

# BTI 2014 | Togo Country Report

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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 – Togo Country Report. Gütersloh: Bertelsmann Stiftung, 2014.

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**Key Indicators**

Population	M	6.6	HDI	0.459	GDP p.c.	\$	1051.0
Pop. growth <sup>1</sup>	% p.a.	2.6	HDI rank of 187	159	Gini Index		39.3
Life expectancy	years	55.8	UN Education Index	0.498	Poverty <sup>3</sup>	%	52.7
Urban population	%	38.5	Gender inequality <sup>2</sup>	0.566	Aid per capita	\$	57.8

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

During the period under review, President Faure Gnassingbé consolidated his power base following his successful re-election in March 2010. The conviction in September 2011 of the president's half-brother, Kpatcha Gnassingbé, along with other high-ranking clan members and followers accused of spearheading an alleged 2009 coup attempt, was significant in furthering Gnassingbé's control. Yet discontent among hardliners within the security forces, as well as among leading members of the ruling party, continued to simmer even throughout a party restructuring in spring 2012. The main opposition party during this period was still hobbled by the earlier split of its majority wing, which joined the government in 2010. Radical opposition parties and civil groups joined in vain to oppose the regime with frequent and peaceful demonstrations, which were quashed violently. The government's human rights record remained tarnished; in February 2012, the government attempted yet was unsuccessful in silencing credible reports on its involvement in the persecution and torture of political opponents. Although the government improved the formal institutional framework, Togo's political system remained a façade democracy, especially in the run-up to legislative elections in March 2013. However, the international community, notably the AU and ECOWAS as well as the IMF, the World Bank, China and some EU member states, followed a laissez-faire approach toward Togo in the interest of stability and their own national interests. The government's improved reputation outside of the country (as an informal representative of Francophone Africa and a pro-Western African nation) resulted in its election in October 2011 as a non-permanent member of the U.N. Security Council for 2012–2013. GDP estimates remained promising (approximately 4.5% for 2012–2013) mostly based on significant support from the international donor community.

## History and Characteristics of Transformation

Togo wrested its independence from France on 27 April 1961. The murder of the first president of the newly independent Togo, Sylvanus Olympio, on 13 January 1963, by a group of Togolese veterans of the French colonial army, led by Sergeant Etienne Gnassingbé (later called Eyadéma) opened up a Pandora's box. It was the first violent coup in the history of independent sub-Saharan Africa. Although unanimously condemned by the Organization of African Unity (OAU) in the beginning, African statesmen soon turned back to normal. After another coup d'état, ousting President Nicolas Grunitzki, Lt. Col. (later General) Gnassingbé Eyadéma became president of Togo in 1967. Establishing a one-party government, Eyadéma ruled as Togo's authoritarian head of state for 38 years. Taking advantage of the support of Western countries that appreciated Togo's capitalist orientation and its unwavering support for Western positions in East-West cleavages, General Eyadéma went almost unchallenged until 1990. Over decades Togo was put on the drip of considerable development aid, which represented 51% of real GDI p.a. on average between 1965 and 1992 (growing gradually over the years). Any efforts by the mostly clandestine opposition to expand freedom and democratic participation in the country were undermined.

In July 1991, influenced by the implosion of the Soviet empire and by apparently successful democratization efforts in a number of African countries – including neighboring Benin – a Sovereign National Conference was organized with the objective of deciding on the country's new constitutional and political order. The assembly opted for a semi-presidential system and elected an interim prime minister. Four months later, however, President Eyadéma ordered the army to attack the interim government, re-establishing his dictatorial power.

The presidential elections that followed in 1993, 1998 and 2003 were not organized democratically, prompting major opposition groups to boycott them, which in turn resulted in overwhelming victories for Eyadéma. Attempts by opposition groups and civil society organizations to challenge the government through demonstrations and general strikes were brutally crushed in 1994 by the army and security forces. Political persecution of opponents in the following two years triggered a hitherto unknown wave of politically motivated migration of some 350,000 refugees to the neighboring countries Benin, Ghana or to Europe. Political resistance gradually lost out to apathy, pessimism and frustration.

In 1993 the European Union and other major international and bilateral donors like Germany officially suspended its development cooperation with Togo because of gross human rights abuses, despite the close ties Eyadéma maintained with the French President Jacques Chirac.

Notwithstanding Togo's political support from Paris, largely diminished international aid and the decline in investments had severe effects on the country's economy. These effects were exacerbated by general apathy and the loss of human resources resulting from the out-migration of highly qualified Togolese citizens.

When Gnassingbé Eyadéma died unexpectedly in February 2005 after nearly four decades of autocratic rule, Togo became a test case for indigenous democratization efforts of African states.

In defiance of the country's constitution, the military proclaimed Faure Gnassingbé, a son of the late president, the new head of state. Widespread international protests compelled the new president to call presidential elections on 24 April 2005. Despite international protests against massive electoral irregularities, Faure Gnassingbé was sworn in as president on 4 May 2005. The majority of the Togolese population protested against this manipulation of the public will, but the military brutally brought down the protests. About 700 people died, and more than 40,000 citizens migrated into neighboring countries.

The economy of the country further declined. Finally, massive international pressure forced the antagonists of Togo's political class into negotiations, which included the opposition political parties and civil society groups. This resulted in the so-called global political accord in August 2006.

The first free parliamentary elections took place on 4 October 2007. The governing party, Rally of the Togolese People (Rassemblement du Peuple Togolais, RPT) won an overwhelming majority in with 50 seats against 31 for the opposition. The fact the RPT could achieve this broad margin with slightly more than a third of the general vote can be explained by the biased system of representation in which the less-populated north, the fief of the Gnassingbé clan, has more members of parliament than the more populated south. Presidential elections in March 2010 paved the way for a second five-year mandate for Faure Gnassingbé. The elections, although marked by flagrant irregularities, were largely peaceful and therefore recognized as credible by the international community with its overriding interest in the stability of the subregion.

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

According to OECD criteria, Togo is one of the world's most impoverished, politically fragile states. In principle the state's monopoly on the use of force is guaranteed. Yet there is a long-standing culture of impunity for extra-judicial killings by security forces. The army and police forces are loyal to the incumbent government. This loyalty stems from historic clan ties (Kabyè) and personal links between the army leadership and the president's extended family. The power struggle within the Gnassingbé clan, and between hardliners and modernizers loyal to the clan in the security forces and in the ruling RPT party, was temporarily decided in favor of the president. In September 2011, the alleged ringleaders of a 2009 coup attempt were convicted by a court in the capital Lomé, a decision which re-enforced the president's commands. President Faure's younger half-brother and former defense minister Kpatcha Gnassingbé, along with other family members, retired army General Assani Tidjani, and Abi Atti, a gendarmerie commander, were all sentenced to jail terms. However, the president was aware of the continuing discontent in the security forces and in the RPT, which was replaced in April 2012 by a more "modernized" successor party, the Union for the Republic (Union pour la République, UNIR). The ministry of defense remained attached to the presidency and military commanders were replaced with Gnassingbé loyalists. Colonel Kadanga Félix Abalo Essodina, former commander of the Rapid Intervention Force (Force d'intervention rapide, FIR), was nominated in November 2012 as the new chief of staff of the armed forces. He is the brother-in-law of Kpatcha Gnassingbé. Kpatcha however accused Essodina of an attempt on his life during an attack on Kpatcha's home during the unsuccessful 2009 coup. Kpatcha was kept safe during the attack by half-brother lieutenant colonel Rock Gnassingbé, who commands a tank regiment in Lomé. The head of the armed forces awarded Rock military honors in view of his loyal service, at a ceremony on 21 August 2012 at the historic site of Pya (the homestead of the Gnassingbé clan, near Kara).

Question  
Score

Monopoly on the  
use of force

8

According to U.N. reports, Togo has become a major West African hub for drug trafficking and money laundering. According to government sources, 80 tons of drugs overall were confiscated between November 2011 and June 2012. Cocaine smuggling (620 kilograms of cocaine seized from 2008 to 2011) from Latin America (Columbia) via Lomé to destinations in Western Europe, Lebanon, and Asia has become a growing concern. Profits from drug sales and used car exports from Western Europe to neighboring markets (mostly smuggling to Nigeria) were apparently used for money laundering on behalf of Hezbollah, according to U.S. law enforcement authorities, in December 2011.

Piracy off the West African coast has become a new international “hot spot.” London-based insurance concern Lloyd’s has listed the Gulf of Guinea, part of Togo’s coastline, in the same risk category as is Somalia. Altogether 45 acts of piracy in the gulf were reported from January 2012 to October 2012, approximately double the amount from the year before.

