

BTI 2012 | Burkina Faso Country Report

Status Index	1-10	4.78	# 86 of 128	
Political Transformation	1-10	5.17	# 72 of 128	➔
Economic Transformation	1-10	4.39	# 97 of 128	➔
Management Index	1-10	4.74	# 71 of 128	

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

This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2012. The BTI is a global assessment of transition processes in which the state of democracy and market economy as well as the quality of political management in 128 transformation and developing countries are evaluated.

More on the BTI at <http://www.bti-project.org>

Please cite as follows: Bertelsmann Stiftung, BTI 2012 – Burkina Faso Country Report. Gütersloh: Bertelsmann Stiftung, 2012.

© 2012 Bertelsmann Stiftung, Gütersloh

Key Indicators

Population	mn.	16.5	HDI	0.331	GDP p.c.	\$	1256
Pop. growth ¹	% p.a.	3.0	HDI rank of 187	181	Gini Index		39.6
Life expectancy	years	54	UN Education Index	0.187	Poverty ³	%	81.2
Urban population	%	20.4	Gender inequality ²	0.596	Aid per capita	\$	68.8

Sources: The World Bank, World Development Indicators 2011 | UNDP, Human Development Report 2011. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Political transformation in Burkina Faso has come to a deadlock during the period under review. The government of Blaise Compaoré has not demonstrated any attempt to strengthen democracy. To the contrary, the ruling party's attempts to eliminate term limits from the constitution, which dominated the political debate during the past election year, give cause for serious concern that democratic setbacks could occur in the near future. The presidential election in 2010 consolidated Compaoré's grip on power after he had successfully broadened his power base beyond the ruling Congrès pour la Démocratie et le Progrès (CDP). The latter was affected by severe factional battles and criticism that was not only expressed by the population but also by well-established leading party figures who denounced the leadership's authoritarian manner and the way in which the political system operates in principle. The party's and the president's political strategy concentrated solely on maintaining power without addressing the population's grievances. A continuing high level of social tensions and ongoing protests against impunity and corruption demonstrated the people's increasing discontent with the government and its elite, which is becoming wealthy at the expense of ordinary citizens. The people's political apathy was reflected in low voter registration rates and low turnout in the November 2010 elections. The main reasons for the repeated failure of the electoral process to bring political change include on the one hand the ruling party's extensive patronage networks and their control of state administration, and on the other hand an opposition that remains weak and divided and again offered no convincing political alternatives. Successful efforts, however, have been made as regards cooperation over regional and security issues. President Compaoré has continued to reinforce his role as a regional peacemaker by mediating in various neighboring countries' conflicts, particularly in Côte d'Ivoire, where the re-eruption of conflict has raised new concerns about its potentially negative impact on Burkina Faso. Regarding economic policy, the government has made further progress in the implementation of a poverty reduction and growth program, which is supported by the IMF and the World Bank. However, dependency on both developments in the world market and on the goodwill of donors remains extremely high, and

the country faces a number of structural constraints. Tax and custom reforms, a fiscal stimulus package, the recovery of the cotton sector and the support of international donors have helped the country to drive economic growth and overcome the effects of the global economic crisis. The IMF has urged the government to make strengthening the budget position a priority and to continue to focus on poverty reduction measures. Most of the government's actions seem to originate from foreign domestic pressure, rather than from independent vision or foresight.

History and Characteristics of Transformation

Since achieving independence from France in 1960, Burkina Faso had endured continuing political instability, including several military coups, and perpetual 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. The country began its gradual democratic transformation, and by 1991, several new parties had been formed and legalized. A new constitution was also approved in June 1991 via referendum, albeit with low voter turnout. Opposition forces demonstrated their dissatisfaction with the constitution through strong internal pressure, mainly exerted by the unions, forcing Compaoré to consider substantial reforms. The first presidential elections in that same year (1991) led to further boycotts by the opposition. 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 the Congrès pour la Démocratie et le Progrès (CDP) in 1996 after merging with several parties, among them the main political party of the opposition, 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 to democratization during this period. Parliament's ability to govern 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 improved, state-sponsored 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 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 on the presumably state-ordered assassination of Norbert Zongo, founder and director of *L'Indépendant*, Burkina Faso's most influential private weekly. "Trop c'est trop!" (Too much is too much) 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 in the government, as well as the deteriorating living conditions experienced by most Burkinabé (citizens of Burkina Faso). Consistent political pressure forced Compaoré to make concessions to reduce tensions. Numerous institutional and electoral reforms 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 political opposition, as well as a wave of patriotic fervor that swept through Burkina Faso following the exodus of hundreds of thousands of Burkinabe fleeing the civil war in Côte d'Ivoire, have given Burkina Faso's ruling party, the CDP, renewed strength. The refugee situation has also given the Compaoré government and his CDP party the opportunity to pose as defenders of the national interest. Following a rigorous public debate on the constitutionality of Compaoré's candidacy, citizens in November 2005 re-elected Compaoré as president by more than 80%. Despite rising social tensions based on the population's increasing dissatisfaction with difficult living and working conditions, the CDP won three-quarters of the seats in local government elections in April 2006 and gained a landslide victory in the legislative election held on 6 May 2007, a vote that raised the party's majority in the National Assembly to 73 out of 111 seats. The weak, fragmented opposition combined with the CDP's control of official resources that helped it sustain patronage networks and co-opt political opponents strengthened the governing party's and the president's authority while further democratization of the country fell by the wayside. Since 2006 Compaoré has changed his image from a supporter of warlords, rebel groups and coup plotters in diverse West African countries to a mediator in regional conflict situations, specifically in Côte d'Ivoire. While the population's discontent with social, economic and political conditions has been continuously growing and serious criticisms of Burkina Faso's political system have increased even from inside the ruling circle, Compaoré secured his fifth term in office with more than 80% of the vote in the November 2010 presidential elections. The population, which has not been offered a real alternative by the still fragmented opposition, voiced its dissatisfaction with a low voter turnout and a general expression of political apathy.

Since its independence, Burkina Faso has been ranked as one of the poorest countries in the world. After decades of statist policies and the resulting economic crises, the government had to give in to pressure from the donor community, and in March 1991 agreed to a structural adjustment program (SAP) with the IMF. This was followed in 1993 by the first of four enhanced structural adjustment facilities (ESAF), and in 1996 by the first three-year poverty reduction and growth facility (PRGF) arrangement. The PRGF was replaced in June 2010 by a three-year extended credit facility (ECF) for 2010 – 2013. The ECF is aimed at broad-based growth and poverty reduction while maintaining macroeconomic stability and progressing with structural reform. Since the beginning of the reform programs, macroeconomic data has largely improved and economic and institutional reforms have been implemented mostly successfully in

a country heavily dependent on international aid. However, the process was particularly painful for the poor, and macroeconomic developments have never translated into an increase standard of living for most citizens, of which around 85% earn their living from agriculture and raising livestock.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 10 (best) to 1 (worst).

Transformation Status

I. Political Transformation

1 | Stateness

The state's monopoly on the use of force is largely intact. Other than before, no instances emerged in which elements of the security forces acted independently during this period under review. As exemplified by the mutiny in April 2011, however, the army remains politicized and the deep crisis within the uniformed services has not yet been solved. The military and police were part of the rising social unrest in the country and periodically protested against poor pay, unpaid salaries, career advancement and the corruption and favoritism among the forces' leadership. As in previous years, security forces have unreasonably resorted to violence when trying to control protests and demonstrations by citizens. Periodically, police clashed with traders at different cities' markets. Compared to the previous review period, there is no data available that indicates either a further increase or a decrease of crime rates or armed gangs operating around the country. In 2010, however, a growing threat of operations by the Islamist militant group, al-Qaeda in the Islamic Maghreb (AQIM), spilling into Burkina Faso has been observed. As a consequence, enforced security co-operation with different allies became one of the government's foreign affairs priorities. Problems of control at the border between Burkina Faso and northern Côte d'Ivoire were highlighted by a U.N. report according to which smuggling of different goods takes place in both directions.

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 qualification for citizenship are not politically relevant. Individuals of all ethnic and religious groups or minorities exercise their rights and basic freedoms without any discrimination and with full equality before the law. The majority of the population fundamentally acknowledges the state's constitution and accepts the nation-state as legitimate.

Question
Score

Monopoly on the
use of force

8

State identity

9

The state is largely defined as secular, a practice inherited from French colonialism. Religious dogmas have no noteworthy influence on politics or legal order. Within this context, the declaration by Catholic bishops against the elimination of the presidential term limit at the beginning of 2010 caused a sensation among opposition parties as well as among Compaoré supporters, with the latter accusing the clergy of overstepping its role by interfering in political affairs. According to the last census in 2006, 15% of the population have traditional African (animist) beliefs, 61% are Muslims, 19% Catholics and 4% Protestants. Though Muslims are less politically influential than Christians, who are in general better organized and have played an important role in the education of the state elite, there are no tensions between religious groups. So far, Islamic fundamentalists have not exercised any noteworthy influence. Since 2010, however, a growing risk has emerged of operations of the Islamist terrorist group AQIM spilling over into Burkina Faso.

