

BTI 2014 | Guinea Country Report

Status Index	1-10	4.66	# 90 of 129	
Political Transformation	1-10	5.10	# 74 of 129	↘
Economic Transformation	1-10	4.21	# 101 of 129	↗
Management Index	1-10	5.15	# 58 of 129	
	scale	score	rank	trend

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2014. It covers the period from 31 January 2011 to 31 January 2013. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2014 – Guinea Country Report. Gütersloh: Bertelsmann Stiftung, 2014.

This work is licensed under a [Creative Commons Attribution 4.0 International License](http://creativecommons.org/licenses/by/4.0/).

Key Indicators

Population	M	11.5	HDI	0.355	GDP p.c.	\$	1068.8
Pop. growth ¹	% p.a.	2.6	HDI rank of 187	178	Gini Index		39.4
Life expectancy	years	55.6	UN Education Index	0.249	Poverty ³	%	69.6
Urban population	%	35.9	Gender inequality ²	-	Aid per capita	\$	10.6

Sources: The World Bank, World Development Indicators 2013 | UNDP, Human Development Report 2013. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

Guinea is at a crucial crossroads. Alpha Condé is the country's first freely elected president since independence (1958), and he has instituted crucial reforms in the security sector and to control the state's finances. These reforms have yielded positive results, with most soldiers remaining in the barracks, and very few circulating freely with weapons. Similarly, levels of grand theft, absenteeism and cronyism appear to have decreased significantly. The passage of a new, much more rigorous mining code is also welcome. Despite these achievements, much remains to be done. Legislative elections are two years overdue, and Guineans place most of the blame for this on Condé and his administration, who are seen to be trying to engineer an electoral situation that favors the ruling Rally of the Guinean People (RPG) party. Until a legitimately elected National Assembly takes its seats, there will not be a meaningful separation of powers, Condé's own legitimacy will be compromised, and donors will continue their freeze on much-needed development monies.

Perhaps more important is that the deep social and political polarization that took place during the 2010 presidential elections will continue to fester at least until the legislative elections take place. Whether it dissipates after the opposition is able to play its role in the National Assembly is one of the major questions for the medium term, and it could determine a great deal about Guinea's future. Condé has shown himself surprisingly intransigent in terms of the gestures most previous Guinean heads of state have made toward interethnic inclusion. Even Guinea's most despotic leaders have generally followed a rough formula of making ministerial and Secretary-General appointments in proportion to the perceived ethnic breakdown of the population. Like the military junta that ruled the country in 2009 and 2010, the Condé administration has discarded this formula to the apparent detriment of ethnic Fulbe (who are seen as the main support base of presidential runner-up Cellou Dalein Diallo), and to the advantage of Condé's own Maninka ethnic group. Guinea has many competent cadres, and it could be argued that these decisions were made simply

on the basis of technocratic competence. However, given how attentive Guineans have always been to this “sharing out” of appointments, such an argument leaves most Guineans unconvinced.

The other major fault line in the Guinean polity at present is the fact that few of the benefits of still-to-be-completed security sector reform – more rigorous management of public funds, and better control of mining contracts – have trickled down to the general population, which has seen its standard of living diminish steadily over the last decade. Guinea is ranked ninth from the bottom in the Human Development Index, but even this low figure is skewed upwards by the country’s substantial mining receipts. When development money, for example from the European Union’s European Development Fund (Fonds européen de développement, FED), is released after legislative elections, immediate attention must be paid to road, electricity and water infrastructure, and to health and education services. All of these areas are in disastrous states, which both causes enormous human suffering and serves as the foundation for significant social unrest.

History and Characteristics of Transformation

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

Guinea began to attract more attention when bauxite and other minerals were discovered there in the 1930s and once again after 1945 with the advent of France’s foreign aid to its African colonies through the Investment Fund for Economic and Social Development (Fonds d’investissements pour le développement économique et social, FIDES). Investments were made primarily in infrastructure to facilitate mining. This development nurtured the formation of a working class that became the foundation for Guinea’s national movement, which was not the case in neighboring countries like Côte d’Ivoire or Mali. After World War II, a socialist trade union movement created an explosive amalgam of discontents demanding self-government. On 28 September 1958, Guinea voted against General de Gaulle’s constitutional plans for a Communauté Française in all of French West Africa. France broke off all relations with Guinea, which declared independence on 2 October 1958 under President Sékou Touré.

As the Cold War raged, Guinea pursued a nationalist vision of development into an era of transformation. Guinea’s first president, Ahmed Sékou Touré, who became one of the important leaders of the nonalignment movement, wanted to eliminate the deficiencies of the colonial period, particularly in infrastructure and basic needs; he also wanted to end dependence on France and

proposed the formation of an African community with Ghana and Mali. However, this plan failed to take into account insufficient socioeconomic conditions: large ethnic, economic and regional disparities and an almost irreversible dependence on existing world trade structures. But Guinea, as the first francophone country in Africa to declare independence, received support from both socialist countries and from the United States and West Germany. Soon Sékou Touré's regime (first republic until 1982, second republic with a new constitution in 1982) became a dictatorship, infamous for its torture camps where numerous alleged opposition members were detained and often died. Sékou Touré's Guinea also became notorious worldwide for its long series of invented and real coup attempts. After Sékou Touré's death in 1984, the military seized power under Colonel Lansana Conté.