In addition to the historical domination of Togo’s political administration by northerners, there exists in Togo a trend of politically instrumentalized xenophobia, notably concerning the politics of “Togolité,” as codified by the revision of the constitution of 2002. Thus exiled political opponents (such as former opposition leader Gylchrist Olympio) and refugees were treated as foreigners who according to law could not stand for elections. Another example of “Togolité” is the government media’s differentiation during pre-election periods between “true” Togolese and so-called southern immigrants, such as the Ewé ethnic group, which immigrated centuries ago from neighboring Ghana. Tensions between ethnic groups, especially between the politically dominant northerners and the economically more active southerners, still play a greater role in limiting equal access to remunerative and strategically important public positions, thereby abetting nepotism and compromising good governance. In recent decades however a benign sense of nationalism has developed among the population at large. Such Togolese patriotism can be observed, for example, during international sporting events; the Togolese celebrated the entry of their national football team, nicknamed “Les Eperviers,” to the FIFA World Cup in 2006 but failed to get past the first stage of the African Nations Cup. The team’s captain, internationally renowned star Emmanuel Adebayor, was elected in 2008 as the first-ever Togolese African Footballer of the Year. One example of self-interested nationalism has surfaced in trade. The economically and politically influential women’s group of textile manufacturers, known as Nana Benz, have called for limits on market access for “foreigners,” citing the growing competition of Chinese and Nigerians traders, also accused broadly of drug dealing.

Formally established religious groups – Christians (Catholic and Protestant) and Muslims – seek to play a neutral or constructive role in the political system and to make democracy more vibrant, as was observed during the 2007 elections. Numerous vibrant Pentecostal churches are less active in secular public life, but they do not

State identity

8

No interference of religious dogmas

9

constitute a danger to the political system either. However, the past instrumentalization of African religions and occult belief systems by the ruling powers for political means and political motivated witch-hunts as demonstrated by the defunct Eyadéma regime can be revived any time. It is still an underlying current of all religious beliefs regardless of its spiritual orientation. It was – and probably is – not restricted to the person of late General Eyadéma, nor to the ideological underpinning and legitimization of the worldly power of the head of state, but encompasses nearly all levels of public administration from the top, down to the level of simple district heads.

Whereas the state’s basic administration extends throughout the entire territory, it is functionally deficient. It continues to suffer from the parallel structures of formal and informal institutions (e.g., traditional chieftaincies) inherited from colonial rule. The role of traditional chiefs was adapted in decades of despotism to the needs of the ruling elite by the politics of “authenticity,” that is, the reference to (re-invented) traditional rules, and by the forced “alignment” of chiefs in the National Confederation of traditional rulers of Togo created in August 1969. In addition, the legitimacy crisis left behind by decades of despotic rule and growing corruption in a fragile economic environment are barriers to good government and a transparent administration. The state’s administrative organizational structure is centralized. Devolution of the administrative system was one of the commitments made to the European Union (2004) before economic sanctions could be lifted. However, the power elite still lacks the political will to decentralize power and resources and thereby facilitate local autonomy, as stipulated by the constitution and demanded by the opposition. Local elections have been repeatedly postponed, most recently in October 2012.

Basic  
administration  
6

## 2 | Political Participation

Compared to previous elections, the parliamentary elections of 4 October 2007 were the first reasonably free and fair elections in Togo. However, the present composition of Togolese constituencies heavily favors the governing RPT/UNIR in legislative elections. With only 39% of votes cast, the party was able to win 50 out of 81 seats in the National Assembly (2007). The presidential elections of 4 March 2010, held amid a tense and suspicious political environment, were concluded peacefully in contrast to the previously rigged contest in 2005, with its bloody aftermath. Although the incumbent won all 24 prefectures in four northern regions, and the opposition carried seven prefectures in the densely populated Maritime region, the election results revealed a gradual retreat from established patterns of ethnic or regional voting, not to mention a blurring of the typical North-South divide. Both the president and the opposition candidate gained historic support in the former heartland of their adversary. The Gnassingbé regime had learned from the past, and eagerly sought to

Free and fair  
elections  
4

legitimize its previous power grabs through successful and peaceful elections – which, although largely credible considering the outcome, were neither free nor fair. The acting head of state won the elections with a comfortable margin, and secured a second five-year term. Undemocratically achieved amendments to the 1992 constitution during the RPT’s “constitutional coup” in 2002 allow for a third term of the president in 2015, a situation that is strongly contested by the opposition.

Correcting the country’s biased electoral system is one of the opposition’s most salient demands for electoral reform prior to the next legislative elections. The coalition agreement between the ruling RPT and the Union of Forces for Change (UFC) in May 2010 envisaged the implementation of crucial institutional reforms, as strongly recommended by the EU Election Monitoring Missions in 2007 and 2010 and already outlined in a comprehensive global political accord in 2006. These reforms included notably a population census to be polled within six months (conducted in November 2010); the compilation of a new electoral register (still pending); the adjustment of constituent districts (so far biased in favor of the RPT/UNIR, still pending); the installation of an independent National Electoral Commission (CENI); and the successful holding of long-delayed local elections. Opposition and donor demands, as well as a pledge on behalf of the government for change, have not been honored sufficiently to date. Opposition parties have rejected government plans in June 2012 of redistricting and increasing assembly seats from 81 to 83 as simply cosmetic changes, as they fail to correct the ruling party’s bias in northern regions. The same applies to controversial changes in electoral law, adopted unilaterally in May 2012, and the composition of a new and independent CENI in October 2012, which is dominated by government coalition members even more than previously. Legislative elections scheduled for October 2012 have been postponed to March 2013 on grounds that political parties lack consent over “the rules of the game.”

Opposition parties have called for a general strike to protest electoral reforms that continue to favor the ruling party. A new media law has also further prevented free campaigning.

The president has the support of the country’s administration as well as that of the security forces. He does not face any major structural constraints in putting government decisions into practice. However, the president has pretended (Wikileaks, September 2011) to be not always in control of the secret service (Agence Nationale de Renseignement, ANR), which has been accused of torture and other human rights abuses as well as unlawful interference into government issues according to a February 2012 report of the Commission Nationale des Droits de l’Homme (CNDH). Prime Minister Gilbert Houngbo resigned his office in July 2012, citing irreconcilable differences with the president over arbitrary acts of the ANR. He was replaced by former minister for commerce, Arthème K.S. Ahoomey-Zunu, on 23 July 2012. In general, the prime minister relies on the president’s support more than

Effective power to govern

2



that of parliament, if he wants to implement important policy. The president however does not yet enjoy full democratic legitimacy and it remains to be seen whether the powerful military will remain loyal to the president in the face of countervailing pressure from hardliners within the army.

Guarantees and protections of freedom of assembly and association have improved since 2007. However, many limitations, particularly over the right of assembly, persist. On 5 May 2011 a new bill on the right to freedom of association and assembly was adopted in parliament by the RPT/UFC majority. The law had been introduced as part of the coalition agreement to replace colonial regulations that were often used in the past to suppress opponents of the regime. The new bill liberalized demonstrations by permitting them without prior official permission, although demonstrations can still be banned on grounds of disturbance of public order. However, the opposition contested the bill over the draconian penalties applied for the damage of public property to those who defy the ban. Therefore, members of more radical opposition groups suspected that the law could still be used by the government to clamp down on dissent under the guise of rule of law. Since 2011, regular anti-government demonstrations of the Collectif Sauvons le Togo (CST), an alliance of parties of radical opposition and civic groups, have been harassed by security forces and pro-government militias. Demonstrations gained new momentum in mid-2012 when a “moderate” opposition alliance, Arc-en-Ciel, joined in, resulting in increased anti-government protests in major urban centers. Thus calls for fundamental political change and resignation of the president became more articulate.

Association /  
assembly rights  
6

In mid-2012, freedom of expression in Togo experienced a setback with the passage in parliament of a new media bill that allows the government to revoke, suspend or withdraw the media license of organizations whose activities are deemed to be, as defined by the state, “dangerous to national security and unity” or contain “serious errors.”

Freedom of  
expression  
5

In Togo there exists a wide and vibrant range of daily and weekly newspapers, many local radio stations and three TV stations that offer regular news programs. Additionally a number of foreign media channels are available and can be watched or heard without impediment. Freedom of speech and freedom of the press are guaranteed by law, but the law is not always respected. The actions of the High Authority of Broadcasting and Communications (HAAC), meant to protect press freedoms and to ensure basic ethical standards, are heavily biased in favor of the government, notably during election campaigns. During the period under review, national civic organizations and international NGOs such as the International Federation of Journalists and Reporters Without Borders protested against the persecution of journalists, the closure of newspapers and four private radio stations. The country’s Press Freedom Index ranking slightly improved from 72 (2009) to 69 (2012), but the survey still considers press freedom in Togo to be “not free.”

### 3 | Rule of Law

The constitution of 1992 established the legal framework for a presidential multiparty system in Togo. The president is elected for five years. In a “constitutional coup” at the end of 2002, a majority RPT in parliament (put in place by rigged elections) voted for a change of the constitution in order to guarantee the continuity of the political power of the Eyadéma clan in three crucial domains. First, it changed Article 59 of the constitution, which now allowed for a third term of office for the president. Second, it revised Article 62, which in its new version reduced the minimum age of presidential candidates from 45 to 35 years, to allow the candidature of Faure Gnassingbé, the young heir to the throne of his father. Third, it effectively excluded the major opposition candidate, Gilchrist Olympio, from the electoral process. The latter stipulation, which still prevented the opposition leader to participate in the 2007 legislative elections, was eliminated by the new electoral law of August 2009. However, the latter then introduced a first-past-the-post system which provided the incumbent who applied for his second five-year term of office with a comfortable advantage vis-à-vis his competitors.

