

BTI 2016 | Benin Country Report

Status Index	1-10	6.28	# 46 of 129	
Political Transformation	1-10	7.55	# 28 of 129	➔
Economic Transformation	1-10	5.00	# 80 of 129	➔
Management Index	1-10	5.42	# 48 of 129	
	scale	score	rank	trend

This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2016. It covers the period from 1 February 2013 to 31 January 2015. 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>.

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Key Indicators

Population	M	10.6	HDI	0.476	GDP p.c., PPP \$	1864.7
Pop. growth ¹	% p.a.	2.6	HDI rank of 187	165	Gini Index	43.4
Life expectancy	years	59.3	UN Education Index	0.414	Poverty ³	% 75.6
Urban population	%	43.5	Gender inequality ²	0.614	Aid per capita \$	63.2

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | UNDP, Human Development Report 2014. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.10 a day at 2011 international prices.

Executive Summary

Benin's third democratically elected head of state, Thomas Boni Yayi, continued to rule throughout the period under review with respect for most democratic principles and with a commitment to strengthening the market economy. However, public disappointment in the Yayi administration further increased. Many consider his style of decision-making – lacking much in the way of consultation – as too authoritarian. Additionally, the government has been weakened by several major corruption scandals allegedly implicating ministers. The president's failure to build trust with the opposition, particularly through a commitment to adhere to the two-term limit set out in the constitution, has needlessly heated the political debate. The opposition believes that Yayi is striving for a third term in 2016, a claim he has frequently denied.

In 2011, the opposition lost the presidential and legislative elections against President Yayi and his party, who won with an absolute majority. It was the first time in the democratic history of the country that a president had been elected in the first round of voting. This incited a post-electoral outcry from the opposition and has continued to shape the political confrontation between the president's party and its opponents. Political parties continued to act less coherently than civil society organizations. While the two biggest political parties of the 2011 opposition alliance seesawed between government rapprochement and government criticism, the heavy load of scandals involving ministers and the increasingly authoritarian style of decision-making of President Yayi mobilized protest from civil society. When the Citizens' Alternative emerged as one of the most influential non-party opposition groups, opposition political parties joined the movement to improve their standing in the run-up to the next elections. Many politicians started abandoning the president's camp for the same opportunistic reason: to build new power relations for the post-Yayi period.

By and large, all political actors are willing to carry out their struggles through legal, constitutional means. The Constitutional Court is accepted as the last recourse for solving political conflict. Although its impartiality has been questioned due to President Yayi's multiple biased bench

appointments in June 2013, all relevant actors have continued to respect the court's decisions. In December 2014, the court emancipated itself from Yayi and regained independence by again insisting on the inflexibility of the presidential term limit. President Yayi continued to integrate ministers and public servants from across the country into his administration. Even though public support is mixed, this national integration scheme can be considered a stable informal institution. While government critics did not face severe retaliation, the libel prosecutions increased and press freedom suffered under harsher sanctions. In addition, trust in the autonomy and fairness of the media authority was not increased with the July 2014 appointment of new members.

Concerning economic matters, Benin continues to suffer from structural and behavioral constraints, including a poor industrial record and corruption. Natural disasters and setbacks in cotton production have also stalled economic development. These challenges, together with Benin's dependence on Nigerian fuel subsidies, underline just how vulnerable the country's economy is to external and environmental shocks. World market prices have temporarily relaxed the fuel situation, but the energy supply crisis persists. Demand is estimated at three times higher than supply, which heavily discourages industrial investment. Also, mismanagement and corruption continue to be major obstacles on the way to greater and more equally distributed wealth. President Yayi generally upheld economic liberalization policies in cooperation with international development partners. However, the president's ad hoc decision-making resulted in a failure to implement policy changes. In addition, allegations that personally motivated retaliation by the government interfered with economic decision-making persisted. Corruption is not systematically prosecuted at all levels, though ministers continued to be questioned about corruption scandals and lose office (usually without significant additional consequences).

Concerning socioeconomic progress, cooperation with international donors in the education sector has been partially successful. Primary school enrollment rates have surged, bringing most boys and girls in urban and rural areas to school. The balance sheet with regard to health services, higher education and access to justice showed few, if any, advancements. Despite Benin's socioeconomic challenges, there is, overall, a national consensus on the importance of democratic principles and on values such as nonviolence and inter-ethnic cooperation. The unaltered constitution continues to provide a legitimate legal framework.

History and Characteristics of Transformation

Benin has, in recent history, undergone simultaneous political and economic transformation. While the country has, all in all, made progress in consolidating its political transformation and is considered very successful by regional and continental standards, transformation of the economic system has faltered and shows a more uneven track record. On the one hand, Benin numbers among Africa's relative winners in economic growth. On the other hand, Benin was hit by the effects of the global financial crisis that began in 2008 and has since largely recovered from a severe setback in growth.

Following independence in 1960, Benin's political development was initially characterized by regime instability and a series of military interventions. The last coup, in October 1972, marked the onset of 17 years of military rule under Lieutenant (later General) Mathieu Kérékou, who installed one of the few formally Marxist-Leninist regimes in sub-Saharan Africa. Endogenous economic failure and the end of material and ideological support from the Eastern Bloc led to the rapid downfall of the regime. As a consequence, the regime dropped Marxism-Leninism in late 1989. The National Conference of 1990, composed of politicians and civil society leaders, voted overwhelmingly to adopt a multiparty system. Benin thus became the trendsetter for radical democratization processes in the whole of Francophone Africa.