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

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

Transformation Status

I. Political Transformation

1 | Stateness

The state's monopoly on the use of force is generally established, but is undercut by several factors. Some members of the opposition have claimed that the sitting government was not legitimately elected, and have even mentioned the possibility of arming themselves. Some elements of the military, which lost power in the transition to civilian rule in 2010, have also challenged the state, notably in an assassination attempt on the president in July 2011. Another challenge to this monopoly is posed by "jeunes volontaires" and militia members recruited during cross-border attacks in 2000 and 2001, and by the junta in 2009. Most have been neither integrated into the uniformed military nor reintegrated into civilian life, and many operate with ad hoc arrangements with the authorities that allow them to extort money from citizens in a variety of settings.

Acceptance of the Guinean nation-state's legitimacy has degraded since the elections of 2010, in particular among the Fulbe ethnic group. During the 52 years of autocratic rule, official rhetoric insisted upon the equal rights and responsibilities of all Guineans as national citizens, but public debate was restricted. The 2010 elections polarized the political discourse. Party affiliation and ethno-linguistic identity became fused to an increasing extent, with the Union of Democratic Forces of Guinea (Union des forces démocratiques de Guinée, UFDG) party and its presidential candidate, Cellou Dalein Diallo, identified as ethnically Fulbe, and running to a large extent on a campaign slogan of "it's our turn," referring to the fact that Guinea had never had a Fulbe president. The other second-round candidate, Alpha Condé, ran to a large extent under the banner of a whispered slogan of "anyone but them." Many Condé voters appeared to have voted as much against Diallo as for Condé. Since the 2010 election, whose transparency many UFDG supporters still challenge, there has been a continued polarization of the political field, with a resultant degradation of the consensus about the legitimacy of the Guinean nation-state. While it is not clear that any group has been denied full citizenship rights, ethnic Fulbe are increasingly

Question
Score

Monopoly on the
use of force
8

State identity
8

claiming that this is so, and new, radical voices have emerged on both sides raising questions about the possibility of exclusion – and even genocide – being perpetrated against ethnic Fulbe, and about the forms of defense to which they are entitled. But separatist positions enjoy hardly any sympathy among either opposition or government elites.

After a period (c. 2005 – 2009) during which religious figures crept slightly into the secular state’s apparatus, Guinea has returned to a firmly secular state. The vast majority of Guineans are religious and this colors some elements of public consensus on issues surrounding gender and sexuality, for instance.

No interference of religious dogmas
9

Administration across the national territory is making a slow comeback from its dilapidated status during the late Conté and junta years. As Guineans have yet to elect legislative or municipal leaders, the appointees who are on the ground often find their legitimacy challenged by citizens, for example during one lethal conflict between citizens and administration in Guekedou in December 2012. Still, the government’s willingness to govern – rather than simply to impose law and order, and then allow local officials to “pay themselves” at the expense of the local population – is a fundamental shift, even if visible progress is likely to remain slow.

Basic administration
5

2 | Political Participation

According to the Guinean constitution, legislative elections should have been held within six months of the October 2010 presidential elections. Presently slated for May 2013, they will be more than two years late, if they take place at all. Many Guineans have become exasperated at what they take to be the presidential party’s attempts to tilt conditions in its own favor. Main points of contention have been the leadership and personnel on the Independent National Electoral Commission, and questions surrounding the administration’s claim that the electoral lists (newly constituted in 2010) need to be revised. The president imposed his position on the electoral lists by tasking two companies with revision. In late February 2013, the opposition decided to withdraw from election preparations. Municipal elections are also long overdue.

Free and fair elections
5

The new government has greater legitimacy to rule than any since the early days of the Conté administration. The groups wielding some degree of extra-democratic influence are largely holdovers from previous administrations, and many Guineans have expressed concern that there are many power barons from both the late-Conté and junta periods. The reality is that the security forces will have to be handled with delicacy for many years to come, given all of the political and economic perquisites they enjoyed from the mid-1990s to 2010. In general, the process appears to be moving in the right direction.

Effective power to govern
3

Constitutional rights of assembly and association are guaranteed to a greater degree than in the past. However, according to the U.S. State Department's report on human rights practices in Guinea, both were restricted in law and practice. Any meeting that has an ethnic character, or any gathering "whose nature threatens national unity," is banned under the law. In addition, the government requires 72-working-hour advance notification for public gatherings, and legal provisions permit local authorities to ban a demonstration or meeting if they believe it poses a threat to public order. The U.S. State Department noted that the government dispersed an April 2011 rally to welcome opposition party leader Diallo, and a September 27 rally to protest the government's decision to move ahead on election planning without opposition consent. The government used excessive force at both events, resulting in several deaths and dozens of injuries. Opposition parties have complained and subsequent gatherings have usually been approved.

Association /
assembly rights
6

Freedom of expression is relatively secure. Newspapers continue to operate under the aegis of a council, and this system works more or less smoothly. Many newspapers are sharply critical of the government, and are typically only sanctioned for slander or highly inflammatory claims. The state gave up its monopoly on electronic media in 2006. These media reach an audience several orders of magnitude larger than print media's, and their practitioners are less experienced at navigating the minefield of journalistic ethics within the context of a young democracy. Relations with oversight boards have thus been more contentious, but freedom of expression has generally been respected.