Separation of  
powers

4

The prime minister is nominated by the majority group in the unicameral parliament and appointed by the president. However, great deal of power vested in the office of the president makes it difficult for the other sections of government to serve as a counterbalance. The legislature in particular needs much more technical and constitutional authority and capacity if it is to successfully act as a check on the president’s power. In addition, the judiciary has yet to live up to its constitutional role.

There is no independent judiciary in Togo. The Supreme Court and the Constitutional Court, the latter inaugurated only in 1997, are dominated by members loyal to the Gnassingbé clan and the ruling party, as various biased decisions on the outcome of elections have proved. There is a serious discrepancy between constitutional law and its implementation in reality. A separation of powers between the judicial and executive branches (attorney and police) exists only in a rudimentary fashion. The president of Togo’s Judges’ Professional Association (APMT) complained at the association’s plenary at the end of 2008 that the Togolese people suffer under a judicial system that runs at two speeds: one for the poor and another for those who are able to buy the judges’ conscience. A World Bank survey of businesses (2010) revealed that 60% of respondents believed that the courts were neither impartial nor free from corruption. Although a national anti-corruption commission (Commission nationale de lutte contre la corruption et le sabotage économique, CNLCSE) was formed in 2001, the government lacks the political will to effectively combat corruption. In addition, the Intergovernmental Action Group against Money Laundering in West Africa complained in May 2011 that the government does not

Independent  
judiciary

4

persecute acts of international money laundering, although the legal framework to do so has been established.

It is still necessary for an individual to belong to inside political circles, dominated by the ruling party, to be nominated to any influential position within the judiciary. Lawyers who are independent can find it difficult to manage their own law firms, as the chances for success in court cases are much lower for them than for colleagues who are friendly with the regime.

There exists a long-standing culture of impunity vis-à-vis human rights abuses of the security forces. Abuse of public office is still endemic in Togolese society, and the embezzlement of public funds remains rampant. However, the country's gradual political awakening has meant that corrupt officeholders are subjected to somewhat more (negative) publicity. Nonetheless, due to the judicial system's shortcomings, officials are rarely prosecuted.

Prosecution of  
office abuse  
4

Although the civil rights situation in Togo has improved substantially, serious problems persist. The U.S. State Department as well as international human rights bodies reported numerous abuses during the period under review, such as the torture of detainees, harsh or life-threatening prison conditions, and arbitrary arrests and detention. The judicial system cannot function as it is plagued by corruption, hampered by the influence of the executive branch and is stymied by lengthy pre-trial detention periods. Civil rights for a number of groups are restricted. Violence against women and the practice of female genital mutilation continue, though on a diminishing scale because of donor-assisted awareness campaigns. Female genital mutilation was formally outlawed in 1998 and has decreased by more than half since 1996. But it still exists on a considerable scale (national average about 4%, UNICEF 2010), notably in the central and northern regions. Regional and ethnic favoritism exists in public services and in the security forces, which are dominated by northerners (Kabyè). Ethnic and regional overtones have been observed in incidents of human rights abuses that are motivated by politics. Other problems include child labor and the trafficking of people, especially children.

Civil rights  
5

The status of human rights in Togo improved further during the period under review. On 23 June 2009, parliament voted unanimously for the abolition of the death penalty. Togo thus became the 15th member state of the AU and the 94th country worldwide to renounce the death penalty for all crimes. However, the bill was rather symbolic since in practice, legal executions had ceased 30 years earlier. Yet the shadow of extra-legal killings committed or condoned by the state in the course of political persecution, whether in the past or currently, still lingers, as shown by the final report of a truth and reconciliation commission (Commission Vérité, Justice et Réconciliation, CVJR) published in April 2012.

#### 4 | Stability of Democratic Institutions

Formal political institutions are only partially democratic and their performance remains deficient. The president's conduct of office shows more transparency and commitment to dialog than had been the case during his father's regime. The question is whether his efforts are sincere and stable given that President Faure Gnassingbé is still surrounded by many figures of the old dictatorial regime. Whereas parliament now engages in controversial debates, its deputies generally lack professional depth of knowledge. This is due, on the one hand, to the legislature's insufficient working conditions and, on the other hand, to the fact that the opposition has yet to move beyond criticizing the government and to formulate alternative policy proposals. Judicial reform is underway (a website informs about current developments), but the aforementioned challenges (see "independent judiciary") persisted throughout the assessment period.

Performance of democratic institutions

3

The administration's commitment to democratic institutions has increased in the wake of the country's political opening and continuing pressure by international donors. The Gnassingbé regime had learned from past lessons, as indicated by its formal rupture with the former unity party, RPT, and its replacement by the modernized conservative UNIR party in April 2012. The regime was eager to legitimize its previous power grabs through peaceful elections in 2007 and 2010. However, as far as existing democratic institutions are concerned, a high degree of skepticism remains, since the president was not elected democratically and parliament, still dominated by the RPT/UNIR, has not yet shown its real potential. The personal cult around the president is a daily political reality. All this together with the unpredictable behavior of hardliners within the RPT/UNIR party and in the security forces, raises further doubts about the level of commitment to democratic institutions.

Commitment to democratic institutions

3

#### 5 | Political and Social Integration

The dissolution of the ruling RPT party in favor of the UNIR party, a move that had long been anticipated, finally took place during the fifth extraordinary RPT party congress at Blitta and a simultaneous UNIR congress at Atakpamé (14 April 2012). The most powerful opponents to the dissolution within the military, such as General Assani Tidjani and Kpatcha Gnassingbé, had been sidelined well before the meetings. According to insider sources, some of the most fervent leaders were lured with a promise of a senatorial chair in the next legislature following the creation of a bicameral National Assembly, envisaged according to constitutional requirements. Thus, the former RPT, created in 1969 by late General Eyadéma who had ruled the country with an iron fist, was formally buried. The outside appearance of the new

Party system

4

ruling party was adapted to the requirements of a modern multiparty system, but the personalized informal party structures have remained pretty much the same.

Togo is heading toward a three-party system. The ruling RPT, replaced in April 2012 by its successor party UNIR, Gilchrist Olympio's Union of Forces for Change (UFC), which entered into a coalition government in 2010, and the National Alliance for Change (ANC), which split from the UFC following the 2010 presidential elections, are Togo's major political parties. The reconciliation between the RPT and the UFC resulted in a considerable weakening of the opposition. On 26 May 2010, the veteran leader of the UFC, Gilchrist Olympio, who because of his advanced age was increasingly unlikely to win a presidential contest, surprisingly agreed to join a "government of national recovery." This move was a landmark in Togolese politics considering Olympio's generation-long rivalry with the Gnassingbé family. This sudden conciliatory attitude contrasted sharply with the view of the so-called radical opposition (including the majority of the UFC) that the official election results reflected yet another "electoral hold-up" by the Gnassingbé regime, and that in reality the opposition candidate Jean-Pierre Fabre (now leader of the ANC) had won. On 12 October 2010, after months of bitter quarrelling, the majority wing of the UFC led by Jean-Pierre Fabre broke away with about 90% of the UFC's political heavyweights, including leading figures such as Patrick Lawson and Isabelle Ameganvi, as well as more than 30 out of some 40 local party federations. This group then registered as a new political party, the ANC. The constitutional court decided in a controversial decision on 22 November 2010 to deprive Fabre and eight other leading members of the ANC of their parliamentary mandate. The ECOWAS Community Court of Justice (Abuja) ruled in October 2011 that the exclusion of the nine ANC legislators was unlawful; yet the government in Lomé refused to reinstall them.

The country's party system still mirrors to a considerable extent Togo's ethnic and regional divisions. Political parties tend to have readily identifiable ethnic and regional bases. The RPT/UNIR party previously had a greater representation among northern ethnic groups than among southern groups; the reverse was true of the UFC/ANC and CAR opposition parties. However, the presidential elections of 2010 indicated a gradual departure from ethnic or regional voting trends. Although the incumbent won all 24 prefectures in the four northern regions, and the opposition carried the seven prefectures of the densely populated Maritime region, the election results revealed a gradual departure from established ethnic, regional or north-south patterns. Both the president and the opposition gained historic votes in the former heartland of their adversary.

Within the realm of informal politics there exists a broad range of interest groups, many of them biased in favor of the Gnassingbé regime. The most influential Christian churches and the Union of Muslims in Togo (UMT), however, exert a mediating and constructive political influence which has been recognized far beyond their own group of followers. Earth priests (*chef de terre*) and traditional chiefs still

wield a strong influence at the local level. However, their role as guardians of tradition and customary laws, as enshrined in the constitution, has not yet been determined by a national decentralization program (Programme National de Consolidation de la Décentralisation, PNCD), initiated by the government in 2004. Student organizations consider themselves as politically avant-garde and act accordingly. Prior to 2006, most of these groups were intimately linked to the ruling party. The High Council of Students' Associations and Movements (HACAME) degenerated into a pro-government militia, which actively supported the incumbent's violent rise to power in 2005. Since 2010, oppositional student organizations have come to the fore, staging periodic anti-government demonstrations in the universities of Lomé and Kara. Their leaders have suffered political persecution. There are also numerous professional trade groups (notably the women textile traders of Lomé, the Nana Benz), farmers, lawyers, judges and so on. However, such groups are either biased, close to the former unity party RPT/UNIR or have little political influence. Although there are a large number of labor unions in Togo, none have the strength or capacity to shape or heavily influence legislation. The unions have also succeeded in convincing the government to continue paying fuel subsidies, along with subsidies for food staples and fertilizer, so as to avoid a serious social crisis.