No interference of religious dogmas
9

The state's administrative structures provide most basic public services, but they show functional deficiencies and lack capacity in many areas. In particular, the population complains about deficiencies in basic infrastructure such as water, education, and health. Transportation, above all in the rural areas, is a problem. The government officially concluded its decentralization program in 2006 with the creation of 309 new rural communes, with the goal of devolving basic administration, social services and some political decision-making to local authorities. In practice, however, the extent to which this autonomy could be exercised and local state administration could be strengthened was limited by thin financial resources. The completion of reforms to strengthen tax and customs administration was a priority for the government during the period under review. Overall, the state administration suffers from politicization and extensive corruption on all levels, which limits the functionality of existing structures.

Basic administration
6

2 | Political Participation

The constitution guarantees all citizens the right to vote in direct, general, uniform and free elections, as well as the right to run for political office. General elections are regularly conducted on the national level and universal suffrage with secret ballot is ensured. While several parties with different platforms are able to run, the principle of equality and fairness is heavily constrained by the extensive patronage network maintained by President Blaise Compaoré and the ruling party and their control of the state administration and political institutions. Their exclusive access to substantial resources allows for a nationwide campaign machinery, including media coverage, and opponents have difficulty countering this. Although the opposition's quality and its efforts to build coalitions have slightly improved, it was still unable to offer convincing political alternatives to the disaffected population.

Free and fair elections
6

This benefits the incumbent as well as the electoral law. Despite the realization of some important reforms during the period under review, there is still discrimination against smaller parties, and the election commission's impartiality and effectiveness remains seriously restricted. Although Compaoré has confirmed his clear majority with 80.2% of the vote in the November 2010 presidential elections, this result was based on quite a small pool of voters. Low registration rates in part reflected disillusionment with the electoral process, with many voters feeling that the outcome was a foregone conclusion. However, it also reflected changes to the electoral law designed to curb fraud, notably a requirement for all voters to present new national identity (ID) cards issued by the Office national d'identification in order to vote. Administrative difficulties, however, have hindered the ID cards' distribution and prevented people from registering. Despite some irregularities, international observers declared the vote generally free and transparent. Four of the losing candidates challenged the results before the courts, charging that the new voter registration cards violated the electoral code by not including the cardholder's date and place of birth. While the Administrative Court in Ouagadougou ruled that the card was illegal, the Constitutional Court dismissed the case by confirming the cards' validity.

In general, the elected government has the power to govern. The military however can act as a veto power, in case the civilian government attempts to curtail its privileges or ignores its grievances. Military coup attempts, the exact circumstances of which at times were unclear, have occurred periodically, however no coups have been reported during the period under review. Serious clashes between the military and police as in 2006 – 2007 have not been reported during the period under review (there was however a mutiny over economic conditions of the military in April 2011). Nevertheless, dissatisfaction with economic and career conditions persists among some parts of the security forces as expressed in their repeated protests. The extent to which army officers influence political decisions or exercise veto power is unclear, though the ties between some members of the military and the ruling party are well-known and security personnel rarely face legal action over offences committed. The president's massive patronage machinery, of which the wealthy business elite is an important part, however, has the capacity to exercise possible veto powers.

As a rule, the government respects the constitutionally guaranteed freedom of assembly and association, a right exercised extensively by different political and civic groups. At times, the government restricted the freedom of assembly, but the degree of force, which has been used during the previous years under review to disperse demonstrations or strikes, seems to have been slightly diminished. However, after the protests on the occasion of the 10th anniversary of Norbert Zongo's murder in December 2008, the police called in four heads of the leading protest organization, Collectif des organisations démocratique de masse et de partis

Effective power to govern

3

Association / assembly rights

6

politique (CODMPP). Despite their quick release, the move was widely denounced as an officially sanctioned act of intimidation. In mid 2009, crowds of retired soldiers attempting to demonstrate against the conditions of their retirement were dispersed with tear gas by gendarmes. The soldiers had initially obtained authorization for their march, but that permission was abruptly revoked.

Freedom of the press and of speech is relatively ensured. The country's press is dynamic, its journalistic quality high and competition healthy, when compared to many other African countries. While state-owned media outlets exhibit a significantly pro-governmental bias, overall they program with an eye to participation by those representing oppositional views. The private media are relatively independent and often critical of the government. The three-day high-profile public debate in May 2009 on strengthening Burkina Faso's democracy (Forum des citoyens de l'alternance), for example, which stirred up the political debate with its extensive critique of the country's political system, generated broad coverage in the domestic press. However, many journalists are pressured into self-censorship and have been occasionally sued by the government under a law that defines libel in excessively broad terms. The Superior Council of Communication (SCC), a media regulating organ under the office of the president, repeatedly summoned journalists to attend a hearing about their work, followed by a warning that it will not tolerate another instance of "noncompliant behavior." The ruling class is sensitive to criticism, specifically when reports reveal corruption or human rights abuses committed by people in power. In February 2009, several journalists at *Le Reporter* and a writer for *L'Evenement* received an anonymous letter threatening to harm them if they did not stop reporting on official corruption. For twelve years now, the investigations into the killing of journalist Norbert Zongo still remain a sensitive issue for President Blaise Compaoré. There are no government restrictions on access to Internet, though only approximately one percent of the population use it. In the Global Press Freedom 2010 survey by Freedom House, Burkina Faso ranked 86th in 2010 (89th in 2008) while the country's level of press freedom remains "partly free."

Freedom of
expression

7

3 | Rule of Law

The institutional separation of powers between the executive, legislative and judicial branches is guaranteed in the constitution, but significantly limited in practical terms. The president's broad powers and overwhelming majority of the ruling party have guaranteed the executive a legally secure monopoly of power. Parliament's authority and involvement in decision-making is notoriously ineffective and its control function is severely limited. This state of affairs has persisted since Compaoré's arrival in power, and the last years' elections, including the presidential polls of November 2010, consolidated the disequilibrium between

Separation of
powers

3

the political branches. A judiciary that de facto depends on the executive branch restricts the checks and balances within Burkina's political system.

The judiciary is formally independent and institutionally distinct, but dominated and politicized in practice by the executive branch. The executive orchestrates judicial appointments and promotions, and prosecutors are part of a hierarchy headed by the justice minister; because of this, the executive interferes in judicial decisions. The judicial system suffers from rampant corruption; corruption stems from an overall system that is inefficient, poorly trained and poorly equipped. The economic vulnerability of its members makes them rife for exploitation, and they operate under extreme political pressure. Efficient court proceedings are only conducted when critics of the government are put on trial, but rarely when politically or economically powerful people are concerned. Fighting impunity has been ranking among the population's main demands since the murder of journalist Norbert Zongo, but the judiciary has not made any moves toward solving this or other crimes with a political stigma.

Independent
judiciary
4

Public officials can be sued for the abuse of power or for other inappropriate actions. The leading figures of the government or the ruling party, however, are rarely subject to such measures. In general, lawsuits against public officials are only conducted in cases of disloyalty, or public pressure requires the government to offer up a political scapegoat. Most politicians enjoy de facto immunity from prosecution. Fighting rampant political and bureaucratic corruption, including the criminal prosecution of corrupt officeholders, has been one of the public's main demands for many years. The annually well-attended protests on the occasion of Norbert Zongo's murder are a clear indicator of enduring public anger over the authorities' unwillingness to identify, let alone bring to justice, those responsible for the journalist's killing. Since the recent death of Marcel Kafando, the only person who had ever been charged in relation to the Zongo case, chances are now slim indeed that the discontinued investigations will be re-opened and that suspects might reveal details or identify the people who ordered the killing.

