cases of spousal abuse or rape.

Civil rights

4 | Stability of Democratic Institutions

Guinean political institutions are only formally democratic. Parliament or other “republican institutions” such as the Supreme Court and the Economic and Social Council are rarely staffed to fulfill their constitutional responsibilities; in better cases they are not courageous enough to assume their duties.

Performance of democratic institutions

As already noted, democratic institutions exist truly on paper only; the regime is authoritarian in essence. Since some communes were won by opposition parties in communal elections in December 2005, however, there may be new potential for substantial democratization of the country. As of the beginning of 2007, little has been achieved in this respect.

Commitment to democratic institutions

5 | Political and Social Integration

Since the introduction of a formal multiparty system in Guinea, it has been characterized by a strong hegemony of the ruling Party for Unity and Progress (Parti de l’Unité et du Progrès, PUP). Next to the dominating governmental PUP and two small allied parties, there are about six opposition parties, some in parliament, some extra-parliamentary. All parties lack a political program or a set of political values; instead they are based on strong personalities and geographical regions. Except for the ruling party, all groups lack substantial resources. Taking into account the non-competitive character of the elections, volatility cannot be adequately evaluated. In general, the nature of the party system reflects the authoritarian character of the regime; it cannot function as a mediator between society and the state.

Party system

The topography of interest groups is bleak; important social interests are under-represented. The Guinean population has survived mostly due to strong extended family connections that serve as a security network. Economic and social cooperatives and (sometimes secret) societies circulate within families and ethnic clans. A number of trade unions and the National Council of Civil Societies have grown more recently and formed counter-powers to the regime and its agents.

Interest groups

Representative survey polls have not been conducted in Guinea. Hence, the citizens’ consent to liberal democracy cannot be evaluated. However, there are apparently growing aspirations to democracy and democratic procedures; the consequences of the revolutionary general strike of January/February 2007 might produce lasting results. As of yet, however, there is no experience of democracy in Guinea.

Consent to democratic norms

As government has failed to provide social capital throughout independence (and obviously throughout colonial dictatorship), self-organization within family and

Associational activities

clan associations were necessary for survival. This has provided rudimentary, if unsatisfactory, minimum organizational structures in the country, including Conakry. These organizations, sometimes formed as registered NGOs, have attracted some support from the international community.

II. Market Economy

Guinea falls short of the minimum criteria for a socially responsible market democracy. Socioeconomic barriers remain particularly high and the country remains dependent on outside support. Severe shortcomings persist in almost all areas, particularly in the market framework and the welfare regime. Hopes for future progress stem mainly from the considerable potential in the mining sector.

6 | Level of Socioeconomic Development

Social exclusion is quantitatively and qualitatively extensive and structurally ingrained. The key indicators show a low level of development for Guinea. Measured in terms of the HDI (rank 160th out of 177), the country's level of development does not permit adequate freedom of choice for a large percentage of its citizens due to the scarcity of financial means. There is no available data on the number of people living on less than \$1 a day is not available, but abject poverty is widespread – 40% of the population lives below the national poverty line. The Gini-Index stands at around 0.40. The poor gender-related development index (GDI) value – 121 out of 136 – indicates the high level of discrimination against women. In 2002, Guinea adopted a Poverty Reduction Strategy that has been evaluated cautiously as positive by the World Bank in 2006; however, the implementation of some of its key features suffers from lacunae in the international economic framework. GDP growth rates rose from 1.2% in 2003 to 2.7% in 2004. This rate is well below the average rate of 5% established by the PRSP for the period 2002-2005.