With the democratic renewal in the early 1990s, civil-society organizations (CSO) mushroomed. According to estimates, there were about 2,000 CSO in 2012, of which 638 were registered NGOs. Since 1986, the government has promoted its participation the Fédération des Organisations Non-Gouvernementales au Togo (FONTGO) with 119 members in 2012. Many CSOs were created in the 1990s on the initiative of the Gnassingbé regime to influence non-partisan political expression in Togo and to circumvent the suspension of development cooperation with state institutions in view of flagrant human rights violations. Some of the most credible NGOs are not represented by this federation. Therefore, two concurrent umbrella organizations have been formed: in 1996, the Union des ONG du Togo (UONGTO) with 110 members and in May 2012, the Fédération Nationale des Réseaux Régionaux du Togo (FNRRT). Many CSOs are often poorly disguised income-generating operations for their founders (so-called ONG-valises or briefcase NGOs). Their activities are mostly focused on Lomé and the southern regions. Their target groups, especially the poor and underprivileged, including women, are rarely allowed adequate rights of participation or self-determination. However, there are a number of viable and independent national NGOs, including: ACAT-Togo (Action des Chrétiens pour l'Abolition de la Torture), which was awarded a human rights prize from France in 1997; the human-rights organization Ligue Togolaise des Droits de l'Homme (LTDH); and the Groupe de Réflexion et d'Action Femmes, Démocratie et Développement (GF2D), concerned with gender equality. Some of them co-operate with political parties in broad anti-government movements, as does the alliance CST. Finally, the semi-official organization Commission Nationale des Droits de l'Homme (CNDH), accredited in 1987 and reformed in 2005, was established to enhance

human rights in Togo. In February 2012, the commission submitted a critical report on torture within the ANR, as demanded by the government in view of growing international pressure. When CNDH President Koffi Kounté revealed that the government had falsified parts of the original report when it was made public in February 2012, following threats he was forced to flee to France.

There are no independent opinion polls conducted in Togo, but there is convincing anecdotal evidence that people indeed want a democratic system. This desire, however, does not so much express a reflected and informed approval of democratic principles and procedures than the profound desire for change. Nevertheless, the high level of participation (85%) at the legislative elections 2007 can be interpreted as an indication of the population's clear commitment to take part in building their democracy. The relative low turnout of 65% during the presidential elections of 2010 was interpreted by EU observers as a sign of general disappointment of the opposition with the biased organization of the electoral process.

Approval of  
democracy  
n/a

The history of informal political institutions in Togo shows the rich base of “traditional” as well as “modern” institutions that participate actively on all levels of society. The most visible outcome of people's participation was the Sovereign National Conference of 1991 with representatives of all social strata of the nation. However, because the visions of this conference were dashed by violent political oppression of the dictatorial Eyadéma regime up to 2005, similar social initiatives were difficult to re-establish. On the basis of the general political accord of 2006 the opposition and the people in general were again more inclined to feel free to associate, to express their views and to organize themselves, in spite of reported incidents of the government's attempts to restrict association and assembly rights (see “association and assembly rights”). There exists a variety of traditional associations (including 174 microfinance or credit institutions with an estimated 740,000 beneficiaries as of 30 June 2010), trade unions, human rights, religious and media organizations as well as numerous home town associations. Many of these self-help groups are based on traditional systems of mutual support while others have been supported by international NGOs, churches or the government (see “interest groups”). It is unclear whether many of the new groups that have emerged rather spontaneously will be strong enough to stand the challenges of time. They suffer from lack of functionality, difficulties concerning its legal demarcation, volatility of supporting financial institutions or other organizational weaknesses.

Social capital  
6

## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Question  
Score

Socioeconomic  
barriers

2

The current socioeconomic situation in Togo is precarious. Togo's HDI ranking fell to 162 (2011) out of 187 countries, a drop of 23 positions when compared with 2010. About 61.7% of the total population lives below the poverty line, and 81.2% are vulnerable to falling into poverty. The urban-rural divide is pronounced; 74.3% of the rural population lives below the poverty line (with €239 yearly income, notably in the Savanes, Central, Kara, and Maritime regions) and 36.8% in Lomé (with €369 yearly income). The distribution of inter-household income inequality is rather moderate, with a Gini coefficient of 33.5%. Only 54% of the population has access to clean drinking water and 34% has access to sanitary facilities. There are only eight doctors per 100,000 inhabitants. The life expectancy at birth is 57.1 years, and child mortality (under 5 years) is 98 per 1,000 live births.

Discrimination against women is widespread. According to the Women's Economic Opportunity Index 2012, Togo counts among the lowest, at 122 out of 128 countries; its Gender Inequality Index (GII) rank was 124 out of 187 in 2011. Women are underrepresented in the public service, in parliament, in political parties and in business. Just 5% of deputies elected from 1957 to 2007 were female. The last legislative elections (2007) resulted in the election of nine (out of a total of 81 seats) female deputies (11%). All the same, eight women (28%) were named to the 29-person cabinet during the latest government reshuffle in July 2012.

Available figures concerning the prevalence of HIV are only estimates. They vary between 3% in 2008 and 3.6% in 2001. Numbers may have decreased further following the introduction of free anti-retroviral treatments in November 2008.

Togo falls short of five of eight MDGs. Only in health and education does the country show the possibility of reaching its targets for 2015. According to the third UNDP report in April 2010 on Togo's MDG achievements, primary school enrolment (87%) had been one of the highest in the subregion even before the introduction of universal free primary education in 2008, and is thus still increasing. However, endemic corruption and nepotism, as well as government expenses to maintain an overstaffed army and security service, may impede the implementation of structural adjustments necessary to attain MDGs. Up to 1991, Togo counted among the countries with the highest military expenditure per capita in sub-Saharan Africa (in 2008, 1.8% of GDP). All in all, the changes enacted since 2006 have not yet led to a sensible improvement of people's living conditions. The rural subsistence economy, the



informal sector in towns and the remittances from exiled Togolese have helped to avoid a more severe crisis. However, on balance, Togolese citizens lack adequate freedom of choice and an effective decentralization policy including a real devolution of power and means.

Economic indicators		2009	2010	2011	2012
GDP	\$ M	3163.0	3172.9	3685.8	<b>3813.8</b>
GDP growth	%	3.5	4.0	4.8	<b>5.6</b>
Inflation (CPI)	%	3.3	1.8	3.6	<b>2.6</b>
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	1.5	3.9	1.5	-
Export growth	%	20.8	6.7	10.7	-
Import growth	%	40.2	0.3	8.4	-
Current account balance	\$ M	-176.7	-199.7	-	-
Public debt	% of GDP	73.4	48.6	47.2	<b>46.7</b>
External debt	\$ M	1737.1	1241.8	643.1	-
Total debt service	\$ M	55.8	34.8	14.8	-
Cash surplus or deficit	% of GDP	-0.6	0.6	-1.1	-
Tax revenue	% of GDP	15.3	15.7	16.8	-
Government consumption	% of GDP	11.1	9.0	9.8	-
Public expnd. on edu.	% of GDP	4.1	4.4	4.6	-
Public expnd. on health	% of GDP	3.3	3.4	4.2	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	1.8	1.6	-

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

Generally, Togo lacks the foundations for sound market-based competition and good government. Insufficient access to credit constituted one of the major barriers to enterprise development, followed by meager results of the fight against corruption on all levels of administration, including the judiciary. The revival of the phosphate and cotton sectors by improved governance, the attraction of private investors and the capacity-building of cotton producers are still regarded by the World Bank and IMF as major drivers of growth. Regulatory burdens mean that the business climate in Togo is not very investment-friendly. Togo's business indicators have improved little over the past five years. According to the World Bank's Doing Business report, Togo was ranked 166 in 2009, rising slightly to 156 out of 185 countries in 2013. As is the case with the other five members of the West African Economic and Monetary Union (WAEMU), which equally ranked at the bottom of the report's list, Togo's political and administrative operating environment has constituted a barrier to the growth of private direct investment and private sector activities. Major deficiencies in tax paying (high taxes and costly customs procedures), enforcing contracts, property registration and protecting investors have impeded FDI. Private sector development is very slow. The allocation of foreign aid is crucial for investments into the country's neglected infrastructure. Regulations on the labor market make flexibility in staff management difficult, especially when starting a new business. The non-salary cost of employing workers is high, and it is almost impossible to dissolve contracts without legal consequences. In addition, there is little flexibility in working hours as provided by the law.