Prosecution of
office abuse
3

The constitution forbids torture, but in practice, security forces often subject citizens to torture and inhumane and degrading treatment. In 2009, for example, more than 100 police cadets beat residents with military belts and ransacked local businesses following an altercation with local youths in Ouagadougou. While such acts by security forces mostly go unpunished, in this case, the culprits have been punished through expulsion from the National School of Police. The climate of impunity created by the government's inaction against those responsible for abuses remains the largest obstacle to reducing them. When political tensions are high, the forcible dispersion of protestors engaged in violent demonstrations repeatedly results in injuries, and the demonstrators or political opponents are often arbitrarily arrested. In December 2009, for example, police arrested 26 high school students who were commemorating the anniversary of the 2000 killing by security forces of

Civil rights
6

a 12-year-old boy, and demanding punishment for the perpetrators. Nineteen students were charged with illegal demonstration and drug possession, and were acquitted two weeks later for lack of sufficient evidence. Prison conditions are harsh, and deaths from deficient medical care and sanitation occur. Cases of long-term detention without trial or access to legal counsel are widespread. In some cases, detainees are held without charge or trial for longer periods than the maximum sentence they would have received, if they had been convicted of the alleged offense. Equality before the law and due process under the rule of law exist in theory, but in practice, it is often only citizens with financial means who can secure a fair or speedy trial. In addition, the right to a fair trial is limited by popular ignorance of the law and a continuing shortage of magistrates. Protected by a corrupt and easily swayed judiciary, the government cultivates a culture of impunity, which thus far has not been tackled politically or legally, despite public pressure that has been growing for years. Freedom of religion and a ban on discrimination, both guaranteed by the constitution, are generally respected. Despite a law condemning all kinds of discrimination, including gender discrimination, the government does not effectively enforce it. Persons with disabilities, homosexuals and persons with HIV/AIDS are often confronted with social and economic discrimination, and women's rights are not always guaranteed in practice; in rural areas, traditional practices and values hold that women are inferior. Such attitudes only change slowly, the government's continued media campaigns to fight discrimination toward women, however, are said to have contributed to some modest improvement. After opening the military to women in 2007, another clear sign of gender support was the introduction of a 30% quota of female candidates for legislative elections. Though the government seems seriously trying to fight female genital mutilation (FGM) by campaigns and by law, it is still widely performed, especially in rural areas of the country.

4 | Stability of Democratic Institutions

Democratic institutions exist, but are functional only to a limited degree and do not have intra- or inter-organizational stability. On the national, regional and local level, stability suffers greatly from shortcomings in the rule of law and a dysfunctional, politicized and often corrupt administration that lacks both qualified personnel and materials. The parliament is weak and has never been much more than a rubberstamp for the government's legislative propositions. While an increase of local institutions' efficiency has been declared one of the government's objectives within its decentralization efforts, it still lacks convincing examples for having achieved this goal. From the top down to the lowest level, institutions suffer from corruption, which limits their performance.

Performance of
democratic
institutions
3

Acceptance and support for democratic institutions is low both among the government and large segments of the population (see below); national institutions are deemed nearly irrelevant for the rural population. The army is not a reliable guarantor of stability or security. For years now, there have been repeated displays of discontent and open protests within the ranks of the army. These protests have not only concerned the soldiers' difficult living conditions but also the lower ranks' complaints over clientelism and corruption among the leadership. Though the government seems to have managed to ease the tensions within the army to some extent during the last two years, the situation constitutes a serious risk in a country shaped by military coups. Burkina Faso's strong civil society could be seen as a potential veto power. The continuing protests against social and economic conditions again demonstrated that the population prefers to take politics to the streets instead of expressing discontent at the ballot box or bringing it into the institutional representation of the people.

Commitment to
democratic
institutions
3

5 | Political and Social Integration

There are few restrictions to founding a political party. Currently, there are more than 100 registered parties. Frequently, promising political actors or party members who, for different reasons, left their party, go on to found a new one. During the period under review, examples include Zéphirin Diabré, a former CDP minister who founded the new opposition party Union pour le progrès et le changement (UPC), or six national CDP leaders who in April 2009 resigned from office and launched their Convention nationale du progrès du Burkina (CNPB) only a few months later. The CDP's decades of hegemony have led to a semi-authoritarian, dominant party system. Except for the CDP, the party system is highly fragmented and the level of organizational stability is low. The parties' fragmentation and the inability of the opposition parties' representatives to build stable coalitions are two of the main obstacles to the country's democratization process. The cracks in the CDP, which already broke open in 2008, have developed into serious divisions and infighting in 2009/2010. Members, among them leading party figures, heavily and openly criticized the CDP's dominating political power and authoritarian leadership style. Though the rifts were successfully contained during the election campaign year 2010, the leadership remains concerned at its waning popularity and the party's future within a wide coalition of parties that support the president. Other than the opposition, Compaoré has been very successful in coalition building and therewith strengthening his personal, eventually CDP alternative power base. His re-election candidacy has been supported by the Alliance pour la démocratie et la fédération-Rassemblement démocratique africain (ADF-RDC), which supports Compaoré but often competes with the CDP at the local level, and by a grouping of 35 small parties called the Alliance pour la mouvance présidentielle (AMP); and the Fédération associative pour la paix et le progrès avec Blaise Compaoré (Fedap-

Party system
5

BC) with the president's younger brother as chief patron and wealthy businessmen and traditional chiefs as members. It remains unclear, even among academic observers, what the individual party platforms of each of the 100 political parties represent. The system lacks programmatic capacities and shows grave weaknesses with regard to the population's social integration and political education. Parties can therefore only partially fulfill their political 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. New legislation aims at hampering the frequent changing of political affiliation ("nomadisme politique"), which mostly seems to follow strategic political calculations. From now on, any deputy who voluntarily switches parties must relinquish his or her seat. Voters' decisions are rarely geared to programmatic topics.

Non-parliamentary groups and an active civil society are able to develop and articulate societal concerns. Burkina Faso has a diverse landscape of interest groups, dominated primarily by unions, student associations and human rights organizations. Other interests, such as the rural population, however, are underrepresented. Yet, the quality of representation is relatively high compared to sub-Saharan standards. Interest groups, cooperative associations or civil society organizations are able to co-operate when pursuing a common goal, often even better than political parties. Thereby, they often succeed in incorporating different social interests. Despite a rather small labor force, labor unions in particular are well-organized and again have showed their strength in organizing several national strikes to protest poor wages, working conditions and living standards. Together with many different interest groups, they have even taken a firm stand on the CDP's idea to eliminate term limits by means of an explicit rejection. Some observers consider the unions to be the main challenge to Compaoré's overwhelming grip on power. The network of cooperating interest groups has become highly politicized, with a risk of polarization. However, this combining of interests can lead to increased power to coerce the state to be more cooperative. There was no indication of organized social and political power trying to undermine democracy or civil society.

According to an Afrobarometer survey conducted in 2008, a majority of Burkinabé prefer democracy to any other kind of government (58%), though this figure is comparatively low, even by sub-Saharan standards. 34% and 39% of the respondents support the idea of a one-party state and military rule respectively. A comparatively low 54% and 50% respectively reject these ideas. Regarding the actual functioning of Burkinabé democracy, results show limited esteem for the system: though 51% consider elections as completely free and fair, only 27% consider Burkina Faso a full democracy or are very satisfied with the functioning of the system.

Interest groups

5

Approval of
democracy

n/a

There are a large number of autonomous, self-organized groups, associations and organizations in Burkina Faso which address primarily social, but also cultural, environmental or other topics. In many areas, civic organizations take on a representative function that government institutions, specifically the country's weak parliament, are not able to perform. Civic organizations are cooperative and strategic. They generally operate under the principles of self-regulation and are a voice of political and social concern. It is difficult to assess the level of trust among the Burkinabe population, as no relevant public opinion survey is available. A fairly high level, however, can be assumed given the culture of "jocular relationships" which represents a cultural practice in which members of different ethnic groups can make jokes about each other without causing bad feelings. This cultural trait has been largely praised as a reason why interethnic relations in the country have been amicable.

Social capital
6

II. Economic Transformation

6 | Level of Socioeconomic Development

Despite the fact that Burkina Faso is among the top 25 countries with the fastest progress in human development, poverty level and inequality remain extensive and structurally ingrained. According to the Human Development Report 2010, Burkina Faso more than doubled its HDI since 1970 and is now ranked 161st out of 169 countries (up from 176th out of 177 countries in 2007-2008). In the context of extreme poverty and widespread inequalities, social exclusion is severe and structurally reinforced, especially in the rural areas and for women. Approximately 90% of the population is engaged in subsistence agriculture. Literacy and school enrollment rates remain extremely low. Access to education is constrained by large disparities between provinces and urban/rural areas. There is a 36.2% loss in human development due to inequality in education, health and income according to the inequality-adjusted Human Development Index (IHDI). Taking inequality into account, Burkina Faso is placed three ranks higher, at 158th out of 169 countries. Most inequality is visible in health with 44.5% in the inequality-adjusted life expectancy at birth index, education, with 37.5%, represents the second most affected sector of inequality; disparity in income is also severe with an income Gini coefficient of 39.6. In Burkina Faso, 83% of the population suffer multiple deprivations while an additional 9% are vulnerable to multiple deprivations, according to the Multidimensional Poverty Index (MPI). The severe flood in 2009 and international crises have caused the country to struggle. The mining sector has turned to a promising source of diversification and the cotton sector is recovering.

Question
Score

Socioeconomic
barriers
1

Positive climatic conditions contributed to a record cereal harvest in 2008/2009 season.