Socioeconomic
barriers

Economic indicators		2002	2003	2004	2005
GDP	\$ mn.	3,208	3,638	4,047	3,289
Growth of GDP	%	4.2	1.2	2.7	3.3
Inflation (CPI)	%	-	-	-	-

		2002	2003	2004	2005
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	0.9	2.2	2.4	3.1
Export growth	%	-1.3	-5.4	3.6	3.8
Import growth	%	9.1	-12.3	3.5	-14.5
Current account balance	\$ mn.	-199.6	-185.3	-162.4	-
Public debt	\$ mn.	2,972.5	3,154.0	3,187.7	2,930.5
External debt	\$ mn.	3,400.9	3,456.7	3,538.4	3,246.7
External debt service	% of GNI	3.9	3.6	4.3	5
Cash surplus or deficit	% of GDP	-	-	-	-
Tax Revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	7.5	7.2	5.9	5.4
Public expnd. on edu.	% of GDP	-	-	2.2	2.0
Public expnd. on health	% of GDP	1.0	0.9	0.7	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	2.9	-	-	-

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 foundations of a competitive market economy are only rudimentary at present. Beginning with neoliberal reforms in the first half of the 1990s, Guinea has made some progress in transforming its economic order. The country has yet to establish a tenable competition framework; there is a tendency toward market concentration or even monopolization in the key sectors of the economy (mining). The government has successfully found partners for projects in the mining industry (Guinea has almost one half of the world's proven reserves of bauxite, which is the key raw material to produce alumina). During the review period, the government lifted price controls, subsidies and restrictions on foreign investment were lifted. However, the strikers of the 2006 – 2007 movements demanded that the government fix the price of rice with the same urgency as they called for the revision of a number of mining and fishing agreements. None of this has been

Market-based
competition

implemented. About half of Guinea's economic activity takes place in the informal sector. In addition, the IMF notes that agricultural production is below potential, mainly because of inadequate infrastructure and lack of individual property rights in rural areas.

The formation of monopolies, particularly in the key mining sector, is only regulated on occasion. There is no anti-cartel legislation. Except for the mobile phone sector, there is little competition between different companies. Bribed state contracts, fiddled expenses and general suppression exercised by the security forces have led to sharply unequal market conditions.

Anti-monopoly
policy

At least partially due to donor pressures (particularly the IMF), foreign trade has been liberalized; the state does not formally intervene in foreign trade. The existing contractual arrangements are too lenient. This particularly applies to the treatment of foreign investments and stockholding. There are as of yet no restrictions or controls on payments, transactions, transfers or repatriation of profits, but there are societal demands for a more extended control of payments and transactions.

Liberalization of
foreign trade

The banking and financial sector underwent both internal and external deregulation in the 1990s. Further measures to strengthen bank supervision are being implemented according to IMF recommendations, but they still do not meet the highest international standards. The banking system has slightly expanded with investments from the south (Nigeria, Morocco and India). According to the Economist Intelligence Unit, the banking system has been gaining public confidence in recent years. A serious impediment for the financial sector remains the dependence of the Central Bank of Guinea (BCRG) on the office of the president. Guinea has accomplished two of four convergence criteria of the West African Monetary Institute, intended to prepare for a second monetary zone.

Banking system

8 | Currency and Price Stability

The Guinean government did not follow a serious anti-inflation policy. Inflation was at 30% at the end of 2005 and at about 40% at the end of 2006. The export of the Guinean franc is restricted but it is allowed to import and export foreign currency. The Guinean currency devalued at about the same rate as the inflation: on average €1 bought GNF 2.767 in 2004, GNF 4.536 in 2005 and around GNF 7.800 at the end of 2006. Unlike most of its neighboring francophone countries, Guinea is not part of the CFA franc zone. It thus cannot take advantage of the monetary benefits granted to the zone's participating countries.

Anti-inflation /
forex policy

The government has serious difficulties in setting goals and achieving sound policies for macroeconomic stability. Although Prime Minister Cellou Dalein

Macrostability

Diallo (December 2004 to April 2006) followed an IMF-monitored economic program, he only succeeded in effecting institutional changes, while increasing inflation and reciprocal devaluation of the Guinean currency endangered real macroeconomic goals. Foreign reserves declined from \$262.3 million at the end of 2002 to \$118.8 million (2004) to \$96.3 million (2005). Total foreign debt was at about \$3.2 billion at the end of 2006, or about 90% of GNP.