Freedom of
expression
7

3 | Rule of Law

The National Transitional Council has shown little desire to contradict the president, and Guineans continue to have little faith in judicial institutions. The new government seems prepared to accept a greater degree of independence of the judiciary, but justice sector reform has not been one of its priorities. The judiciary has historically been subject to the executive, and judges are reluctant to contradict executive authority. This might change only slowly, if at all.

Separation of
powers
4

The elected government has espoused principles of an independent judiciary, but it is not clear that there have been many changes in practice. Several magistrates were convicted of corruption in 2012 and 2013, but such prosecutions have been used in the past to bring the judiciary into line with political directives. Guineans, therefore, remain unconvinced that such convictions are likely to yield a more impartial justice system.

Independent
judiciary
5

President Alpha Condé has espoused the ideals of transparency and good governance, and the nominations of a Minister of Finance and a Central Bank Governor both considered to be honest are important steps in this direction. At the same time, many

Prosecution of
office abuse
5

actors generally considered to be corrupt former members of the Conté and Dadis Camara regimes have become personal advisors and high-level appointees in his government. A colonel accused of leading a 2009 massacre of (mostly Fulbe) protesters was indicted in February, but judicial proceedings, announced the same month, against the suspected coup plotters of 2011 have made much faster progress. In this context, many Guineans question whether corruption prosecutions reflect the evenhanded administration of justice, or behind-the-scenes political maneuvering.

The greatest threat to the civil and human rights of Guinean citizens still comes from their own security forces. Although they are typically more professional than they were during the junta period, security forces continue to extort money from citizens at roadblocks and at border crossings. In November 2012, Ministry of Finance Treasury Director Aïssatou Boiro was assassinated by men in uniform. She was investigating grand theft within the government, and most Guineans considered her murder to be an attempt to stop the investigation. The government announced the arrest of two suspects in December 2012, which might indicate increased government capacity to move against impunity.

Civil rights

5

4 | Stability of Democratic Institutions

Guinea is currently in a transitional situation. The country has a democratically elected president, but not an elected legislature, and elections for municipal officeholders are long overdue. The electoral commission's legitimacy and neutrality are constantly questioned, and both the party in power and opposition parties tend to treat the commission as a body that should contain representatives of all the major parties, each of whom is expected to fight for his or her party's interests. Although the idea is that such actors will balance one another out, there is not sufficient trust to support a model of competent and impartial technocratic institutions.

Performance of democratic institutions

3

As in many young democracies, major players in Guinea tend to see democracy as an all-or-nothing contest. Consequently, electoral losers have spent a great deal of energy challenging the legitimacy of the elections they lost, and some have engaged in inflammatory speech, including claims that armed rebellion might be a legitimate response to the allegedly despotic government in power. On the other side, the elected administration has given strong signals that it intends to use its incumbent advantages to further consolidate its power, thus discouraging the relatively small group of committed democrats who have also been put off by the "radical" opposition.

Commitment to democratic institutions

3

5 | Political and Social Integration

As legislative elections have not yet been held, some features of the Guinean party system remain matters of speculation. Guinea has a number of opposition parties with

Party system

4

relatively long histories, and variable degrees of presence across the national territory. The governing Rally for the Guinean People (RPG) began in the early 1990s when multiparty democracy was first introduced. Other parties, such as the Union of Republican Forces (UFR), also go back to the 1990s. The Union of Democratic Forces in Guinea (UFDG), the party of Cellou Dalein Diallo, also originates from this period, but recently has been associated primarily with Diallo himself. At the beginning of the presidential race in 2010, there were several parties with majority-Fulbe constituencies, as well as many Fulbe who voted for non-Fulbe candidates such as Sidya Touré. The consolidation of the UFDG as a nearly all-Fulbe party, and the amalgamation of almost all Fulbe as UFDG supporters during the second round of the 2010 elections, have changed the party situation considerable. Similarly, in the first round of voting, there were several ethnic Malinke candidates other than Alpha Condé who had significant support, but, in the run-up to the second round, most Malinke and minority ethnic voters in the Forest region aligned behind Condé. Further hardened by several interethnic clashes between supporters of both candidates, the situation is now ethnically polarized in a way that is unprecedented for Guinea, and this has weakened the influence of political parties.

Guinea had exceptionally weak civil society coming out of the 1958 – 1984 socialist period, and the emergent civil society actors of the 1990s and 2000s were often subjected to state violence and other forms of coercion. Unions took on new political salience from the general strikes of 2006 and 2007 onward, and other civil society actors have similarly grown in maturity, organizational capacity and vision over the past five to ten years. This process was seriously undercut by many organizations' naive welcoming of the military junta in early 2009, a stance they regretted by the end of that year. Today, a handful of human rights, democracy and economic governance NGOs are contributing in important ways to discussions about democracy, mining, food security and security sector reform, among other topics.

Guinea's experience with multiparty democracy is very new. The country is included in the next Afrobarometer survey, but, to date, there are no viable survey data on Guineans' attitudes toward democracy. If one listens to radio talk shows, reads local newspapers and talks to Guineans, there is a mix of cynicism and hope in many people's evaluations of democracy under Alpha Condé. However, military rule appears widely discredited and Guineans seem to feel it is not an alternative to democratic governance.