Economic indicators		2007	2008	2009	2010
GDP	\$ mn.	6767.0	8045.8	8140.9	8820.3
GDP growth	%	3.6	5.0	3.5	9.2
Inflation (CPI)	%	-0.2	10.7	2.6	-0.8
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	5.5	1.9	1.3	0.4
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ mn.	-560.0	-963.1	-380.0	-
Public debt	% of GDP	21.9	24.0	25.8	27.7
External debt	\$ mn.	1449.6	1669.8	1821.6	2053.3
Total debt service	\$ mn.	41.8	45.0	42.4	50.6
Cash surplus or deficit	% of GDP	-5.6	-4.1	-4.8	-
Tax revenue	% of GDP	12.5	12.3	12.9	-
Government consumption	% of GDP	-	-	-	-
Public expnd. on edu.	% of GDP	4.6	-	-	-
Public expnd. on health	% of GDP	6.3	5.9	6.4	-
R&D expenditure	% of GDP	0.11	-	-	-
Military expenditure	% of GDP	1.3	1.4	1.2	-

Sources: The World Bank, World Development Indicators 2011 | International Monetary Fund (IMF), World Economic Outlook 2011 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2011.

7 | Organization of the Market and Competition

The institutional framework for market competition remains weak, with significant entry and exit barriers, pervasive corruption, a weak judicial system, lack of access to financing for small and medium-sized enterprises, and persistent government control over strategic sectors due to limited progress in privatization. The Heritage

Market-based
competition

6

Foundation's Index of Economic Freedom 2011 describes Burkina Faso's economy as "mostly unfree." However, due to successful reform measures and some improvements in trade, monetary and investment freedom, partially offset by a loss of labor freedom, Burkina Faso is ranked 85th out of 179 countries in 2011, 1.2 points better than in 2010. Burkina Faso is 9th out of 46 countries in the sub-Saharan region and its overall score is above the world average. Similarly, the World Bank Doing Business 2011 survey noted substantial improvements in some areas (construction, trading, reforms to strengthen tax and custom administration and enforcing contracts), ranking Burkina Faso as one of the best reform performers in the world. Still, the overall business environment remains among the worst in the world, despite Burkina Faso's climb to rank 151 in 2011, out of 183 countries surveyed, and three places better than the previous year. The Human Development Report 2007-2008 estimates that close to 80% of non-agricultural employment exists in the informal sector of the economy.

The formation of monopolies and oligopolies is not regulated consistently, though the government remains partly committed to its privatization program, planning further divestitures for 2011. In 2009, the government sold a 20% share in the national telecom utility, Onatel (Office national des telecommunications), and is planning to sell a further 3% to the World Bank's International Finance Corporation (IFC). The planned transfer of 6% of the company's shares to Onatel employees is still uncertain. In April 2010, Onatel became the first national enterprise to be listed on the regional stock exchange in Abidjan (Côte d'Ivoire). Further enterprises, such as the fuel importing and distributing company, Sonabhy (Société nationale burkinabé d'hydrocarbures), the national automobile regulator (Centre de contrôle des véhicules automobiles) and the already partly privatized cotton producer Sofitex (Société des fibres et textiles) are to be sold. Decisions to delay the privatization process of the national producing cotton company Sofitex and to remove enterprises from the government's privatization list, such as the national water and power utilities, Onea (Office National de l'Eau et de l'Assainissement), and the national electricity company, Sonabel (Société Nationale d'électricité du Burkina Faso), have been undertaken due to the strong performance of the remaining 14 state-owned enterprises, opposition of workers and unions, the delicate business environment and the difficulties in finding foreign investors. The cotton sector is most affected by the lack of competition. In August 2010, the government launched an international tender for a new combined fixed and mobile license.

Although foreign trade officially follows non-discrimination principles, several factors – such as supplementary taxes on imports, targeted import bans, as well as significant non-tariff barriers such as inadequate infrastructure and corruption – limit foreign trade. Burkina Faso's objective is to adapt national regulations to those in force in WAEMU, ECOWAS, WTO and therefore a revision of VAT thresholds was realized. Burkina Faso as a landlocked country depends heavily on its

Anti-monopoly
policy

6

Liberalization of
foreign trade

5

neighbors for non-regional trade, especially on its neighbor Côte d'Ivoire. According to the WTO report 2010, there have been no significant changes to Burkina Faso's trade legislation and regulations since the previous review of the country's trade policy in 2004. The government has pledged a comprehensive tax policy in 2009/2010 and is in the process of reforming its custom and tax administration system with the aim of increasing annual tax revenue.

Burkina Faso's banking system is supervised by the regional central bank (Banque Centrale des États de l'Afrique de l'Ouest, BCEAO), a common central bank which serves all members of the WEAMU and whose main objective is to control inflation and the CFA franc's peg to the euro. The government of Burkina Faso is promoting reforms in the financial sector in order to improve access to credit. In compliance with Burkina Faso's three-year extended credit facility (ECF), the government has committed itself to reduce its share in all banks in which it presently holds more than 25% of equity. Most banks follow the norms specified by the BCEAO. However, Burkina Faso's financial system remains small and underdeveloped. Access to credit for small to medium-sized enterprises poses a key obstacle for future development and investment. The privatization process of the partly state-owned and state-controlled banks will be necessary to make capital market function.

Banking system

6

8 | Currency and Price Stability

The inflation policy and foreign exchange policy of Burkina Faso is regulated by the BCEAO and influenced by the policy of the European Central Bank (ECB) based on the fixed parity of the CFA franc to the euro which is guaranteed by the French treasury. As a result of the strict fiscal and monetary regulations within the WEAMU the domestic inflation remains low by African standards (averaging 4.4 % from 2005 to 2009). After the peak of 10.7% in 2008, caused by the world wide economic downturn and the increase in food and oil prices, inflation fell sharply to an average of only 2.6 % in 2009, mainly due to the fall in food and oil prices and the good cereal harvest in the season of 2008 – 2009. In 2010, the inflation has gained more stability reaching an annual average of an estimated -0.8 to 1.4% owing to further drops in food prices. An appropriate foreign exchange policy as well as controlling inflation are recognized goals of economic policy, but have not been consistent over time and still reflect an inadequate institutional framework. It is expected that, due to further increases in oil prices, inflation will rise again in 2011/2012.

Anti-inflation /
forex policy

8

The government's fiscal and debt policies generally promote macroeconomic stability, but there remains a high risk of debt distress due to Burkina Faso's excessive dependence on commodity exports, low diversification in the export sector and reliance on external financing for most of its public investment programs. Burkina Faso's debt policy is in line with the poverty reduction and

Macrostability

6

growth facility sponsored by the IMF and the World Bank. In June 2010, the PRGF has been replaced by the ECF covering the period of 2010 – 2013. Main pillars are macroeconomic stability and real GDP growth per capita up to 6% by 2013 as well as reducing poverty to less than 35% of the population by 2015. To this end, the tax and custom administration is in the process of being reformed, to raise the relatively low revenue/GDP ratio and thereby make funds available for poverty reduction measures. Nonetheless, in 2009, the fiscal deficit increased to 4.7% of GDP because of the fiscal stimulus package, lower tax revenue and emergency spending on flood victims. In 2010, it increased to an estimated 4.8% due to a raise in social spending and public spending ahead of the 2010 presidential election. In 2010, the tax authority has reported a 16.3% rise in tax revenue collection resulting from the renewal of mobile phone licenses. Spending has increased from an estimated 24.1% of GDP in 2009 to an estimated 26.8% of GDP in 2010. Still, Burkina Faso remains highly indebted with debt levels of \$1.8 million in 2009 and an estimated \$2 million in 2010. With the aim of improving revenue, collection and strong economic growth, the implementation of the new Strategy for Accelerated Growth and Sustainable Development (SCADD) will replace the PRSP in 2011. However, due to Burkina Faso's economic structure and land-locked position, the attainment of macroeconomic stability depends to a large extent on external factors, most notably on developments in the world market, on the readiness of donors to continue their support, weather conditions and further relations with its main regional trading partner Côte d'Ivoire and France in the international context. Reserves are at only \$5.2 million.

9 | Private Property

Property rights and regulations on acquisition of property are adequately defined under the law, but weaknesses in the judicial system complicate or prevent their protection or implementation. In general, land is state property and is leased to farmers and other interested parties or institutions. These measures are intended to prevent arbitrary acts by the traditional authorities, accommodate the increasingly diverse population and facilitate decentralization. Structural deficiencies remain with regard to the enforcement of property rights, including the arbitrary removal of judges, outdated legal codes, an insufficient number of courts, a lack of financial and human resources and excessive legal costs. According to the Economic Freedom Index, enforcement of intellectual property rights is considered weak. Registering a property takes 59 days on average and involves four procedures, which is below the average of 67.9 days and six procedures for sub-Saharan standards according to the World Bank Doing Business Report 2011. There have been no significant improvements since 2010.