9 | Private Property

Property rights are not adequately protected. Business and industrial property rights and property acquisition are legally defined with regard to the acquisition, use, benefits and sale of property; yet those attempting to exercise those rights face substantial barriers in the oppressive state structures. In rural areas, most land titles are communally defined.

Property rights

The legal framework for a functional private sector exists in Guinea only in rudiments. Many former state enterprises have been privatized but a few state companies remain, for instance in the mining sector, where the largest firm, the Compagnie des bauxites de Guinée (CBG), is a parastatal. The privatization of the state provider of energy – “Electricity of Guinea” – was a failure. The enterprise needed to be re-nationalized to provide the population with electricity.

Private
enterprise

10 | Welfare Regime

State measures to avert social risks are rather poorly developed. The insurance system, which covers about 10% of the population, provides insufficient allocations in case of illness, pregnancy, disability, old age and death. There is a national social security service, approximately 50 private insurance companies and self-help microfinancing systems.

Social safety nets

Equality of opportunity exists in the constitution, but there is no particular legislation to enforce equality of opportunity. With the exception of the donor-driven PRSP, there are hardly any mechanisms to promote the advancement of women, persons with disabilities or the socially disadvantaged. National schooling facilities for the deaf and the blind only provide secondary education. Except for the offerings of some charitable organizations, the disabled have no access to vocational and university training.

Equal opportunity

11 | Economic Performance

Growth of per-capita GDP is low. It is associated with only moderately positive and mixed macroeconomic data. Exports are growing, primarily because of rising

Output strength

bauxite exports. The trade balance is near equilibrium, but the current-account balance is negative at about 5% of GNP. Official tax revenue (19% of GNP) probably declined during the period under review as the system became increasingly corrupt. The most worrisome developments have occurred in price stability, with double-digit inflation rates (2005: 31.7; 2006: 27.0). Guinea has considerable potential to further develop its mining sector, not only in the bauxite sector but also in other sectors such as gold, diamonds and other minerals. A seismic survey in 2004, conducted by the U.S.-based company Hyper Dynamics, showed encouraging results as regards oil and gas reserves.

12 | Sustainability

Although Guinea has had environmental legislation since 1993 environmental concerns are hardly taken into account by government authorities. Big mining enterprises give the environment greater consideration. Guinea possesses important renewable natural resources: 6.2 million hectares of tillable land (dry or wet farming), of which only 30% is farmed; 13.2 million hectares of forests (50% of the country); and important potential pastoral areas. Guinea's water resources are very good due to heavy rains in the rainy season. This combined with the fact that Guinea is the source of important rivers like the Senegal, the Bafing and the Niger has earned it the epithet "West Africa's water-tower." Environmental legislation is minimal, but some noteworthy initiatives have appeared, including: the Plan d'Action Forestier Guinéen (PAFG), drafted in 1988 and updated in 1992; the Lettre de Politique de Développement Agricole (LPDA); and the Plan National d'Action Environnementale (PNAE). Mining and primary ore extraction take place in open-pit mines, so the responsibility of containing air and water pollution through extracting chemicals and limiting deforestation lies primarily with the mining companies. In fulfillment of this responsibility, mining companies have initiated reforestation at exhausted mining sites. Guinea enacted a protected marine area on the border zone between Guinea and Guinea-Bissau.

Environmental
policy

Public education has severely deteriorated. Some private general and, more recently, professional schools have appeared. In 2006, a new campus of the Conakry University opened in Sonfonia with a faculty of social sciences. There are few R&D institutions. Research is done primarily in the field of food security, education, fisheries and agriculture. According to the Human Development Report in 2006, only about 0.9% of GNP is used for education.

Education policy
/ R&D

Transformation Management

I. Level of Difficulty

A legacy of over 40 years of authoritarian and at times totalitarian rule, widespread poverty, inefficient and corrupt executive and legal institutions, nepotism and insufficient physical infrastructure seriously impede governance. On the other hand, the state maintains its monopoly on the use of force; heterogeneity has not bred ethnic or religious conflict; and social tensions had not dramatically escalated until the beginning of 2006. As a whole however, structural constraints for transformation are high.