Market-based  
competition

4

Key sectors of the economy, notably the banking, cotton and phosphate sector, are still in the hand of either a few individuals or are parastatal or state enterprises. A further privatization push and adequate steps to attract foreign and domestic private investment are part of a strategy to stabilize macroeconomic stability and growth, but they have still to be put into practice. Privatization of state-owned banks was further delayed during the period under review. The Société nouvelle des phosphates de Togo (SNPT), a joint-venture held 60% by the state and 40% by farmers, shortlisted four private partners for the planned expansion and modernization of ailing phosphate production, which accounts together with sand (for cement) for around a quarter of export earnings.

Anti-monopoly  
policy

4

A World Bank survey of the Togolese economy and trade integration, commissioned by the Lomé government and published in September 2010, revealed a dramatic shift of exports caused by the ailing phosphate and cotton sectors. The former major export products were replaced by cement and clinker (35% and 40% of exports), and exports were increasingly directed to ECOWAS countries (68% of total). Transit and re-exports (accounting for more than 20% of total exports, mainly used cars) based on

Liberalization of  
foreign trade

5

Lomé's deepwater port that provides attractive storage capacities for neighboring countries, provided 10% of GDP. Created in 1989, the Togo Free Zone Authority (SAZOF) aims to promote foreign trade and attract investment by facilitating competitive conditions for export-oriented businesses in Togo. In 2008 it comprised about 60 enterprises, providing over 9,000 full-time jobs (a significant proportion of employment in the formal private sector) and exported \$260 million in goods. The World Bank has recommended the restructuring of the free zone to promote more labor-intensive export industries.

As long as Togo's economy continues to be highly subject to political whims, more dynamic development can hardly be expected. The Togolese population has yet to reap the benefits expected from the development of the free port of Lomé, as the harbor remains in the hands of a few businessmen who are close to the political elite and who share the profits. Because it is the only deepwater port in the subregion it increasingly attracts global interests. A Chinese company (CMHI) acquired a 50% stake in the development of the new container terminal in Lomé in 2012 to use it as transshipment harbor for the region. However, strong competition with the neighboring port of Cotonou concerning (mostly illicit) re-exports to Nigeria had negative effects regarding security and corruption. High levels of corruption in Togo drive traders more and more into the informal sector. Thus Lomé becomes even more attractive for international trafficking in drugs, used cars and most recently in December 2012, ivory, the latter re-exported clandestinely via Lomé from all over Africa to China. Togo's weighted average tariff rate was prohibitively high at 14.2% (2012). Freedom of trade was further restricted by non-tariff barriers of trade. As a consequence, Togo's economic freedom rating dropped over the past 30 years from 4.70 in 1980 to 5.79 in 2010, placing it in the lowest ranks (133th of 144) in the 2012 Fraser Institute index. The country's freedom of international trade rating was 6.32 (117), reflecting notable losses in trade, monetary, and investment freedoms. Foreign direct investment is allowed only in certain sectors, its administration lacks transparency and is liable to corruption and political interference. The same downward trend concerning trade and business freedom as well as freedom from corruption is reflected in the Heritage Foundation ranking (2013) where Togo is deemed "repressed" and ranked 36th out of 46 countries in sub-Saharan Africa.

Since the early 1990s, the banking system in Togo has deteriorated because of unprofessional government involvement in lending and banking decisions. As a consequence, the IMF requested in June 2007 reforms of the banking sector, which included measures to privatize government-run banks and avoid under-capitalization. The system was then put under the close survey of the WAEMU. More than 30% of loans issued to these banks are considered to be non-performing and strained by bad loans from parastatals. The government wanted to privatize public banks by the end of 2010. However, privatization has been delayed because of the banks' weak finances and the unwillingness of the government to sell according to market

Banking system

5

conditions. In August 2012, one of the four state-owned banks (Banque togolaise pour le développement, BTD) was sold to Benin-based Orabank. Generally, foreign private-owned banks are building more of a presence in Togo. At the end of the period under review, pan-African banking conglomerate Ecobank had almost completed its international headquarters in Lomé.

In addition to formal institutional banking, the microfinance system and informal, traditional African savings-and-loans schemes (“tontines,” known as Adakavi in Togo) play an important role, especially for small- and medium-sized industries, even in the informal sector. In 2011, apart from widespread informal mutual tontines, 174 formal microfinance initiatives had been certified, with 736,484 depositors, almost 110,000 borrowers and a total of \$145 million in loans, used among other goals to finance small, decentralized solar power projects. Of these institutions, 102 entities were affiliated to the eight major cooperative networks.

## 8 | Currency and Price Stability

As a member of the CFA franc zone, the country cannot pursue an independent monetary policy. The CFA franc is pegged to the euro (at CFA 655.96 to €1), and the central bank of WAEMU, the Banque centrale des Etats de l’Afrique de l’ouest (BCEAO), is meant to control inflation and the viability of the currency peg.

Anti-inflation /  
forex policy

8

However, this fact entails considerable attrition of economic and political sovereignty on the part of African member states. In addition, the volatility of the euro, triggered by the global financial crisis and bad governance in some EU member states, shows that the perpetuation of the established monetary structure of the CFA zone becomes increasingly anachronistic. Moreover, as the CFA zone never fulfilled the most crucial preconditions of an optimal currency area. The peg to the EMU, which favors interests of highly industrialized European countries, led to an overvaluation of the real exchange rate of the CFA, and will increasingly constitute an obstacle to sustainable indigenous development in Francophone Africa. Yet at the same time, the currency peg – in addition to moderate harvests and government fuel subsidies, have helped keep consumer price inflation rather low (3.7% and 2.6% in 2011 and 2012 respectively, according to the African Development Bank).

The government pursues a stability-oriented monetary and fiscal policy, backed by an IMF Extended Credit Facility Program (2008 – 2011, \$151 million), that has achieved several key targets. It expired in 2011 and is meant to be extended by a successor ECF in early 2013. Structural reforms of the banking, phosphate and cotton sector have lagged. Nevertheless, modest real economic growth (estimated at 4.2% in 2012, with an upward trend) was possible based on macroeconomic stability, new investments, continuing donor support (more than 4% of GDP) and the absence of external shocks or market volatility, to which the country is potentially strongly

Macrostability

6

exposed. The overall fiscal deficit widened (4% in 2012) due to increasing public spending, meant to counteract the impact of the global recession and long years of under-investment during the political crisis. The current account deficit remained high (13.5% in 2012) because of growing public investment, which in turn resulted in higher imports with exports of major foreign exchange earners (cotton and phosphate) lagging. At the end of 2010, Togo became the 31st country worldwide to complete the highly indebted poor country (HIPC) process. The IMF and major bilateral donors such as France, Germany and Italy approved the debt cancellation. Because of the write-off, the country's debt burden fell from 52.7% of GDP (2009) to 17.2% (2010), or 32.3% including debts of parastatals.

## 9 | Private Property

The judicial system does not sufficiently protect private property. The influence exercised by the executive is too strong. Inheritance and property protection laws are deficient, notably for women. And where they do exist, they are not adequately enforced. As with most of the laws, contracts are difficult to enforce. The ongoing reform of the judiciary needs to address these issues. Because of the state of quasi-lawlessness in many sectors, there is a substantial black market for illegally imported products, mainly electronics, computer software and cosmetics.

The problem of a complex land tenure system in which traditional and modern law coexist and compete is exacerbated by land scarcity. The land tenure regulations are still dominated by traditional African customary laws, re-interpreted by traditional chieftaincies and local authorities, often to their own advantage, notably in rural areas. Most contracts on agricultural land are still verbal. Disputes over land are extremely common. Only about 36% of arable land is under a tenure system that provides long-term security. Especially poor farmers, migrants and women have no secure rights.

Generally, private enterprises, at least in the formal sector, do not form the backbone of the Togolese economy. A limited sector of small-scale enterprises covers a greater part of the Togolese' day-to-day consumption needs. But the private sector is primarily agricultural, which employs 65% of the country's labor force in both subsistence and small-scale commercial farming. The informal sector still prevails, providing employment for more than three times as many people than the formal sector. On a larger scale, there are still too many hurdles to developing a stable private sector. Government procurement contracts and dispute settlements are subject to corrupt practices. In 2012 the government adopted a new investment code promising equal treatment of domestic and foreign investors. However, investment is permitted only in certain sectors. Every investment must have a minimum value, and is screened on a case-by-case basis, which opens doors to further bribery. The lack of

Property rights  
5

Private enterprise  
5

transparency and predictability as well as high informal transaction costs inhibit robust FDI. Foreign exchange accounts need prior government approval.

In November 2010 the government ratified a Charter of Small and Medium Enterprises, meant to promote the informal sector by providing a friendlier administrative environment for the development of SMEs. So far, the participation of SMEs in public orders remains negligible, that is, below 5% on average in the WEAMU, as this sector was considered as the preserve of big enterprises and multinationals.

Regarding taxes paid by private enterprises, the government cut the rate of corporate tax to 30% (from 37%) for industrial firms and to 33% (from 40%) for other enterprises. The highest income tax rate is 45%, and the overall tax burden equals 15.1% of total domestic income, according the Heritage Foundation's Index of Economic Freedom.