Property rights
5

The privatization of state-owned enterprises has only been partly implemented by the government. Decisions to delay the privatization process of the national cotton company Sofitex and to remove enterprises from the government's privatization list, such as the national water and power utilities, Onea (Office National de l'Eau et de l'Assainissement), and the national electricity company, Sonabel (Société Nationale d'électricité du Burkina Faso), have been undertaken due to the strong performance of the remaining 14 state-owned enterprises, opposition of workers and unions, the delicate business environment as well as the difficulties to find foreign investors. Private companies can act freely in principle but encounter economic and political barriers to development, such as the lack of appropriate access to financing. However the implemented reforms helped to streamline the regulation process and enhance the business environment. The strategic business sector remains dominated mostly by state-owned or partly state-owned enterprises. In April 2009, Onatel has become the first national enterprise to list on the regional stock exchange in Abidjan (Côte d'Ivoire). The privatized telecommunication sector is very dynamic and in 2010 the government renewed its mobile phone licenses. In 2008, the number of mobile phone subscribers rose by 63% according to the prime minister. The market is divided between three companies: Zain (52%), Telmob (34%) and Telecel (14%). In August 2010, a fourth mobile license and second fixed-line license was tendered. Access to financing for small and medium-size enterprises remains one of the most important obstacles facing Burkina Faso.

Private enterprise
6

10 | Welfare Regime

Social safety nets are rudimentary and cover few risks for a limited number of beneficiaries. The country definitely cannot systematically combat poverty on its own. Despite the improvement of some social welfare indicators (prenatal care, child vaccination), social welfare continues to lag behind sub-Saharan standards. The reduction of poverty in recent years has been more than disappointing. This is the result of the fifth review of the PRGF of the IMF in 2010. Despite an increase of annual growth of GDP per capita, the poverty level remains high. At the end of 2009, Prime Minister Tertius Zongo estimated that 43.2% of the population still live below the poverty line. Half of the population live in households where no one has completed primary school. Figures gathered between 2000 and 2008 show that on average the employed population lives on less than \$1.25 a day; HDI in Burkina Faso is estimated at 60.7%. The rural population is most affected by poverty. The HDI in rural areas is 33-40% lower than in urban areas. In 2008, according to HDI, 90.6% of the population had no access to electricity. The Human Development Report 2007-2008 estimates that close to 80% of non-agricultural employment exists in the informal sector of the economy; thus only a very small group of salaried workers, including state employees, benefits from the country's modest social security system. Existing social welfare laws provide pensions, disability

Social safety nets
3

insurance, occupational injury and health insurance. Workers and unions have demanded the improvement of social welfare networks for years and continue to make this a key issue during strikes. Additionally, the government, in cooperation with donors, has continued its efforts to increase access to education and health care, in addition to basics such as clean water and sanitation services, and to promote income-generating activities for vulnerable social groups. The poorest households will benefit from subsidies and school feeding programs, reducing fees for health services and introducing cash transfer schemes. The main target of the new program SCADD is to combat poverty and improve human's well-being based on an enforced stimulation of the annual GDP growth. Under the Millennium Challenge Account (MCA), a pilot project for girls' education with a total cost of \$40 million has started. Education has been one of the main priorities of this fund. However, three-quarters of the grant will be devoted to improving and expanding the road network. At the beginning of 2010, Burkina Faso has responded to a long-running demand of AIDS activists and has approved the provision of free anti-retroviral treatment to the approximately 130,000 Burkinabé suffering from HIV/AIDS.

There are some institutions and programs to compensate for gross social differences, but they are limited in scope and quality. Though ethnicity is not a reason for the denial of equal opportunity, women and members of other vulnerable social groups have limited access to education, social services, public office and so on. It is nearly impossible for individuals to combat the effects of poverty alone, particularly in rural areas. Despite government efforts such as the ten-year development plan for basic education (2000-2010) and the government's free school program (for all children up to the age of 16), education services as well as health care, clean water access and sanitation services remain poor. Women are particularly affected by poor social services. Even though better access to higher education for women has been promoted, the proportion of women in higher education has remained far below that of men. Equal opportunity with regard to access to public services exists only in principle.

Equal opportunity
3

11 | Economic Performance

The economic performance of Burkina Faso during the period under review was marked by a relatively low economic growth in 2009 and a strong recovery in 2010. According to the World Bank World Development Indicators 2010, Burkina Faso, with a GNI per capita (PPP) of \$1170 in 2009 and a relatively stable increase during the last four years, is placed well below the average for sub-Saharan Africa (\$2027) and also remains below the average of the group of low-income countries (\$1173). Burkina Faso's growth performance is highly vulnerable to external shocks. Several factors – including the rising and rapid expansion of the mining sector; a record

Output strength
6

cereal harvest in the season of 2008/2009; the recovery of the struggling cotton sector after the crisis in 2008; a 17% decline in cotton production in 2009, offset by falling demand; the impact of the international energy and financial crises; fluctuating commodity prices and a catastrophic flood resulting in over 150,000 homeless people in the capital in 2009 – had a strong impact on real GDP growth during the period under review. As a result, the annual growth rate contracted in 2009 to a relatively slow GDP growth rate of just 3.5%, but the rebound of the economy in 2010 helped to attain an increase of real GDP growth of 5.2% in 2010.

For 2011, the forecast is more than positive with an estimated strong real GDP growth of 6.2% in 2011 due to rising mining, cotton and agricultural output. On the basis of an estimated annual average growth of the population of 3.4% since 2005, according to the World Bank Development Indicators, the figure for 2010 translates only to 2% growth of GDP per capita. The international drop in oil and food prices in 2009 brought consumer price inflation down to 2.6% in 2009 after the peak of 10.7% in 2008, followed by an even lower inflation rate of an estimated 1.4% in 2010 due to a further drop in food and fuel prices and a good harvest. This level of inflation will not be realistic to maintain and will rise again to an estimated 3.9% in 2011. With the CFA franc being pegged to the euro, the exchange rate is relatively stable, with a fluctuation against the U.S. dollar in line with the exchange rate between the dollar and the euro. Recently a slight drop against the U.S. dollar impeded exports, and concerns about the coherence of the euro zone continue. Burkina Faso's current account balance is chronically negative, with imports usually being roughly double the value of exports in any given year in the past decade. 2009 was the first year with a narrowed current account deficit mainly due to the rapidly increasing gold exports and the drop in oil prices. Gold exports overtook cotton for the first time in 2009 with \$30.8 million. The current account deficit as a percentage of GDP was 10.1% in 2008 and narrowed to 4.7% in 2009.

Tax revenue increased to an estimated double-digit rate of 16.3% in 2010 due to the renewal of mobile phone licensees. Also in 2011/12, the government has pressed ahead with reforms to streamline the tax and customs administration. The fiscal deficit widened to an estimated 4.8% of GDP in 2010 which resulted from the high government spending on social sector as well as the fiscal stimulus package, the 17% increase in public sector salaries, public expenditure ahead of the presidential elections and paying down of domestic debt. All this led to a total expenditure of an estimated 26.8%. The government is planning to cover deficits partly by a bond issue; the rest will be covered by donors. The forecast is a further widening to 3.5% in 2012. Burkina Faso has benefited and will continue to benefit from debt relief under the HIPC initiative, reducing external debt from \$2 billion in 2005 to \$1.1 billion in 2006. Since then, external debt has again risen to \$1.8 million in 2009 and an estimated \$2 million in 2010. Burkina Faso, again, is one of 32 countries that are eligible to receive further HIPC initiative assistance to maintain macroeconomic

stability under the ECF-supported program, carrying out structural and social reforms and satisfactorily implementing a poverty reduction strategy for at least one year. Due to ongoing reforms and improvements, foreign direct investment increased during the period under review. Nonetheless, the environment for investment remains relatively weak with limited access to financing for small and medium-sized enterprises. The worldwide economic downturn and the delicate business environment are the main reasons for the difficulties Burkina Faso encounters as far as finding foreign investors is concerned.

12 | Sustainability

Environmental concerns receive only sporadic consideration and are often subordinated to growth efforts. Environmental regulation is weak and hardly enforced. The mining industry in particular is causing severe damages by using archaic mining techniques. Slash-and-burn agriculture is a current technique in the agricultural sector. According to the Environmental Performance Index 2010, Burkina Faso is ranked 128th out of 163 countries, reflecting the weak establishment of environmental policies. The environmental health index, with a score of only 12.24 points out of 100, is a significant indicator of the poor access to sanitation (13% of the population) and the insufficient access to water (72% of the population) in Burkina Faso, whereas the relatively high ecosystem vitality index of 82.33 points out of 100 reflects an underdeveloped economy dominated by the agricultural sector.

The state's system of primary, secondary and tertiary education remains inadequate despite increased investment and some improvements, such as the expansion of the free school program for all children until the age of 16. The gross enrollment rate in basic education has risen from 73% in 2008 to 79% in 2009 and from 18% in 2008 to 20% in 2009 at the secondary level according to World Bank figures. Permanent infrastructure and investment in science as well as research and development remain underdeveloped, despite increased government expenditure in education and rising donor assistance. Research and development expenditure was at only 0.11% of GDP in 2007 according to the World Bank; this number remains extremely low. In 2009, protests by lecturers and researchers demanding higher pay and complaining about bad working conditions as well as job classification issues led the government to raise salaries by 30%.