There are no survey data on this subject in Guinea, but 52 years of repressive and violent governance and the polarizing 2010 elections have contributed to low levels of trust nationwide. Still, Guineans have a strong sense of national identity and can still articulate the ideals of national unity that were promulgated during the socialist period. In material terms, remittances from outside Guinea are the major source for building social capital through education and related projects. These exchanges take

Interest groups

6

Approval of democracy

n/a

Social capital

5

place within networks of kinship and/or at highly localized (village) levels, and they most often purposely avoid interaction with the Guinean state.

II. Economic Transformation

6 | Level of Socioeconomic Development

Guinea is ranked 178 of 187 countries in the 2011 Human Development Index (value: 0.344). Its score would be considerably lower if not for relatively high per capita GDP numbers that are the result of significant mining receipts. Unfortunately, the vast majority of Guineans see neither direct nor indirect benefits from those receipts, so the per capita GDP figure is largely meaningless. The country is thus extremely poor – the most recent figures, from 2007, indicate a poverty rate of almost 70% – and extremely unequal (GINI coefficient of 39.4). In addition, decreasing but still relatively high inflation makes Guineans feel that life is getting harder rather than better. Literacy rates are also low (around 40%).

The country has made some strides since the socialist period, when life expectancy was only 40 years and infant and child mortality much higher, but the 2000s saw a steady slide in the life chances of the large majority of Guineans, as the military-ruled government provided fewer and fewer services, and directed more of its energies toward pillaging the national wealth. The Condé government is working to redress these debilitating legacies, but it will take years for visible changes to emerge, and decades to do away with some of the most pernicious practices established by past administrations.

Economic indicators		2009	2010	2011	2012
GDP	\$ M	4164.7	4736.0	5095.8	6767.9
GDP growth	%	-0.3	1.9	3.9	3.9
Inflation (CPI)	%	4.7	15.5	21.4	15.2
Unemployment	%	-	-	-	-

Question
Score

Socioeconomic
barriers

1

Economic indicators		2009	2010	2011	2012
Foreign direct investment	% of GDP	3.4	2.1	18.8	-
Export growth	%	-3.6	0.2	-	-
Import growth	%	-23.2	27.2	-	-
Current account balance	\$ M	-403.4	-326.9	-1161.4	-
Public debt	% of GDP	89.1	105.5	86.0	43.0
External debt	\$ M	3128.4	3134.5	3139.1	-
Total debt service	\$ M	115.0	75.0	170.6	-
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	11.3	15.0	10.6	-
Public expnd. on edu.	% of GDP	3.2	3.7	3.1	-
Public expnd. on health	% of GDP	1.7	2.0	1.6	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	-	-	-

Sources: The World Bank, World Development Indicators 2013 | International Monetary Fund (IMF), World Economic Outlook 2013 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2013.

7 | Organization of the Market and Competition

Guinea has a large informal sector, and many Guineans invest large portions of their time and energy into evading the state. From the beginning of the post-socialist transition (mid-80s) and the neoliberal reforms prescribed by the Bretton Woods institutions, some Guineans found ways to turn privatization and other market reforms into new arenas for rent-collection and gatekeeping activities. The financial institutions' enthusiasm for privatization and lack of interest in or understanding of Guinea culture and the particularities of its political economy aided and abetted this process. The 15 years between 1985 and 2000 thus saw an impoverished and inefficient but egalitarian political economy transformed into an impoverished, criminalized and grossly unequal economy. The aggregate economic indicators improved marginally, but human suffering increased greatly. This trend accelerated and worsened over the course of the 2000s, with the Guinean army in particular setting itself up as a brutal protection racket that assumed control of most economic activities for its own enrichment and that of its partners. During the Conté years, this included people like Guido Santullo, the allegedly mafia-linked construction

Market-based
competition

4

magnate, and, during the Dadis Camara junta, the preferred partner was Guinean Construction and Delivery (Guinéenne de Construction et de Prestation de Service, GUICOPRES), headed by a close associate of several junta members. Alpha Condé has unfortunately inherited a political economy in which the political and economic elite thus has 25 years of experience of using the guise of market reforms to monopolize capital, fix prices, and exclude competition. Progress under these conditions seems to be underway, but it will necessarily be slow. Condé has made reform of the state-mining industry nexus a major priority of his government. This has the potential to increase official government control of revenues and decrease the share of profits privately appropriated by well-connected elites.

The Condé government is making some headway against monopolies and fixed prices, but it has not always lived up to its own rhetoric. For instance, the government continues to subsidize gasoline and rice, creating regional market flows in which buyers cross the border into Guinea in order to buy cheap and then sell dear back in Sierra Leone, Liberia, Senegal and other neighboring countries. This is especially noticeable in the case of military personnel, who may receive bags of rice at one-tenth their market price, and then resell them.

Anti-monopoly
policy
5

Many Fulbe businesspeople profited from monopolistic market structures, and some political initiatives the Condé government took are considered by the opposition to be politically motivated.

Guinean exports are primarily from mining (about 90% of exports), and these exports are traded at market rates. The same is true of most imports, including petroleum products and consumer goods.

Liberalization of
foreign trade
6

The government has moved against ad hoc tax exemptions, which favored certain businesspeople and distorted competition. Yet a number of Fulbe businesspeople profited and – as mentioned above – the opposition suspects the moves to be politically motivated.