Structural
constraints

Traditions of civil society are weak. Although civil society fought for independence against the colonial dictatorship, it was suppressed under Sekou Touré (1958 – 1984) and Lansana Conté (since 1984). With the establishment of the constitutional multiparty system of 1991, NGO activities have increased, and from about 2001 onwards, civil society organizations have become more numerous and better organized. Civil society is organized at the national level in the National Council of organizations of Guinean civil society, which is probably the most representative and most rooted movement in the country.

Civil society
traditions

There are no irreconcilable ethnic and religious cleavages. Guinea has three primary and closely interrelated ethnic groups, with some shared traditions. Sometimes minor opposition parties try to exploit ethnic cleavages to improve their profile. All opposition parties are, however, regionally organized, mostly due to sheer scarcity of funds rather than ethnic divisions. An aggravated sociopolitical crisis, exemplified by the strikes in 2006 and early 2007, also included violent incidents. The blame for this outburst, however, lies at least partially on the government, particularly in light of its failure to address the most pressing transformation challenges.

Conflict intensity

II. Management Performance

A high level of difficulty notwithstanding, the government's record in terms of political and economic transformation has been rather poor. Deficiencies persist in almost all areas, particularly steering capability, the efficient use of resources and consensus building. International cooperation is slightly better, but still short of satisfactory, especially in light of the far better record of many neighboring countries. The illness of the president has placed an acute constraint on management, and has hindered progress in all areas.

14 | Steering Capability

The government shows little willingness to set a reform agenda in line with political and economic transformation goals. Namely, there is no evidence that the government aims to democratize the political system. The government's record in terms of socioeconomic transformation is slightly better, albeit mainly confined to donor-driven reforms such as the Poverty Reduction Strategy. The only power in Guinea is President Lansana Conté. All other government, party or military powers derive their legitimacy from him. Prime Minister Cellou Dalein Diallo (December 2004 to April 2006) managed to reduce coordination of government activities, and after his departure, government activities were increasingly limited to sheer survival in the power structure. The military kept a certain order and maintained national security. As Conté grew increasingly ill (of diabetes, leukemia and, seemingly, amnesia) and thus unable to work on a regular schedule, the large void in leadership increased.

Prioritization

Under these circumstances, government has been, for the most part unwilling and unable to manage any rudimentary reforms. The Poverty Reduction Strategy provides one of the few examples of implemented reforms, although its implementation has not been systematic.

Implementation

President Conté is neither flexible nor innovative, and now has fallen seriously ill. As shown in the general strikes in 2006 and, more so, in January/February 2007, he has readily employed military suppression at almost all costs. Few ministers did more than a minimum of administrative work, most reform programs originated from the donor community (education, health, HIV-AIDS). The only recent reform program worth mentioning is a five-year program to reform the legal sector, but it lacks any financing and implementation has yet to begin. Concessions such as the appointment of a new prime minister in early 2007 are only part of a strategy that aims at maintaining power.

Policy learning

15 | Resource Efficiency

The Conté government does not take advantage of available economic, cultural and human resources to pursue its transformation policy. Efficiency has declined during the period under review. Public service is unreliable and of poor quality, the public administration lacks professionalism and the government bureaucracy is too small and one-dimensional. No ministry avails itself of modern information technology or even has an e-mail address. This leaves personnel expenses high and uncovered by national tax income (the tax revenue is at only 14% of GDP).

Efficient use of assets

During the 15 months of Prime Minister Cellou Dalein Diallo's tenure in office (Dec. 2004 to April 2006), there was some semblance of coordination of government activities. Afterwards, Diallo served as State Minister Fodé Bangoura for Presidential Affairs and the Coordination of Government Activities. However, government never met as a council of ministers because President Conté refused to introduce his own government. If there was any coordination, it happened within the spheres of the other five state ministers that formally controlled the 29 ministries grouped under these state ministries. Governors and prefects in the 33 prefectures acted mostly without supervision.