Environmental
policy

3

Education policy /
R&D

2

Transformation Management

I. Level of Difficulty

The structural constraints on effective governance in Burkina Faso are still massive. Chief among them is the extremely high poverty rate, as reflected in all common indicators such as low GDP per capita and Burkina Faso's bottom ranking in the Human Development Index (161st out of 169 countries in 2010). Other constraints include a weak infrastructure, in both physical and institutional terms, high vulnerability to weather risks (floods and droughts), which regularly affects the country's ability to produce staples as well as its main export commodities (cotton and livestock), its high dependency on imported fuel and food and its concomitant exposure to world market developments, as well as unstable terms of trade for its main export products.

Structural
constraints
9

The country's landlocked situation adds a further level of difficulty. Despite the recent recovery of the cotton sector and rapidly increasing gold exports, Burkina Faso's trade balance remains negative. The country lacks an educated labor force due to a rudimentary education system and a low literacy rate.

Burkina Faso has relatively considerable civil society traditions according to sub-Saharan standards. The fragmentation and fluctuation of a number of political parties do not reflect these traditions and one should not mistake the relative strength of civil society with a particularly strong actual political influence. Numerous organizations and associations, which partially have their roots in the pre-colonial society, constitute one of the society's key strengths. These organizations include "groupement villageois" (village groups) and youth associations, which were originally self-help groups or traditional warrior associations. Trade unions, student unions and a wide spectrum of literacy, environmental and women's advocacy groups, such as trade and professional organizations, are vital to civil society in Burkina Faso. Like in previous years, powerful trade unions organized several successful strikes and protests during the period under review, with their demands focusing on salary increases, better working and living conditions. While, in the context of economic crisis and hardship, civil society's protests during the previous period under review

Civil society
traditions
5

specifically focused on social grievances, demands for substantial reforms of the political systems were increasingly added to the agenda in 2009/2010.

Ethnic and religious conflicts are infrequent. This is partially due to so-called jocular relations, which cut across different ethnic groups and include the acceptance of mutual joking by the other group. In the event of tensions, these practices create a moral boundary and ensure that dialogue between groups is maintained (and thus between different groups in general). However, social unrest and the level of the population's dissatisfaction with the government have steadily grown over the last couple of years. None of the continuing popular demands over corruption, clientelism, impunity, improvement of social conditions and the ruling elite's abuse of power have been addressed substantially. During the period under review, it has even been difficult to recognize substantial concessions by the government to prevent an immediate escalation in public uprisings, let alone any necessary actions that demonstrate real commitment to change. In some isolated cases, unions forced the government to respond to their demands, for example university lecturers and researchers who achieved salary increases, or trade unions whose protests added to the delay or suspension of the privatization of several companies. The growing gap between a small circle of wealthy, powerful figures and the poor masses has been dangerously widened as a result of the country's difficult economic situation and the government's policies, which are predominantly oriented towards maintaining power rather than the well-being of the population. Therefore, the potential for conflict has grown over the years and violence could intensify. However, the frequency and the level of violence, expressed by both protestors and security forces in demonstrations, have not increased when directly compared to the previous period under review. The search for pasture land repeatedly leads to clashes with local farming communities. Some of the clashes seem to have a source in ethnic strife, though the most important factors that lead to conflict are questions regarding land or business interests, as for example, during the review period, the violent disputes that erupted in a mining village between the majority Mossi ethnic group who own most of the gold speck mills, and the minority Bissa who are usually their clients. All in all, the deep split between Burkinabé society and the political elite arises not along ethnic or religious lines, but rather along social lines. Along these, radical political actors occasionally have success in mobilizing groups and protest movements. The line to an uncontrolled conflict, however, has so far never been crossed.

Conflict intensity

2

II. Management Performance

14 | Steering Capability

The government has by and large adequately pursued strategic economic priorities that correspond with the normative framework in terms of striving for a market economy. The country's deficit has remained within acceptable limits, despite a low increase, and the government has pledged to continue its policies in line with its poverty reduction and growth program. Even the IMF has urged the government to make the strengthening of the budget position a priority with the aim of supporting macroeconomic stability and debt sustainability. On democratization, the government under Blaise Compaoré has always followed a successful strategy of stating its commitment to long-term aims, but then compromising them regularly with short-term interests and political bargaining in the interest of maintaining power. During the last two years, however, it became more and more difficult to even identify the pretense of long-term democracy-strengthening objectives. During this period, which has been shaped by election (pre-)campaigning, all the government's and specifically the president's activities and strategies seemed to have been oriented towards staying in power – not only for the constitutionally guaranteed new term of office, but even beyond. Compaoré focused on building new alliances to strengthen his power base beyond the ruling CDP while he, together with important figures of the ruling party, may not flinch from an anti-democratic constitutional change to enable Compaoré's president-for-life vision. In the course of the increasing inner tensions and divisions of the ruling CDP, some important party figures and former allies of the president have heavily criticized the democratic deficits of Burkina Faso's political system and demanded profound reforms. However, whether these actors will prove to be true reform drivers towards democratization remains to be seen. It is possible that some might foremost follow their personal interests and predominantly use the debate to strengthen their own political profile. The country's business elite are an integral part of Compaoré's powerbase. Profiting from the current political constellation, they appear as defenders of the status quo. The same applies for CDP-dominated institutions. All in all, the government's policy measures are rarely prioritized and organized.

The government has made further progress in the implementation of its poverty reduction and growth program, supported by the IMF and the World Bank. Yet the country remains extremely sensitive to developments in the global markets and dependent on the goodwill of donors, a situation that is aggravated by the structural constraints facing the country. Despite positive steps, reforms are sometimes implemented superficially or incompletely, as shown by the limited progress of

Question
Score

Prioritization
5

Implementation
4

privatization in the past years. Improvements in conditions are not expected in the short or medium term. Although reforms are properly prepared and legally enacted, they often fail to become fully implemented. In many cases, the government simply does not have the required capacity to monitor results. Poverty reduction measures haven't been effective insofar as poverty levels remain high. Furthermore, decentralization and a culture of self-help mean that the implementation of measures is typically left to local institutions or organizations. Often, organizations' financial support is dependent on foreign donors, which relieves fiscal pressure on the state budget. All in all, the effective impact of reforms is subject to the constraints of a global market economy. The government continues to successfully pursue its primary objective of maintaining its hold on power. The presidency's and CDP's machinery of power that includes unlimited access to state resources overrides actors who might try to hinder the effective implementation of this political objective.

Burkina Faso's path of transformation has long been characterized by partial and shortsighted democratic reforms that only go as far as necessary to address instances of social unrest and intense popular pressure. During the period under review, however, no reforms could have been identified that substantially added to further democratization. While several electoral reforms have been approved, some of them with the support of the main opposition parties (for example, as regards public financing of political parties, the expansion of the franchise to Burkinabé citizens living abroad, quota agreement, voting cards or presidential candidacy requirements), those issues remained untouched that are essential for election outcomes. Among others, these include the end to direct involvement of the state administration in the CENI and its greater financing, or the return to the previous practice of electing parliamentary deputies on the basis of regional constituencies instead of by province. The government's general ability to react to a changing environment has been confirmed by its continuing implementation of a fiscal stimulus package meant to overcome the effects of the 2008 economic crisis. For the most part, however, reforms reflect the Compaoré administration's self-serving strategies rather than any long-term aims to further democracy. The country's democratic development reflects little willingness on the part of government actors to learn; actions are determined foremost by their desire to remain in power and to safeguard that power. Flexibility by the government, in particular by the president himself, is shown if such a position is considered beneficial within the context of keeping power. As soon as the CDP showed signs of potential future weakness due to internal tensions and fractional fighting, Compaoré started to successfully enlarge and foster his power base beyond the ruling party. Yet he rarely focuses on past errors, but continues to deploy a savvy political carrot-and-stick tactic. In a populist gesture, for example, Compaoré pardoned Nana Thibaut, a populist political figure who was sentenced to three years in prison for his role in instigating food price riots in 2008. Shortly after, Thibaut announced his and his party's

Policy learning
4

support of the president's re-election. In a certain way, the president learned from the past, realizing that these kind of strategies mostly work by strengthening his power base and by emerging from each crisis stronger than before. His undisputed re-election to a fifth term in office has again confirmed the success of his strategy.