## 10 | Welfare Regime

Togo's welfare system is underdeveloped. It is available only to government employees and those employed in the formal sector. The monthly minimum wage (salaire minimum interprofessionnel garanti, SMIG) was increased in August 2008 to CFA 28,000 (€42.68). This is still rather low compared with CFA 38,000 in Bénin and CFA 61,000 in Nigeria, and hardly enough to feed an individual for a month. About 85% of population of working age is active (2007), of which an estimated 27% are underemployed, with youth unemployment (estimated at 33% in 2011) a major problem in urban centers. The government has tried to counteract this tendency with limited success by introducing in 2011 a program for unemployed school graduates (Programme de Promotion du Volontariat au Togo, PROVONAT) of which 65% do not find employment after completing their studies. Working conditions in the export processing zone of Lomé (SAZOF) are precarious and characterized by bad hygienic and security conditions.

Pension schemes in Togo are not adequate to guarantee beneficiaries a decent standard of living. Despite that the median age in Togo is 18.6 years (almost half of the population is younger than 18), the current system can no longer be financed. This is why the government has been negotiating with unions to increase the retirement age for civil servants to 60, which would put further pressure on the labor market. The state of Togo's health services system is lamentable. In February 2011, parliament adopted a new health insurance law covering the 80,000 members of the public service who must contribute 3.5% of their monthly wages. Most individuals suffering hardship or accidents rely either on the help of family (or clan) members or a traditional mutual assistance scheme. These schemes are self-organized by their

Social safety nets

3

members, who provide services either on a rotating basis or in the event of an emergency.

Togo does not provide equal opportunities to all citizens. While the political factors that disadvantaged the southern part of the country until 2006 no longer play an important role, having a sufficiently wealthy family or relations in the administration remain important when securing formal employment. Apart from these inequalities on the basis of family or clan background, there are severe disadvantages for girls in the Togolese education system, notably with regard to secondary and higher education.

Equal opportunity  
4

According to an UNDP report of April 2010 the unequal distribution of the standard of living (Gini coefficient, 33.5%) is overwhelmingly due to inequality in income differences according to region (North-South gap), gender and socioeconomic strata. Although women are dominant in the informal sector (e.g., agriculture and petty trade), they have only very limited access to or control of the factors of production (land, equipment, inputs, credit). In addition, it is highly unlikely that they will get equal access to wage employment in the formal sector up to 2015. The exclusion of women from key activities in the economy and politics has not improved remarkably.

In 2008, the government introduced a national action plan to correct gender inequality (Plan d'Action national pour l'équité et l'égalité de genre au Togo 2009 – 2013, PNEEG). However, the means to implement this policy are insufficient. Discrimination against women remains widespread. According to the Women's Economic Opportunity Index 2012, Togo has remained in the lowest ranks (122 of 128; Gender Inequality Index, 124 of 187). Women are heavily underrepresented in public service, in political parties and enterprises. From 1957 to 2007, only 5% of elected deputies in parliament were women. The last legislative elections (2007) provided for 11% female deputies (nine of 81). The newly composed cabinet of July 2012 includes eight women (28%).

## 11 | Economic Performance

The output of the Togolese economy remains weak. According to the African Development Bank, Togo's economy grew by 3.9% in 2011, with an estimated growth of 4.2% in 2012. Inflation rates were modest (3.7% in 2011 and 2.6% in 2012), but the budget deficit was estimated as -3.8% in 2011 and -4.1% in 2012.

Output strength  
5

Apart from domestic problems such as poor infrastructure, an erratic electricity supply, limited foreign investment, the suspending of international aid and an adverse sociopolitical environment, the increase of imported food and fuel prices during the 1991 – 2008 period of political instability and subsequent aid crisis also had a severe impact upon the economy. Efficiency is higher in firms operating inside than outside

the export processing zone. Factors such as the foreign trade ratio, foreign capital investment and wage incentives have a strong impact on efficiency.

Togo once counted among the largest phosphate producers in Africa. Phosphate provided 40% of the country's revenues from exports and made up more than 20% of Togo's GDP. Since 1997, however, production has fallen from an annual 5.4 million metric tons to 800,000 in 2010 – primarily due to corruption and mismanagement. Privatization and ongoing new investment will contribute to a recovery of phosphate exports. Diversification of mining resources and more equal regional distribution of benefits was one of the major objectives promised by the president during UNIR's foundation congress in April 2012. In July the Australian iron ore and manganese development company Ferrex announced details on its current 92,390-hectare exploration permits for the Nayega manganese project in northern Togo, which will be developed in cooperation with South African suppliers. The project expects low capital and operating costs of less than \$15 million for up to 250,000 tons per year, because of the shallow open pit techniques applied. The product will be transported by road to the port of Lomé using the empty backload capacity of trucks in the transnational traffic from Burkina and Mali to Lomé. In Bangéli, central Togo, the company MM Mining began a project to mine iron ore. In December 2012, workers complained of harsh working conditions, low pay, hazards to the health of the surrounding population and harassment over syndical activities by local authorities collaborating with the company. In general, there is a growing awareness among the population about the economic and health hazards of mining, as already shown by local anti-mining activities in phosphate mining areas in southern Togo and an aborted Indian bauxite mining project at Mt. Agou in the Kpalimé region, as well as reportedly illegal artisanal coltan mining activities of Chinese traders, using child labor on the Ghanaian border region of Nyitoe in Kpalimé.

Togo joined the Extractive Industries Transparency Initiative (EITI) in 2010. In 2012, the group published its first report, declaring payments received and made by mining companies to the government. Lomé expects to be fully compliant by April 2013. Cotton production, managed by the state-owned Nouvelle société cotonnière du Togo (NSCT), has slightly recovered but remains dependent on highly volatile markets. Output increased by 25% to 100,000 tons (2012) compared with the preceding year, due to higher farm gate prices and a 10% increase in planted area. However, because of a 40% decline of international market prices in the previous peak year of international demand, overall cotton export earnings decreased despite growing production. Re-exports, which constitute about 20% of export earnings, continue to play a major role due to improved infrastructure (a new container terminal and roads).



## 12 | Sustainability

Population pressure, inadequate cropping systems and neglect has led to the growing degradation of the environment and natural resources in Togo. Environmental laws and programs were adopted but are insufficient, and the government is slow in implementing them. The World Bank-backed second Interim Strategy Note (2012 – 2013) which focused on growth, governance and poverty reduction, includes environmental protection. Deforestation rates remain high, at an annual rate of 1.4%. Attempts of reforestation (226.16 hectares as of 2010) are insufficient to counteract this rate. This is attributable mainly to slash-and-burn agriculture and the use of wood for fuel. The government aims to influence a change in habits by subsidizing kerosene and household gas as a substitute for the domestic use of firewood, but so far has not stemmed the destruction of forestland. Water pollution presents health hazards and hinders the fishing industry. Air pollution is increasing rapidly in urban areas. The government has yet to formulate more specific policies on pollution. It should be mentioned, however, that the environment in most Togolese towns is much cleaner than in years past, as some waste management efforts have begun to yield improvements. In general however, an environmentally friendly consciousness is not well developed, neither by the population nor by producers, including mining companies, which results in serious environmental pollution (such as phosphate sludge) and general health hazards.

The country's education system is only slowly recovering from the political and economic crisis of past decades. Free primary school education was introduced in 2008. Although the gross enrollment ratio has increased considerably and compares now favorably with neighboring African states, basic education efforts remain insufficient. The primary school completion rate (TAP) increased from 57% to 63% (2008 – 2010). However, the quality of schooling is of concern. Few qualified teachers and classes of more than 50 students are the norm. Increasingly, children between 5 and 14 years old are forced to work to help support their poverty-stricken families. The adult literacy rate remains alarmingly low (in 2008: total, 64%; male, 76%; female, 53%). Regional inequalities are stark; the literacy rate (for the same age group) of the Savanes region is just 25%, compared with 85% in Lomé. In general, rural literacy is 43.5%, compared with 79.2% in urban areas. Universities are overcrowded, and they lack materials, qualified staff and facilities. Private schools are expensive, and not always of better quality; secondary schooling is also inadequate. The percentage of GDP spent on education remained low (4.6% in 2009). Budget planning for education remains far below the level required to reach the MDG of a nationwide literacy rate of 75% by 2015.

Environmental  
policy  
3

Education policy /  
R&D  
3

## Transformation Management

### I. Level of Difficulty

Togo is a small country with relatively few natural resources. It depends to a large extent on commercial and subsistence farming. Major foreign exchange earners include the ailing phosphate sector, cotton production and re-exports, all of which are dependent on volatile terms of trade on the world market. In addition, the country only produces some of the energy that it needs. Togo is dependent on neighboring Ghana and Nigeria for its electricity and gas supply. Access to electrical power remains a luxury for most of the Togolese population, whose main source of energy is firewood and charcoal, which combined comprise 80% of the country's energy. The sharp increases of food and energy prices, combined with the impact of the global economic crisis, have made matters worse for efficient governance. Migration, accelerated by the political crisis has had a dramatic negative impact on the country's labor force in the last two decades. Many qualified Togolese can be found in Europe but also in neighboring West African countries. Finally, Togo's education system, which once functioned well at all three (primary, secondary and tertiary) levels, has disintegrated, leaving behind a dearth of qualified Togolese for new enterprises.