The banking system is far more professional than it was under the Conté regime, and the number of regional and international banks has increased rapidly over the last decade. The presence of major mining multinationals has forced this professionalization, even against countervailing political pressures. There is no published information on the bank capital-to-assets ratio prevalent in Guinea, nor on the prevalence of nonperforming loans.

Banking system
5

8 | Currency and Price Stability

The Condé government has worked hard to contain inflation. The junta had roughly doubled the money supply, simply having container loads of banknotes printed and delivered from China. This was a major inflationary pressure. The Condé government

Anti-inflation /
forex policy
5

used a soft loan from the Republic of Congo to buy back many of these notes, and the exchange rate of the Guinean franc has remained steady at about 7,000 GF to one U.S. dollar. These initiatives have allowed the government to bring inflation rates down, to an estimated 14% in 2012 from 16% the year before and 20% in 2010.

Overall, the exchange rate is market-determined, and oversight over this market has improved.

In this context, in 2011, the government took action against the parallel forex market and, more importantly, against the money transfer services MoneyGram and Western Union, which appeared to have systematically overvalued the Guinean franc and undermined the official forex market.

The Condé government has committed itself to putting the country's finances in order. The junta reportedly left the Condé administration with only a six-month accounts balance against imports, and a bookkeeping system that had been purposely sabotaged so as to facilitate looting by members of the junta. These issues have been addressed by the Minister of Finance and the Central Bank in collaboration with financial partners, and both Guineans and donors familiar with the situation seem broadly satisfied that the Condé government has made significant progress in this area.

Macrostability
7

9 | Private Property

The situation in Guinea is complex, especially regarding land rights. The country has experienced multiple regimes governing land tenure and use over the last century, ranging from precolonial systems in which land rights were vested in corporatist groups such as the lineage or clan, moving into the introduction of titled land under the colonial government, then to the socialist policies of state ownership of all land, and agricultural use rights based on "land to the tiller" norms. Since the mid-1980s, the situation has reverted to a promotion of deeded properties, but such legal rights have often been trumped by either communal conflicts or application of eminent domain, often under dubious circumstances that appeared to benefit members of the government or security forces. The situation at present appears to be normalizing, but this is an area that requires more attention than it has so far received, especially as new mining concessions will increase pressure on land in the coming years. According to the World Bank's Doing Business report, it requires six procedures and takes 59 days to register private property.

Property rights
5

According to the World Bank, it takes 35 days and six procedures to start a private business in Guinea. This is more difficult than average, though not disastrous. The Condé government is in the process of trying to regularize formerly opaque contracts, especially in the mining sector. These initiatives are described by some as transparent and by others as unreasonable, as in the case of the Simandou mining site, where

Private enterprise
6

Guinea has demanded a 51% stake in the mine (to which its partners have agreed), but does not have the capital available to play the role it has demanded. According to the mining law of September 2011, the state should acquire at least 30% of bauxite and iron ore ventures.

10 | Welfare Regime

Guinea's precolonial and socialist forms of social welfare have both been frayed by almost 30 years of post-socialist misgovernance, degradation of institutions, and neoliberal reforms. Health and education are the sectors that have taken the worst hits, and Guinea's public expenditure on health is the second lowest of any country with records. Only a tiny fraction of the population is employed in salaried work, and most of those do not enjoy the benefits of health insurance, retirement benefits or unemployment insurance. Consequently, elderly, sick or unemployed Guineans typically must turn to family members for assistance in times of need.

Social safety nets
3

During the socialist period (1958 to 1984), the Guinean government actively promoted policies to give women and girls equal access to education and employment. Traces of these policies can still be seen today in Guinea, despite the fact that the Conté government and the junta actively dismantled many of these gains. Still, female literacy is said to be 50% as opposed to a male rate of 28%. This is hard to square with the figure that only 84% as many girls attend primary school as boys, a rate that drops to 33% by the tertiary level. There have been complaints throughout the postcolonial period that the government in power promotes members of the president's ethnic group – the Malinke – above others, but the effects of such bias, if it exists, have been moderate. Essentially due to a history of repression and consequent migration, Fulbe businesspeople are particularly well integrated into international business networks. Fulbe are thought to be both rich and superior in business, and this reputation – or stereotype – feeds some ethno-political tensions.

Equal opportunity
5

There is no discernible inequality based on religious affiliation.

11 | Economic Performance

Generally, statistics on economic performance in Guinea are highly unreliable. This is partly due to the fact that Guinea's economy continues to be hobbled by past misgovernance, pillaged public good, and degradation of infrastructure. Generally, statistics on the Guinean economy are, if available, highly unreliable. To give just one example, the son of president Conté allegedly had all the iron rails from the colonial Conakry-Kankan railway ripped up and sold as scrap metal to a Chinese company. Stretches of road, such as Macenta-Kissidougou and Mamou-Kouroussa, are as bad as they have been at any point in the past 25 years. Given these handicaps,