15 | Resource Efficiency

Available human, financial and organizational resources are utilized efficiently in very few areas. Huge amounts of resources are wasted due to corruption, clientelism, favoritism, poor coordination, and the country's lack of infrastructure and official monitoring. A majority of state resources is distributed to a small elite group via patronage networks. Mismanagement is a problem on the national as well as on local levels. The country's youth, who as a whole are economically disenfranchised and lack adequate education and employment, are frustrated with the selfish behavior of the political leadership and are essentially being ignored en masse as a valuable resource. Many citizens respond with caution or even distrust to government appeals for help in contributing human or economic resources to meet development objectives. The fruits of citizens' goodwill have often been harvested by others. Consequently, directed reforms are often met with skepticism. Again, cabinet reshuffles did not result in the streamlining of government institutions to free up budgetary resources for more pressing needs. On the contrary, additional positions have been created by the enlargement of the main governing body, Bureau exécutif national (BEN), from 22 to 37 members, most probably just to accommodate the various contending factions within the CDP leadership. Within a clientelistic and patrimonial system such as Burkina Faso's, the appointment of public servants rarely follows transparent, competitive recruiting procedures independent from political influence. Burkina Faso's state debt increased from \$1 billion in 2006 to \$1.8 billion in 2009 mainly due to emergency spending on flood victims and the fiscal stimulus package after the economic downturn. However, the increase in spending and a further widening of the fiscal deficit to 4.7% of GDP in 2009 have been necessary to maintain macroeconomic stability. The country cannot manage the level of state debt on its own and has benefited and will continue to benefit from debt relief under the HIPC initiative for heavily indebted poor countries sponsored by the IMF and the World Bank. Burkina Faso's fiscal policy is subject to requirements established by the IMF and World Bank-sponsored extended credit facility (ECF). There remains a high risk of debt distress due to Burkina Faso's excessive dependence on commodity exports, low diversification in the export sector and reliance on external financing for most of its public investment programs.

Efficient use of
assets

3

The population's skepticism over reforms helps to explain the government's conflicting objectives, even in cases where it may show foresight in seeking necessary change – which, during the period under review, has not been the case as regards democratic transformation. Peasants and urban laborers fear, with good reason, that their efforts are misused to benefit a small group of elites. Although the government does try to coordinate conflicting objectives and interests, it is not always successful. Different parts of the government tend to compete with each other against the background of a highly fractured ruling party. During the period under review, tensions within the CDP grew seriously. Tough internal and external critiques, which accuses the party leadership of being corrupt, arrogant and out of touch with the ordinary Burkinabé citizens, raised concern about the CDP's future among its leading figures. While major divisions could be reasonably contained during the pre-election phase, the party has not yet found a sustainable strategy to deal with the crisis.

Policy
coordination
5

Rampant corruption on all levels is one of the main problems in Burkina Faso that blocks democratic and economic development. As corruption has increased, international donors have moved the fight against corruption and for increased transparency to the top of its priority list. The last report assessed the government's anti-corruption scheme as being fragmented, uncoordinated, slow in action, and lacking autonomy and sufficient funding. During the period under review, no incident could be identified that would change this evaluation. While adequate institutional arrangements are in place, they have not yet produced any case of successful corruption fight. Either the bodies are weak and powerless, or their recommendations are not followed by actions. This applies to the Court of Accounts that audits the government's accounts, to the Regulatory Authority of Government Tenders, created in 2008, which monitors the tender process for government contracts, as well as to the Superior Authority of State Control, an entity under the authority of the prime minister that merges the High Commission for the Coordination of Anti-Corruption Activities, the State Inspector General, and the National Commission for the Fight against Fraud. All of these bodies have quite comprehensive mandates, and they have already exposed corruption at different levels of government and administration. In none of the cases, however, have their findings or recommendations been followed by action. Though the law provides criminal penalties for official corruption, the government did not implement it effectively, and no senior officials were prosecuted. In rare cases in the past, corrupt officials have been removed from office, but respective decisions seemed to have stemmed more from political motives rather than from a serious desire to fight corruption. However, while public protests against corruption in all sectors and impunity were ongoing, no such cases emerged during the period under review. No laws provide for public access to government information, and ministries typically only release non-sensitive documents.

Anti-corruption
policy
3

16 | Consensus-Building

Major political actors agree on the tenets of a market economy. The majority of the population, however, has yet to benefit from a socially responsible market economy, while suffering the negative effects of privatization, restructuring and liberalization. A consensus over the tenets of democracy is driven by opportunism rather than a deep conviction of the benefits of such a system. Consequently, so far, further democratization has always been carried out only with reluctance and in response to civil society and foreign pressure. During the period under review, however, not even efforts of this kind could be observed. Democratic transformation seems to have stagnated and clear signs signaled a clear risk of possible serious setbacks in the very near future. Should the ruling party effectively push a revision of Article 37 of the constitution, which would erase term limits and allow Compaoré to prolong his tenure beyond the end of his current term in 2015, it would irrevocably demonstrate that democratization is no longer a strategic, long-term goal of the ruling majority. In this context, the argumentation by key political figures that they are promoting constitutional change would provide clear insight into their notion of democracy. The CDP parliamentary leader, for example, described the term limit as “a real problem” because it undermines democracy by denying voters’ sovereign right to elect whoever they like as often as they wish. According to him, eliminating term limits would help to “reinforce democracy.” All this confirms the assumption that, given the opportunity, politicians currently in power would prefer to return to autocratic rule. Burkina Faso’s traditional society structures, and the country’s various governmental regimes following independence, are known for their ability to build consensus amid a spectrum of conflicts. For some years now, polarization has characterized politics in the country. In many areas, key political and social actors differ on development goals and how to achieve them. The Sankara era continues to define the social and political of Burkina Faso. Most supporters are young people who were born after Sankara’s death, yet many identify with this “national hero,” regardless of the former president’s beliefs and policies, as a way to express discontent with current conditions and their desire for change. Sankara’s revolutionary reform policies, which espoused an African society based on socialist principles and a grassroots-based economic system, live on in the memory of many Burkinabé. These ideals, sometimes considered reflective of a “true” democracy based on fair distribution and a strong farming community, remain popular; a market economy in contrast is viewed with disapproval. Today, over a dozen parties claim to be based on Sankarist ideals. The parties’ inability to form a coalition has prevented them from capitalizing politically. Initial steps towards overcoming this fragmentation have been taken during the period under review, but need to be intensified in order to produce clear political results.

Consensus on goals

6

It is difficult to assess how the exclusion or co-option of anti-democratic veto actors takes place. Clearly, those who do not favor rapid or increasing democratization at all (in the sense of increased transparency, pluralism and equality of opportunity) exist within the ruling system and, in this sense, are veto actors themselves. In particular, among the wider clan of president Compaoré, they definitely seem to have defined maintaining in power as their primary or only objective. During the period under review, which has been characterized by serious tensions within the ruling party, some leading figures or former allies of the president have excelled as open critics of Burkina Faso's political system and the ruling CDP by pointing out non-democratic, authoritarian and patrimonial traits. Whether these actors develop as true democratic reformers or finally end up pursuing a self-serving political strategy remains to be seen. Evidence of co-option is seen in the culture of impunity surrounding events such as the assassination of former President Thomas Sankara or journalist Norbert Zongo, as well as in the exercise of political pressure through punishment or remuneration based on the logic of a neo-patrimonial system. A recent example was the amnesty granted to Nana Thibaut after he had been convicted to three years of imprisonment for having organized food price riots. Thibaut's release was followed by his proclamation for support of Compaoré's re-election. Citizens who challenge the regime through NGOs or labor groups are often excluded from society and frequently slandered for being "anti-democratic." With regard to the military, civilian authorities have generally maintained effective control over the security forces. However, signs of politicization of the military and discontent among the soldiers are reason for concern. The extent to which army officers influence political decisions or exercise veto powers is unclear, though ties between some members of the military and the ruling party are well-known, and security personnel seldom face legal action over offenses committed. Wealthy businessmen are an integral part of the ruling elite. While their exact influence on policy-making is unknown, it must be assumed that they do have a veto power. The same applies for traditional chiefs who also play an important role within Compaoré's power structure.

Anti-democratic
actors

5

In Burkina Faso, societal cleavages are increasingly manifested in social conflicts or tensions. The government has repeatedly managed to prevent the escalation of conflicts with a minimal amount of concessions. While the situation was particularly explosive during the peak of the economic crisis in 2008, there is a continuing conflict potential that could rage out of control if more fuel is added to the fire. In some cases, government authorities have been incapable of peacefully settling violent conflicts or preventing them altogether. Failing to investigate violent clashes properly and to punish those responsible perpetuates a vicious cycle of revenge. Another significant issue is the friction between farmers over overgrazing. The significant influence of traditional and religious leaders became apparent, for example, in a mining village in Yatenga province where they successfully mediated – together with the local authorities and civil society

Cleavage /
conflict
management

6

organizations – between the Mossi and the Bissa ethnic group after their violent clashes over business interests. The decision of the governments of Burkina Faso and Benin to submit a dispute over their mutual border to the International Court of Justice (ICJ) in The Hague in 2009 demonstrated reasonable conflict management. To avoid tensions until the ICJ's judgment, the disputed area has been declared a neutral zone and has been placed under the control of a mixed committee.

The willingness of the government and the parliamentary or extra-parliamentary opposition to cooperate with one another was low during the period under review. However, numerous civic organizations, sometimes in cooperation with the parliamentary opposition as well as the media, succeeded in exerting considerable influence over the political agenda to shape economic and social welfare policy. Influence diminishes, however, when it comes to issues such as impunity, the judiciary or corruption. While civil society participation is permitted in general, its organizations' influence on the political leadership's decision-making as regards democratization becomes apparent only in situations when ignoring civil society would seriously endanger the government's power. During the period under review, civil society actors have not managed to bring democracy strengthening measures on the government's agenda or its formulation of its policies.