Structural  
constraints

7

However, increasing raw material demand of new global players like China and India provide the much needed stimulus to revive these export industries and to improve Togo's bargaining position in economic cooperation (aid), as big infrastructure projects financed by Chinese aid show. At the same time, good foreign relations with the new global players allow for a resumption of the see-saw policy already successfully practiced during the Cold War era.

Civil society development flourished with the second wind of change since the early 1990s. Today, there are thousands of NGOs and associations in all spheres of public life that exercise their right to freely express their opinion or form self-help groups (see "interest groups"). This has resulted – mainly in the cities – in the creation of a multitude of different associations, often competing against each other for both the right to represent their clientele and for donor support. There are notable partnerships between various interest groups that have been forged around issues such as elections, gender and microfinancing. This indeed is a clear sign of freedom. Some of these civil society organizations must exercise greater transparency in defining their

Civil society  
traditions

6

operational mode and objectives. It remains to be seen whether such associations will gain the same strength in rural areas that they have in urban areas, especially Lomé.

The high potential for conflict that existed under Gnassingbé Eyadéma's rule through ethnic polarization and the militarization of society can no longer be considered the one crucial impediment to Togo's development. The most important determining conflict factor remains the power politics of the Gnassingbé clan and its followers. Togo has not yet experienced severe tensions between different religious groups. Generally, the relationship between Muslims and Christians is amicable. Cooperation is sought by both groups on many occasions. Transnational conflicts of transhumance between pastoralists and agriculturalists simmer beneath the surface. Occasionally issues erupt violently in about one-third of the prefectures, notably in northern and central Togo. Thus, violent conflicts between Fulbe nomads and local peasants of Bago (central Togo at the Benin border) resulted in 50 deaths and over 100 injured in August 2011. Sentiments of distrust and mutual antipathy between the people in the south and the north still need to be addressed. Having enjoyed the spoils of the system throughout much of recent history, northerners still hold an unduly high number of relevant public offices compared to their counterparts in the south. There are sharp and increasing differences between the poor and the rich in Togo, but these have not yet led to a situation of violent conflict.

Conflict intensity

5

## II. Management Performance

### 14 | Steering Capability

It remains unclear whether Togo's political leadership is committed to both political democratization and economic liberalization. According to the Ibrahim Index of African Governance 2012, Togo has finally left the group of the ten worst performers. It ranked 39th out of 54 (40.4 of 100; improvement 2006 – 2011, +6.4%) although it still remained in the bottom half of African countries polled. Actual politics point the same direction. The new coalition government of the UNIR and UFC, formed in May 2010, constituted a milestone on the path to enhanced steering capacity. The new alliance allowed for a political ceasefire between the country's two most important rival political clans. However, disagreements among hardliners and modernizers within the Gnassingbé clan and its followers in the ruling party and the security forces still simmer. Events could come to a head if the ruling clan's power in politics or the economy is threatened through elections or otherwise. Additionally, a broad coalition of radical and moderate political parties, together with civic groups, has demanded more vigorously the end of decades of Gnassingbé rule.

Question

Score

Prioritization

4

In 2008, Togo joined the African Peer Review Mechanism (APRM) of the NEPAD as its 29th member. The APRM is meant to enhance good governance in the subregion. However, the first steps to install a nationwide evaluation structure in Togo began only reluctantly in 2011. There is a nascent national APRM commission, composed of 37 CSOs, hand-selected by the government and members of the public administration. In 2012, a phase of consultation started with other more-advanced member countries as well as sensitization meetings with local representatives of the population in some focal points of the country.

The administration definitely has the support of the international donor community for its efforts. Apart from traditional partners such as the United States, France and Germany, China and India have also supported Togo with development aid during the review period. In September 2011, a new defense partnership between France and Togo came into force, which replaced the outdated secret military assistance agreements of the Eyadéma era. However, aid from countries such as India and China is usually not tied to political conditions. In addition to the revitalization of bilateral cooperation, international organizations like the IMF, the West African Development Bank (BOAD) and the European Union are also reinforcing their assistance to promote good government and democratization in Togo. The first IMF-financed three-year Extended Credit Facility (ECF), which had replaced the Poverty Reduction and Growth Facility, expired in 2011. It is meant to be extended by a successor ECF in early 2013. According to the IMF, the government was largely on track with the conditions of the program, although there are still some deficiencies concerning the restructuring of the banking, phosphorus and cotton sector.

Implementation  
4

The presidential elections of 4 March 2010, although held amid a tense and suspicious political environment, were completed largely peacefully. This was in stark contrast to the previous compromised presidential contest in 2005, with its aftermath of violent political persecution. The Gnassingbé regime had learned its historical lesson, eager to legitimize its power grab through peaceful legislative (2007) and presidential (2010) elections and the modernization of the ruling party. Nevertheless, Faure Gnassingbé and his party (RPT/UNIR) successfully employed the same policy of “divide and rule” which his father Eyadéma had used masterly over decades to weaken the opposition movement both by legal and extra-legal means. However, Faure Gnassingbé’s power is contested by hardliners from within his own ranks. The international donor community, specifically the European Union, the IMF, France and the United States, are mostly concerned with regional stability and the growing threat of Islamism and terrorism in the Sahel region (Mali) as well as the perceived spread effects on the coastal West African states. They judge the performance of the government in both the political and economic domain as broadly satisfactory. However, in general, the transition process remains volatile and might easily be reversed when pressure is put on the president, such as by hardliners in the

Policy learning  
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military or within the ruling party. A three-year program to modernize the state bureaucracy through “e-government” began in 2012.

## 15 | Resource Efficiency

Togo is still suffering from an underutilization of assets and other opportunities which could be used by the government. The new reform processes, assisted by the international donor community, notably the Bretton Woods institutions and its ECF program, have improved an efficiency oriented governance approach in some areas, such as in public administration and finance as well as infrastructure rehabilitation. For example, a new 100 megawatt, multi-fuel power plant in Lomé connected to the West African Gas Pipeline (WAGP) was inaugurated in July 2010 to stem regular power cuts. However, it will take some time before structural reforms have an impact, and continuing aid will be crucial to promote the process. Donor confidence remains the most important resource in providing an initial push toward development in Togo.

Efficient use of  
assets

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A key sector remains education. Whereas children are now attending school, there are not enough teachers to teach them, despite the high numbers of potential teaching personnel in the country. Most qualified Togolese teachers, waiting for an opportunity to work in their own country again, are still abroad because the former government, suspicious of educators, drove them away. Likewise decades of political crisis and donor disengagement discouraged private foreign investment, and it is difficult to revitalize confidence of foreign investors, although enhanced competition with new global players like China is good for business.

The coordination between the presidency and the prime minister’s office is not always smooth. In July 2012, the president had to replace former Prime Minister Gilbert Houngbo, a technocrat recognized by the donor community who stepped down amid a bitter dispute with the president over the continuing arbitrary acts of the intelligence service. Houngbo was replaced by the former minister for trade, K. S. Aboomey-Zunu, known as a loyalist of the ruling elite. Because the president still appears to lack complete control of the ANR and the military, he is at pains to restructure the commanding structure of the security services. Nevertheless, the president still keeps the portfolio of defense for himself, fearing coup attempts. In general, the administration is taking steps in the right direction, which are, however, still outweighed by the corrupt and criminal practices (drug trafficking and money laundering) of many members of the current administration, at all levels.

Policy  
coordination

6

The Commission nationale de lutte contre la corruption et le sabotage économique (CNLCSE) is Togo’s national anti-corruption commission. According to the African Economic Outlook, a milestone in the fight against corruption was the creation of a court of accounts and a general finance inspectorate in 2011. Yet anti-corruption government bodies have lacked the political will to combat corruption effectively,

Anti-corruption  
policy

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and thus corruption is still rampant in Togo. A World Bank 2010 survey of businesses revealed that 60% of businesses believed that the courts were neither impartial nor free from corruption. Society at large is aware of the need to take decisive steps to eradicate corruption. However, this seems to be a difficult thing to do as it would cut the lifeline for large numbers of the current Togolese elite and government administration. In July 2007, parliament after much debate passed a law against money laundering, yet the law has done little to curb the practice. The triangle of corruption, money laundering and drug trafficking is a serious concern, as Togo slips gradually into becoming a transit country for all forms of trafficking, and possibly with the involvement of high-ranking members of the Gnassingbé clan.