Output strength
4

the economy is showing considerable resilience. Gross capital formation figures are revealing. Hovering between 14% and 20% of GDP over the last decade, they are relatively low, especially given the small size of the economy. However, they appear extremely low when one considers the fact that Guinea is already the world's second biggest bauxite producer and has what many consider to be the most lucrative untapped iron reserves in the world (as well as gold, uranium, diamonds and other resources). Given that most of the world's major mining multinationals have been jockeying for position to exploit these reserves, the small capital investment is surprisingly low. Again, given this context, and the fact that the country is bouncing back from negative GDP growth during the junta period, Guinea's 3.6% GDP growth rate in 2011 appears rather anemic. According to the African Economic Outlook, the economy was expected to grow slightly faster in 2012 (5.1%) and 2013 (5.5%). However, all of these numbers could change quickly if the Transguinean Railway System is finally built and iron ore mining moves to the level of active production. Regardless, the major socioeconomic challenge will remain the fact that the vast majority of Guineans see little if any benefit from these enterprises. Resentment about these inequalities is widespread. A recent example was the August 2012 clash in Zogota, which started as a violent protest against a local mining company's hiring practices and ended as a clash between army and civilians in which 20 people died.

12 | Sustainability

There has been progress in the environmental realm, pushed both by the Condé administration and by the fact that environmental sustainability has become a reputational issue for some mining companies. Rio Tinto has made the explicit promise that its operations in Guinea will leave a net benefit for biodiversity. Many Guineans remain skeptical of such claims, but in the past, mining companies in Guinea did not even bother to conduct environmental impact assessments. Now such reports are required, and even publicly available. There is still a long way to go, but Guinea appears to be making strides in a positive direction.

Environmental
policy
5

Guinea is not listed on the Environmental Performance Index.

Guinea's educational system remains in a dire state. The gross enrolment ratio stands at less than 50% in the secondary sector (and less than 20% in the tertiary sector). Only around 41% of adults are literate. However, there are signs of improvement (in 2010, Guinea spent 3.7% of its GDP on education, which represents a slight increase compared to previous years; more recent figures on education spending are not available). There is a hiring initiative for primary school teachers planned for 2013, and there has been a push to cut back on the level of petty corruption and abusive demands by teachers on students (especially girls). These initiatives are still in the formative stages, however. There are few if any initiatives in research and development.

Education policy /
R&D
3

Transformation Management

I. Level of Difficulty

The constraints on the Condé government are extremely high and pose one of the major challenges to moving toward a representative and free political and economic system. Among the challenges are the polarized ethno-political situation since the 2010 elections; the specter of a possible coup if the army is dissatisfied with its role and benefits in the new dispensation; deeply dysfunctional road, electricity and water infrastructure; and habits of graft and theft that became generalized within the political class over the past 15 to 25 years. In addition to these factors, deep poverty, low levels of literacy and education, and poor health care all contribute to the overall level of difficulty.

Structural
constraints
8

The country, however, also possesses valuable assets, mainly its vast and diverse natural resources (e.g., bauxite and many other raw materials). These should be used to the benefit of the country's development.

Civil society, in the Anglo-Saxon sense of the term, has about a 15-year history in Guinea. Besides unions, the number of NGOs has grown. Some of the civil society groups working on peace and human rights are well established. A small but lively print journalism community has a 20-year tradition of challenging the government. NGOs focused on issues such as transparency, democracy and the environment are emerging every day, and while many of them have short life spans, the NGO/civil society sector is where a lot of the country's most ambitious and idealistic actors gravitate. Since the 2010 elections, some have noted a tendency toward schism between civil society groups that are working on the same issues, but are aligned with opposing political parties.

Civil society
traditions
6

From Guinean independence in 1958 through the end of the Dadis Camara junta, the main schism was between rulers and ruled. The extraordinary abuse meted out to citizens by their government, and especially their security forces, may have contributed to binding Guineans together in shared suffering. The last two years have seen significant polarization, which is paradoxically linked to the new freedoms Guinean citizens enjoy as they pursue social and economic goods. This split is increasingly looking like one between ethnic Fulbe supporters of the UFDG and the rest of the population. Violence so far has been limited (and it also occurs in other

Conflict intensity
7

settings that have little to do with durable schisms), but the rhetorical construction of a sharp divide has progressed rapidly on both sides. Religion remains a non-divisive issue.

II. Management Performance

14 | Steering Capability

It is not entirely clear how well the Condé government has set priorities, given the enormity of the challenges it faces. In every sense, the Guinea it inherited was as dilapidated as a postwar country. Security sector reform was clearly a major priority, and the government has made significant strides in this area. Basic changes in the way the country's economy was managed seem to have constituted the other area of focus, with the reintroduction of controls within the Finance Ministry and the Central Bank and the revision of the mining code being the two major achievements here. Popular dissatisfaction with these reforms is understandable, as the populace is unlikely to give the government much credit for preventing a coup, however difficult it was to prevent, and the benefits of major macroeconomic reforms will not be felt by most Guineans for several more years. The Condé government has shown itself to be strategically shortsighted in two major respects. It has refused to make even the modest gestures that might indicate it was interested in coexisting cooperatively with the opposition, and especially with the Fulbe people. It has also blocked the route to elections. These elections could have been a significant part of a strategy of social rapprochement at the same time that it would have made Condé look like a true democrat rather than someone who was trying to manipulate the legislative elections to consolidate despotic power, an aspiration most Guineans, due to bitter experience, suspect their leaders of harboring.