Policy coordination

The government not only fails to control corruption, but also lies at the very center of the system of patronage, clientelism and outright embezzlement. In its first appearance in Transparency International's Corruption Index 2006, Guinea was rated the most corrupt country in Africa, and ranked 160th out of 163 worldwide. Both petty corruption and kleptocratic attitudes of high-ranking officials run rampant. There is no budgetary control authority. Many tax and other payments did not even reach the treasury.

Anti-corruption policy

16 | Consensus-Building

The government firmly opposes transformation toward democracy and a sound and transparent market economy. Guinea has been a dictatorship for all of its 48 years of independence. Political opposition parties and civil society showed increasing desire and efforts for a fundamental change. This led to the general strikes in 2006 and the beginning of 2007. Two major and two minor trade unions became the spokespersons of the general will of the nation for relief from extreme poverty, a declining economy and political suppression. The unfolding of 2007 will reveal the potential of this movement to move Guinea toward democracy, increased market-orientation and reduced corruption.

Consensus on goals

The government is the main anti-democratic veto actor in the political arena. The 48-day general strike in January/February 2007 resulted in a compromise in which democratic forces (trade unions, civil societies and political opposition) accepted President Conté's continued tenure in principle. However, no agreement has been reached as regards the role of the security forces. While this development allows some hope that democratic forces will prevail in the medium and long term, they still face many risks. As for classical veto actors, the military plays a substantial role. President Conté himself came to power in a military coup in 1984. The most recent (unsuccessful) coup attempt dates back to 2003; an assassination attempt in 2005 may also have emerged from the ranks of the armed forces. Since late 2005, the armed forces have been restructured, most probably a measure to block any threat from within the security apparatus.

Anti-democratic veto actors

The political leadership fails to bridge social cleavages. In fact, civil unrest in the country is a result of failed government policies. From the beginning of 2006, Guinean political and military elites could no longer successfully suppress the nascent democratic aspirations. President Conté and the military retain a significant measure of control; however, a strike-turned-popular uprising against dictatorship may well give the people courage to demand better management.

Cleavage / conflict management

The political leadership prefers to ignore civil society and formulate its policies (if ever it does so) autonomously. IMF and World Bank conditionality compelled the government to invite civil society groups to participate in the drafting of the country's Poverty Reduction Strategy Paper. However, civil society, which is deeply rooted throughout the nation, has inserted itself into the uprising and will certainly participate in the future government.

Civil society participation

There are no government efforts to address the injustice of the Touré era (1958 – 1984). The government also hesitated to initiate a substantial reconciliation process for the 2006 violence. A commission of inquiry into the violence of the June 2006 strike was established without any results. The old government of Eugene Camara (19 January to 1 March 2007) promised to establish a new commission of inquiry, covering both violence during the June 2006 and the January/February 2007 strike. The new government of Prime Minister Lansana Kouyaté will have to implement these plans. International human rights organizations have requested an international commission of inquiry. The Guinean organization for human rights has also proposed a truth and reconciliation commission that should cover torture and atrocities since the Sekou Touré presidency, including torture camps like the infamous Camp Boiro.

Reconciliation

17 | International Cooperation

Guinea's government has had rough relations with the international donor community. The European Union forced "consultations" under article 96 of the Cotonou agreement from July 2004 to April 2005 in order to improve human rights, the legal system and the electoral framework for free, fair and transparent elections. As Guinea made some progress, the European Union allocated funds from the Ninth European Development Fund at the end of 2006, mostly in recognition of the need to promote regional stability.

Effective use of support

In 2002, the IMF ceased its cooperation under the PRGF that would have brought budgetary support. Informal support with a staff-monitored economic reform program was started again in early 2005, but was abandoned with Prime Minister Diallo's dismissal in April 2006. A new poverty reduction program was supposed to be negotiated in spring 2007 but the new government under Prime Minister Lansana Kouyaté will have to agree on new dates. On the HIPC initiative Guinea reached the decision point in 2001 but has not reached the completion point that would make Guinea eligible for HIPC funding in the order of \$185 million.