## 16 | Consensus-Building

Disagreement within the government involves political reform, rather than the goals of a market economy. Anti-democratic forces however have gained some influence within the government. With the assistance of the European Union, the country's major political parties and civic organizations agreed to a global political accord (Accord Politique Global, APG) in 2006. Yet the accord was implemented halfheartedly by the government. A population census, the first in three decades, was taken in 2010 – 2011 and acknowledged by the populace. A truth and reconciliation commission (Commission Vérité, Justice et Réconciliation, CVJR) delivered its report on human-rights violations in April 2012. Other important measures geared to guarantee fair and free elections are still pending. A domestic process of dialog between major political parties (Cadre permanent de dialogue et de concertation, CPDC), established in 2009, stalled in 2012 because of a lack of consensus. Overall consensus on transformation goals remains fragile. There are still some key cleavages in Togolese society that have resulted from regional and ethnic discrimination, the exclusion of historic opposition voices and movements, and from the country's considerable socioeconomic inequality. Nonetheless, a majority (that is, the governing party and most opposition parties) agree on the country's need to regain its economic strength, a view shaped by witnessing the hardships experienced by many Togolese every day. Political change, requested by many outside the "majority," is also seen as crucial for urgently needed social and economic development.

Consensus on goals  
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Anti-democratic elements within the RPT/UNIR parties are no longer as important as they were before the presidential elections of 2010, yet seem to be attracting attention again in the build-up toward the legislative elections in spring 2013. Such actors wield enough influence to potentially endanger any serious attempt made by President Faure Gnassingbé to further democratization. Gnassingbé's half-brother in prison at the time of writing, Kpatcha Gnassingbé, could play an important role. He, along with military leaders and ruling party members, are aware of the disadvantages

Anti-democratic  
actors  
5

they will face in the event of a change in government. Tension among the ruling elite, that is the Gnassingbé family, the RPT/UNIR party leaders and the security services, became apparent again in 2012 amid the modernization efforts of the ruling party. The democratic “rules of the game” as well as a culture of transparency and accountability are not fully respected by Togo’s elites, not to mention the opposition. This fact was demonstrated by the schism of the major opposition parties, UFC and ANC.

The government is no longer pursuing a policy of creating or stimulating conflicts to exercise its authoritarian regulatory power. However, there are no consistent policies in place to systematically address emerging conflicts; yet there have been some positive steps toward this goal. The administration recognized, for example, that the social, agricultural and environmental problems arising from nomads and their herds during transhumance must be addressed. A national committee is now trying to find lasting solutions to this cyclical conflict by taking into consideration views from both sides. Due to the oppressive and corrupt nature of the previous regime, which affected almost every institution in the country, there are few non-governmental actors that are powerful enough to mediate in actual or future conflicts, with one notable exception: the Christian Church. The NGOs that specialize in conflict prevention and management are not yet strong enough to play a decisive role. Even religious leaders need to demonstrate an attitude of independence and neutrality before they can play a mediating role.

Cleavage /  
conflict  
management  
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The present government seems to be much more open to civil society participation than any government before. The inefficient use of civil society organizations’ capacities is often more due to the weakness of NGO administration and membership structure than to the government’s reluctance to engage with them. Enhanced dialogue between NGOs and the government is slowly becoming a reality. Both sides must work hard to overcome distrust that was nourished by the poor relations of past decades.

Civil society  
participation  
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In May 2009, a truth and reconciliation commission (CVJR) was established to investigate human rights violations from 1958 up to the violent political conflicts of 2005. The commission was headed by Monsignor Nicodème Benissan-Barrigah and supported by the UNHCR office in Lomé. The CVJR’s 11 members represented different groups of civil society (excluding political parties) and notably, involved religious leaders. During its enquiries it received over 20,000 petitions, indicating a high degree of trust within the population for the commission’s work. The group submitted its final report in April 2012. The most important recommendations included reparation, public documentation of human rights violations, symbolic reconciliation (e.g., public condonation by perpetrators, monuments, memorial days), and the criminal prosecution of perpetrators. The commission demanded that the government publish a paper on how it intended to implement the recommendations of the CVJR, and suggested two institutions for monitoring and evaluation. However,

Reconciliation  
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the CVJR proved to be a paper tiger from the start. It had neither the power to lift the immunity from prosecution of perpetrators of human rights violations and the architects behind them, nor the ability to offer amnesty or reparations, tasks that remained prerogatives of the state. Unsurprisingly the government has been reluctant to implement the recommendations, as high-ranking members of the government, the military and the civil administration figure among the perpetrators who continue to profit from a culture of impunity.

## 17 | International Cooperation

The resumption of aid and support from international donors began in 2007 after the country's largely free and fair legislative elections. Numerous activities and cooperation programs such as the Poverty Reduction and Growth Facility (PRGF), and the reaching of the Highly Indebted Poor Countries (HIPC) completion point, among others were connected to the progress made in political transformation. Donors have strictly supervised the use of aid. However, donor support was not always used efficiently or transparently. Notably efforts often lacked the necessary involvement of all major societal players to gain public support and the international community's confidence, as promised by the Paris Declaration and later reaffirmed in the Accra Agenda for Action. The entry of China and India in the aid business allows for a successful resumption of Togo's "seesaw" policy, practiced during the Cold War era, between competing major donor countries.

Effective use of support

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The most important task in consolidating the government's newly acquired credibility among the international community and the Togolese population is to effectively combat corruption at all state levels. There are now two deeply contrasting interpretations of the government's intentions, among the Togolese population and the international donor community: one that holds that genuine transformation is possible and that a democratic era is just beginning; and one that believes the government's attitude is simply a mask, camouflaging its attempt to stay in power at all costs.

Credibility

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Togo is a member of all relevant regional, African and international organizations, notably of ECOWAS and WEAMU in the West African subregion. President Faure Gnassingbé and members of his government are trying to return to a situation where Togo plays a constructive role as a regional mediator and host to international meetings, as was the case in the past under General Eyadéma, who was recognized as mediator in international African conflicts by his African peers although being the longest-serving African dictator. Togo has remained a reliable and significant contributor to peacekeeping missions in the subregion. In May 2012, Nigeria, Togo, Ivory Coast and Senegal contribute to the ECOWAS first troop deployment in the failed state of Guinea Bissau. Later on, Lomé contributed to the African-led International Support Mission to Mali (AFISMA), organized by ECOWAS, against

Regional cooperation

7



the growing threat of Islamist terrorist organizations in northern Mali. Togo committed 500 troops to the total of 3,464 soldiers (commitments) from different ECOWAS member states. The mission was authorized by U.N. Security Council resolution 2058, on 20 December 2012.

## Strategic Outlook

Like most sub-Saharan countries, Togo faces several problems: the global economic and financial crisis and its related effects on aid, credit and debt management; the volatility of growth in an economy particularly exposed to external shocks; rising food costs; erratic energy prices; and the HIV/AIDS pandemic. But there are a few key issues the country should address if it is to reach a level of development on par with that achieved by other, more successful African countries, such as neighboring West African countries, like Benin and Ghana.

Based on the successful parliamentary and presidential elections of 2007 and 2010, Togo's government should not ease its efforts to win sustainable trust and confidence of its own population as well as that of the international community. The reforms implemented during the last two years have been met with considerable support both within and outside the country. The prevailing question among Togolese citizens and of observers, however, regards the genuine character of the attempts of the Gnassingbé regime to democratize the Togolese society. Unless confidence is built in the sustainability of the current process, Togo's transformation process will not succeed. The following challenges should be addressed.

The coalition "government of recovery" formed in May 2010 by the two major parties (RPT/UNIR and UFC) should pursue consequently and in a transparent manner its aims of national reconciliation, democratization and sustainable development on the basis of internationally accepted rules of "good governance." The postponed legislative and local elections (spring 2013) should be managed effectively and impartially, so they can be recognized as "free and fair" against international guidelines. This process must also include a free press. To overcome some of Togo's endemic development problems (i.e., over-centralized decision-making, the ruling party's dominance, rulers' distance from on-the-ground realities, regionalism), support for the thorough implementation of the formulated decentralization policy should be enhanced. Decentralization of power and resources to enhance local autonomy, as demanded by the constitution, should no longer be obstructed by the government. This should be accompanied by support to civil society organizations at local and national levels.

The transition process will not succeed if the government remains threatened by hardliners within the security services, who are eager to meddle in politics. Therefore it will be imperative to attain and to guarantee the strict political neutrality of the security forces, notably the military, intelligence services and the gendarmerie.

Concerning economics, structural reforms of the banking, phosphate and cotton sector are crucial. Donors should make an effort to assist in this process. The fight against corruption, money laundering and embezzlement of public funds in Togo's administration constitutes another significant step on the road to democratization. Since donors' contributions will have to play a crucial role for Togo's economic resurrection, international partners must demand that their

support will be accompanied by a clear and thoroughly monitored fight against corruption. In this respect also international business activities in Togo should be closely observed to ensure they stick to the same ethical and legal rules. Any activity that fosters law enforcement on this level should be supported. This includes taking pre-emptive steps to ensure that Togo does not remain a hub of trafficking within the subregion.

Donors should further harmonize their approaches and align the priorities set by the current Togolese government, namely good governance, health, education and road infrastructure.

Last but not least, it is important to support the process of regional integration in West Africa. Any attempts to undermine sincere African political initiatives of regional integration, such as by special arrangements within the current negotiations on EU Economic Partnership Agreements (EPAs), should be prevented. Greater exchange, in both economic and political terms, would serve to benefit all stakeholders. In addition, peacekeeping initiatives and observation measures in the West African region should be promoted.