As noted, some of the macroeconomic reforms appear to have been successfully applied. Security sector reform has been partially successful in that the army has so far respected civilian control of the military, many more uniformed personnel remain in their barracks, and they are rarely seen anymore walking armed through towns and cities. At the same time, checkpoints remain, and security forces (army, police, customs and immigration) continue to demand bribes. Gendarmes appear to be the most professional of the security forces, though they, too, accept bribes. Thus, security sector reform is also an area in which, despite progress, further reform is needed. These reforms, however, run the risk of increasing resistance from the military and have to be pursued cautiously. Other sectors, including health, education, electricity and roads, were areas about which the government made promises that most Guineans feel have not been kept. The government has limited

Question
Score

Prioritization
5

Implementation
4

funds to undertake this much-needed work, but has itself to blame in part. Its refusal to find common ground with the opposition and move toward legislative elections means that significant portions of donor aid remain frozen and unavailable for this work.

Reform of the state-mining sector nexus deserves greater emphasis. Given that the companies have established comprehensive ties with Guinean elites, the government seems remarkably successful. With significant support from George Soros, allowing the government to hire major international law firms, the process has been extremely professional, and not only by Guinean standards.

It is clear that the Condé administration is interested in governing the country as a genuine civil servant, which has not happened for nearly 30 years. This desire, and some evident interest in his legacy, would seem to point toward the likelihood that Condé would be flexible and pragmatic in the government's dealings with various interlocutors. This has not necessarily been the case, and some complain that his response to many challenges is that no one can give him lessons about democracy, given all he suffered over more than 20 years to bring democracy to Guinea. The administration has shown itself to be especially stubborn with regard to the long-overdue legislative elections.

Policy learning
4

15 | Resource Efficiency

So far, the government appears to have been quite successful in effectively allocating its limited resources. Budgeting, state debt, and internal auditing all seem to be operating professionally. This is all the more notable given the multiple pressures bearing down on the government, many of which could derail the entire democratization process. One example is the fact that interim President Sékouba Konaté promised Guinean soldiers a 50% pay raise before he left office. Condé respected this promise, which has contributed to keeping peace in the barracks, while moving 4,000 older soldiers to retirement, and attempting to remove "ghost soldiers" from payrolls. However, there are still enormous problems with controlling lower-level officials in the civil service, and in many ways administration is not working according to legal or rational principles.

Efficient use of
assets
5

By and large, technocratic features of Guinean politics are remarkably consistent. There are other problems, for example that increased control over revenues has not been matched by similar capacity to deliver public goods. However, in the current situation, the government has to focus on a limited set of priorities.

Policy
coordination
6

Security sector reform has been least consistent, oscillating between efforts to increase discipline on the one hand, and the appeasement or integration of severely compromised officers on the other. The situation seems to have become more

consistent since October 2012, but comprised military officers such as Moussa Tiégboro Camara and Claude Pivi are still in government.

Given the multiple pressures on the government right now, however, the mere fact that it has not come apart at the seams is an accomplishment. The government has been relatively unsuccessful at attaining the necessary long-term goals of security sector reform and the imposition of macroeconomic rigor while starting to provide services to citizens. This will remain the major challenge for the next years.

The government has both “talked tough” on corruption and instituted concrete reforms. Cash-only accounting within each ministry has reined in extravagant expenditures, and all revenues go into a single account in the treasury, making once-prevalent opaque accounting practices more difficult. The Ministry of Audits and Economic Control is specifically charged with overseeing the government’s accounts, and it has helped to force both individuals and companies to pay moneys owed to government. The new mining code has a provision for making public all mining contracts. There are plans to make all contracts signed by the Guinean government since independence available online, which would be a tremendous achievement if it comes to pass. There is still a long way to go, however. The culture of corruption further reduces overall commitment to reform, and the president has to focus his reforms on a few institutions. Corruption is still widespread, many officials still essentially follow their private interests, and this will remain so for considerable time.

Anti-corruption
policy
5

16 | Consensus-Building

Guinea faces two main challenges to consensus around democracy and open markets. Many in the political class are products of the socialist era, and retain a great deal of skepticism about the merits of multiparty democracy and market capitalism. Guinea’s experience of these reforms has done little to quell their misapprehensions. The other challenge is that many still treat the democratic process as an all-or-nothing endeavor, in which the winner is then licensed to exercise near-absolute power and to look after his clients. The problem is not so much the acceptance of a capitalist market economy but the resistance to political regulation of that economy that would ensure fair competition and more equal opportunities. Authoritarian attitudes are still widespread and many may feel that only authoritarian governance can provide order (as the popularity of the Dadis coup demonstrated).

Consensus on goals
5

Despite this, Guineans generally seem convinced that democracy is the least bad political system, if only because it offers the possibility of voting the most irresponsible actors out of power.

The major antidemocratic actors are members of the Guinea military, who dominated the political scene from 1984 to 2010. The senior cadre of officers from that time have mostly died, and some of the key members of the 2009 – 2010 junta reside outside the country (Moussa Dadis Camara in Burkina Faso and Sékouba Konaté in Addis Ababa). The Condé administration seems to have established a productive working relationship with the military hierarchy; some actors implicated in the September 2009 stadium massacre are close advisors. This has dismayed human rights activists, but others have suggested that it may be the best way to contain their influence within the military corps.