Civil society
participation
4

A straightforward strategy to deal with historical acts of injustice in Burkina Faso's history would be one of the most important steps towards further democratization and reconciliation of society. The political leadership, however, neither recognizes the need for such a policy nor has it ever started any reconciliation attempts. On the contrary, the government interprets Burkina Faso's history in a self-serving way that neglects some relevant historical facts, specifically as regards the military coup against the former president, Thomas Sankara, and Compaoré's takeover in 1987. The country has yet to establish anything resembling a truth and reconciliation commission, for example, to examine past human rights violations and, in particular, the circumstances of Norbert Zongo's assassination. Currently, however, nothing points to such a project in the near future. Instead, the recent, and thus far unresolved, death of Marcel Kafando, an important witness in the Zongo affair, has further increased the risk that it will finally be the Compaoré government's version of the incidents that will make history.

Reconciliation
3

17 | International Cooperation

Burkina Faso's economic policy remains strongly dependent on international aid. In 2008, Burkina Faso received, according to the World Bank, \$998 million of net Official Donor Assistance (ODA), which translates into \$65.5 of net ODA per capita. Several donors have increased their support for Burkina Faso. The influx of funds is increasingly being allocated as grants, which reflects donor satisfaction with ongoing reform measures. Burkina Faso has benefited and will continue to

Effective use of
support
7

benefit from debt relief under the HIPC initiative for heavily indebted poor countries. The government's economic policy is enshrined in the three-year extended credit facility sponsored by the IMF and the World Bank. Key macroeconomic targets of the ECF include increasing the real GDP growth above 6% by 2013, containing average inflation below 3% for the duration of the program, containing the current account deficit to 8.7% of GDP by 2013 and reducing the fiscal deficit from 5% of GDP in 2010 to 3.4% by 2013 by implementing structural reforms. The country recently has signed two grants with the EU towards reaching the MDGs, the ADB increased its assistance by 47 % and the World Bank is focusing on education, urban sanitation and poverty reduction programs. Health development is supported by a consortium of UNICEF, the UN Population Fund, WHO, and national aid agencies from France, Sweden and the Netherlands. The French government has also agreed an additional budget support. A group of international donors recently agreed to support the financing of a long-standing project with \$320 million in order to build a new airport at Donsin. The political leadership seems to follow clear aims of internationally assisted development, based on a roadmap that specifies necessary steps and required inputs. Support, however, is not always integrated efficiently into consistent long-term strategies.

The government is considered credible and reliable, and enjoys an acceptable amount of confidence from the international community. Therefore, the government's efforts in the economic area, on security co-operation as well as the president's numerous diplomatic interventions in the region, seem to create enough confidence within the international community to make them overlook the lack of commitment to implementing democratic reforms. Recognition of Burkina Faso as a good development performer increased when it became one of the first countries to prepare a full PRSP in 2000, to which donors have progressively aligned their support. In June 2010, the country was awarded a three-year extended credit facility covering the period 2010 – 2013 and it will face a new Strategy for Accelerated Growth and Sustainable Development for the period 2011 – 2015. The main pillars of the new strategy include economic consolidation and accelerated growth, private sector promotion, development of human capital and economic infrastructure, and good governance promotion. In 2006, Burkina Faso established a monitoring instrument for the implementation of the Rome and Paris Declaration on aid effectiveness, called the National Coordination for Aid Effectiveness (CONEA), but the lead role in implementing the Rome and Paris declaration has been taken by the National Action Plan for Aid Effectiveness (PANEA) for the period 2007 – 2010. A 2008 progress review shows significantly positive results, particularly in the fields of national ownership of aid and in the alignment of national priorities and aid predictability. The government is actively taking the lead on issues of donor harmonization, as noted by the World Bank and the European Commission, with the overall objectives of further aligning foreign aid to the country's priorities and

Credibility

8

improving predictability and coordination. France, Burkina Faso's main trading partner and closest Western ally, has put a renewed focus on its involvement in its former colony by increasing co-operation in security politics during the period under review. Against the background of the rising threat posed by the Islamist militant group AQIM in the Sahel, French Special Forces, for example, have provided training to Burkinabé forces and, for the first time, a French military officer has been appointed as ambassador to Ouagadougou. The United States has also intensified its military collaboration with Burkina Faso within its anti-terrorist operations. Compaoré proved his image of a regional peacemaker by continuously mediating in the Côte d'Ivoire crisis as well as in Togo, Guinea and in Niger, where he has been involved in negotiations for the release of several hostages held by AQIM.

Working within a regional context is a key element of Burkina Faso's statehood: more than 60 ethnic groups of the country have cross-border settlements; nomads and migrant workers depend on pastures and jobs in neighboring countries; the fight against desertification and trafficking is impossible without regional collaboration; seaport access for landlocked Burkina Faso is dependent upon agreements with neighbors to the south; and the CFA franc pegs the country to other states with the same currency. Since 2006, Compaoré has shrugged off his reputation for backing warlords, rebel groups and coup plotters and has instead gathered an acceptable standing among regional and international partners due to his several successful mediation efforts in West African countries. Burkina Faso's economically and politically important relationship with its closest regional partner, Côte d'Ivoire, has been difficult during the peak of the local crisis, but has substantially improved in recent years. President Blaise Compaoré has become central to the complicated Ivorian peace process and the monitoring of the 2007 Ouagadougou agreement. Since the re-eruption of the Ivorian conflict after the long-awaited elections in November 2010, there are new concerns that the situation could fall back into what the two countries have already seen at the beginning of this century. Back then, millions of Burkinabé who live and work in Côte d'Ivoire fled to their country of origin and plunged Burkina Faso into economic and political turmoil. While most Burkinabé citizens, including political groups and civil society organizations, explicitly back the internationally recognized election winner, Alassane Ouattara, Compaoré's reaction has been cautious and his statements have remained vague thus far. Avoiding officially taking sides might result from his concerns that negative comments could risk the security of his compatriots in Côte d'Ivoire, but also from his desire to protect his reputation as an honest broker. It is said, however, that he is actively engaging in machinations behind the scenes, and the government's official stance has been to act in conjunction with the African Union and ECOWAS, including sending troops if the organization decides for a

Regional
cooperation
8

military intervention. Plans to send 500 Burkinabé soldiers to join the peacekeepers of the UN Operation in Côte d'Ivoire have already been approved.

Strategic Outlook

Very little has changed during the period under review with regard to Burkina Faso's transformation process. While there are signs of slightly positive changes under way in economic transformation, democratization has come to a complete standstill, which bears the risk of potentially negative developments in the future. The major hurdle is found in the executive's all-encompassing dominance of political institutions. The president's and the ruling party's power is based on a massive patronage network and exclusive access to state resources that reinforce injustice on all levels and obviate equality of opportunity. As a consequence, elections again did not bring any change, despite the population's increasing discontent with the government. Against this background, there are several key issues that need to be addressed to prevent Burkina Faso from falling back into an authoritarian regime. First, the parliamentary and extra-parliamentary opposition must concentrate their strength on preventing the ruling party from misusing its majority to again alter the constitution in Compaoré's favor. A clear statement must also come from his international and regional partners who, too often, ignore the Burkinabé government's democratic missteps. Should the CDP actually not refrain from eliminating term limits, Compaoré could eventually meet the same fate as Tandja in Niger. Second, Burkina Faso needs political change. Therefore, substantial reforms that enhance the fairness of the electoral process are indispensable. Third, the opposition must intensify their efforts to overcome divisions and to, finally, offer the population a well-considered political alternative. Fourth, corruption hinders economic and the democratic development. The government must enhance transparency and accountability in all areas through serious anti-corruption measures. Fifth, Burkina Faso's stability could be jeopardized by the resumption of civil war in Côte d'Ivoire. A repetition of the events in the first half of this decade would have a disastrous economic and social impact on Burkina Faso. Compaoré must not be tempted to once more play with xenophobic sentiments for the sake of gaining in popularity.

The government will need to continue its economic reform program to meet its poverty reduction objectives. The recovered cotton sector, a rapidly expanding mining sector and a good harvest linked to rising international demand and strong commodity prices should drive real GDP growth rate per capita to an estimated 6.2%. However, the better targeting of poverty alleviation measures is an urgent task upon which the government has not yet fully embarked and which also faces structural constraints. Burkina Faso should stay the course and continue to enforce ongoing tax and custom reforms to generate funds for poverty reduction measures and to continue to keep the fiscal deficit at bay. Furthermore, the country should continue improving the difficult business environment, in particular access to financing, and revive its privatization process. Lastly, Burkina Faso should enforce the diversification of its main sectors to reduce its high vulnerability to external shocks.