A new IMF Poverty Reduction and Growth Facility would probably release more funds from some other bilateral partners. Japan, China and some other Asian countries (South Korea, India) entertain small support programs that are not tied to democratization requirements. China canceled external debts of more than \$30 million in September 2006.

Guinea's government is one of the more isolated regimes in the world. In 2006, only South African President Thabo Mbeki and the presidents of neighboring Guinea-Bissau, Liberia and Sierra Leone and Mauritania visited the country. President Conté has never traveled much abroad, except for medical reasons over the last few years (twice to Geneva in 2006). Only the foreign minister attended summit meetings of the Economic Community of West African States (ECOWAS) and the African Union as well as summits in Beijing, Brussels or New York. Thus, Guinea's influence in international relations is mostly limited to its immediate neighbors.

Credibility

Guinea participates loosely in the Mano River Union (Guinea, Liberia and Sierra Leone) that was revitalized after the end of civil wars in Sierra Leone and Liberia. There was some cooperation on security issues but a serious dispute remains in the Yenga area on the border area between Guinea and Sierra Leone, since Guinean soldiers have occupied a small stretch of land since 2001. Cooperation with the neighboring francophone countries is hampered by the fact that Guinea is the only West African francophone country that does not belong

Regional cooperation

to the CFA zone of the West African Economic and Monetary Union. Progress on the intended Second West African Monetary Zone has been slow. Guinea is a member of the Organisation pour la Mise en Valeur du Fleuve Gambie (OMVG) but does not belong to the Organisation pour la Mise en Valeur du Fleuve Sénégal (OMVS).

Strategic Outlook

The general strike from 10 January to 25 February 2007 was born out of extended poverty and frustration over bad governance that has grown increasingly severe over the last few years. The strike turned into a nationwide popular uprising aimed at ousting one of the last quasi-totalitarian systems in sub-Saharan Africa. However, trade unions and civil society, the spokespeople for the entire nation, stopped short in the mediation undertaken by ECOWAS and allowed President Lansana Conté to remain in power. Still, Conté had to agree to a number of demands that could change Guinea's political, economic and social system in the direction of democracy and a free market economy. Prime Minister Lansana Kouyaté was appointed from a list of four candidates provided by the leaders of the uprising. His new "government of large consensus" should reflect a new reality of power sharing. The new government will have to demonstrate good will, but the real problems are enormous and will take time to solve. This will be difficult to explain to a nation buoyed by high expectations after its perceived victory in achieving change through a peaceful strike. The necessary fight against overwhelming corruption will meet with strong resistance from those who benefited from the system to date. This includes the immediate Lansana Conté clan, the military, the ruling party and its affiliates in the "republican institutions" (parliament, Supreme Court and the Economic and Social Council), businessmen and international mining companies, who, however, would benefit from a more reliable administration. Military elements in particular might attempt to regain their privileges by launching a military coup. The few members of the international community that take an interest in Guinea's future bear a special responsibility. Hesitancy to provide ample financial support in these early phases could quash hopes of radical change. If potential donors wait around to see whether Lansana Conté truly accepts the transfer of government responsibility to Prime Minister Lansana Kouyaté and his new ministers, they may miss a rare opportunity. Conté and his entourage may yet attempt to create an Ivorian situation, in which the president intervenes in government affairs whenever he feels it is in his interest. Only the immediate support of crucial multilateral partners like the European Union, the IMF and the World Bank and bilateral partners like France and Germany may be able to assure that this does not happen. Guinea might find new opportunity in its rich agricultural and mineral natural resources, which it could use to improve the lives of its citizens. It has the opportunity to build a new nation with operable institutions and structures and to form a democracy and a more efficient economy. But the risks are high, and at present the country's future remains uncertain.