Anti-democratic
actors

6

In the first 18 months after the presidential elections, there was a surfeit of inflammatory speech from supporters and members of the president's party, and the biggest opposition party, the UFDG. This served to further polarize and add a dimension of ethnic conflict to an already tense situation. This rhetoric has moderated somewhat, but neither side has made significant steps to overcome the wounds of the past three years. Many Guineans wonder whether legislative elections will worsen or ameliorate this polarization.

Cleavage /
conflict
management

5

As in many other countries, the government does not invite that much participation by civil society actors, who therefore understand that their role involves insisting on a place at the table. While prior Guinean governments actively blocked such participation, there are signs that the Condé government is more open, for instance in the realm of monitoring the social and environmental sustainability of mining operations in Guinea.

Civil society
participation

6

There were high hopes that Condé, himself a former exile during the socialist years and a political prisoner during the Conté years, might usher in an era of truth-telling and reconciliation. However, that has not been the case. Ethnic Fulbe, who sometimes state explicitly that they have been more frequently and more severely targeted than other groups in Guinea (a claim that many other Guineans contest), have treated Condé's inaction as a specific refusal to deal with abuses that concern them in particular.

Reconciliation

5

So far, officers allegedly responsible for the 2009 massacre against opposition supporters have remained integrated in the military. Prosecution was announced but has made little progress, which constitutes a major obstacle to reconciliation.

17 | International Cooperation

The Condé government has earned high marks for imposing its vision of how mining should contribute to development. This is a radical change after several decades of individual figures in government insisting on being paid, and then allowing mining companies to operate relatively unchecked. Given this shift, it is not surprising that

Effective use of
support

7

several mining companies have decided to leave the country. However, there also seem to be instances in which nationalist pride has trumped a realistic analysis of what is possible. This appears to be the case in the instance of Guinea's demand for a 51% stake in the Simandou iron ore project, though it had little to contribute to a project that is estimated to require an investment of some \$10 billion.

Condé's intransigence towards the opposition risks forgoing substantial foreign support.

The Condé government's efforts to impose rigor on its finances have given it significant credibility with donors and diplomats. In particular, trust in the government has increased at the IMF and the World Bank, and both institutions have intensified their cooperation with the Condé administration. However, foot-dragging with regard to the legislative elections has left a poor impression, so the overall picture is mixed.

Credibility

6

Guinea's stock within the region has risen, since the country is no longer a clandestine participant in its neighbors' wars, as it once was in Liberia, and since the army has desisted from some of its former obstreperous behaviors, as in the case of Yenga, the Sierra Leonean village that Guinean soldiers occupied for ten years in order to exploit artisanal diamond mining there (the village was finally returned to Sierra Leonean control in 2012). President Condé is a participant in African and other international events, something that former President Conté avoided during the last decade of his life.

Regional
cooperation

7

However, in 2011, Condé caused some regional irritations after he accused Gambia and Senegal of complicity in the coup attempt. But regional relations in general seem to be normalizing, and Condé has largely refrained from brash rhetoric.

Strategic Outlook

If legislative elections take place in 2013, Guinea will have finally emerged from the state of exception that began with the December 2008 coup. Aside from the obvious benefits of reinstating true separation of powers and representation at the local level, these elections could yield several other benefits. Although the elections themselves may produce problems, one can expect that interethnic tensions, which are currently high, should be lessened. Development funds from major donors such as the European Union should also be freed after the elections, and potential investors will be reassured that Guinea is not headed toward another period of unpredictable autocratic rule. If the elections do not take place, the current mood of sociopolitical tension and a feeling of economic limbo is likely to persist. As patience with the slow pace of economic recovery is already very thin, it is likely that violent forms of protest (of which there were already several instances in 2012) will become more common.

A main thrust of the Condé government has been economic and security sector reform. The government has made significant progress in both areas, but much more remains to be done. Security forces still regularly intimidate civilians and extort money from them at roadblocks, a practice that must stop. The military, which was only estimated to number 10,000 to 12,000 in 2006, stands at around 35,000 to 40,000 now, even after some 4,000 soldiers have been retired. There is no strategic reason for the army to be bigger than 15,000, but it has become one of the only “sponges” in the Guinean economy available to provide employment to young men, including those with university degrees. Halving the size of the army would be politically explosive, but there should be a plan put in place to bring the size of the military down over the next 10 to 20 years while creating jobs in other sectors.

One of the potential sources of jobs is the mining sector, and with new operations online in the Faranah and Simandou regions, along with construction of new railways, deepwater ports and other projects, there should be potential employment for many Guineans. The government will, however, have to be proactive about training Guineans so that they can fill the required jobs. This will require a reinvigorated education sector.

For mining to produce the kinds of multiplied economic benefits that would affect the lives of many Guineans positively, appropriate education for mining jobs will have to be combined with rigorous oversight of environmental and social impacts on communities in the mining, railroad or port areas. It will also require far better roads, electricity and potable water infrastructure. While Guinean merchants should be supplying mining operations with tools, clothes and other equipment, and Guinean farmers should be feeding miners, all actors are handicapped by the abysmal state of the national infrastructure. Consequently, mining operations bring needed supplies from outside the country and they export ore to be processed elsewhere. Guinea thus retains a fraction of the economic benefits it should derive from these operations. The most immediate development priorities are thus education, roads and electricity provision, followed closely by clean water and health.