The first free and fair elections in 1991 ratified the new political dispensation outlined in the constitution of 1990. The prime minister of the transition government, Nicephore Soglo, won the presidency in a run-off against Kérékou. During the Soglo presidency, additional democratic institutions were established (e.g., the Constitutional Court, the Autonomous Electoral Commission and the Audiovisual and Communications Regulation Authority). These newly established democratic institutions survived Kérékou's return to power in the presidential elections of 1996, when the former military ruler snatched a surprise victory after some members of the Soglo coalition crossed the aisle to join him. Kérékou also won the 2001 presidential elections, although his main opponents, complaining of irregularities in the electoral process, boycotted the election.

Kérékou's return at the helm of the state has not seriously compromised Benin's democratic credentials as a showcase state. Unlike some of his peers in other parts of West Africa, Kérékou could not count on the support of a single dominant party and, facing the unequivocal criticism of a robust civil society and key international players, he abandoned attempts to modify the constitution so as to permit him to run for another term after 2006. The electoral victory of outsider Boni Yayi in the 2006 presidential elections reconfirmed the competitive nature of Beninese politics and the low relevance of political parties.

Marxist-Leninist rule throughout the 1970s and 1980s included the nationalization of industries and banks. Corruption and economic decline took their toll, and by the end of the 1980s, the government was no longer able to pay civil servants' salaries. Economic transformation, tackled by the transition government, found strong support in financial assistance from the donor community and was initially successful. Trade liberalization, lower public expenditures and a strong commitment to macroeconomic growth were accompanied by sectoral investment in social infrastructure. During the Soglo presidency, these reforms were implemented in a radical way, which most probably contributed to Soglo's electoral defeat in 1996. Kérékou did not radically modify this strategy, but economic reforms have stagnated and corruption proliferated under his presidency. The victory of former long-time West African Development Bank (BOAD) Chairman Yayi in the 2006 elections seemed to indicate both a popular will to fight corruption as well as stronger government commitment to tackling poverty alleviation and carrying out economic transformation. However, much of the Beninese public have been disappointed by Yayi's performance.

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

Question
Score

The state's monopoly on the use of force is established nationwide. There are no armed rebel groups active inside or outside of the national territory. There have been isolated incidents of mob justice due to the perceived failure of police to protect the people and the perceived failure of the courts to punish criminals adequately; the government has made no serious attempt to prosecute those involved although it has mobilized armed forces to support the police. Crime remains a serious problem not adequately combated by the police.

Monopoly on the
use of force

9

The security situation in Mali may affect all West African states including Benin. Nigeria is a direct neighbor. Reports on the influx of more radical Islamic preachers increased.

The recent involvement of Benin in the fight against Boko Haram, alongside Nigeria, Niger, Cameroon and Chad, is a potential source of insecurity. Rumors have been suggesting a potential terrorist attack against Benin in the northern region but these rumors have, as of yet, been unsubstantiated.

In stark contrast to other West African coastal states such as Cote d'Ivoire, there are no problems in defining citizenship and who qualifies as a citizen in Benin. Governmental action does not discriminate on ethnic, religious or cultural grounds, and the legitimacy of the republic is not questioned in principle. There is no dominant group that identifies itself as the core group of Benin's heterogeneous society. Smaller groups are adequately represented in governmental bodies and the army. However, there is an increasing concern that northerners are privileged and favored by the ruling president. President Yayi has himself boosted such perceptions by an awkward statement that he would bring in "his people" to substitute southern political defectors. If anything, this problem concerns political ethics and the rule of law rather than citizenship.

State identity

9

The separation of church and state is guaranteed by the secular 1990 constitution, and religious or ethnic extremists command no political influence. Although politics is still defined along ethno-regional cleavages, there is a fundamental national sense of solidarity and an elementary constitutional patriotism. Concerns about President Yayi exhibiting growing favoritism for evangelical Christians are growing but have not been substantiated. President Yayi also maintains contacts among the Voodoo community for electoral purposes. Catholics are over-represented in state offices as a result of the role of the church in education. However, this does not transfer into dogmatic interference. Generally, religious pluralism and tolerance are the rule. There is a risk that Muslim extremism might spill over from neighboring countries such as Nigeria or Mali, but at the time of writing, no such influence is present.

No interference of religious dogmas
9

The state's basic administrative structure functions throughout the country's entire territory. The biggest accomplishment of the public sector in recent years has arguably been the extension of basic education to near full enrollment. In rural areas, however, the performance of political and judicial decision-making is unsatisfactory, and the allocation of public goods is not very efficient. Due to a lack of recent data, the share of the population living in absolute poverty (less than \$1.25 a day) cannot be securely estimated, but probably describes around half of the population. The share of the population with access to basic sanitation services has increased slightly but is still at a low level of about 13%. More than 75% have access to improved water sources. The largely donor-driven decentralization process, which includes capacity-building and civic education policies, has begun to slowly improve socioeconomic conditions and strengthen the presence of basic administrative infrastructure. Still, legal standards are not enforced and corruption remains a problem. Examples include the state's inability to enforce import regulations and the enormous delays in public prosecutions, which has led to prolonged pretrial detentions.

Basic administration
6

2 | Political Participation

Free and fair elections are the norm in Benin. The electoral administration is sufficiently independent but disorganized. The Autonomous National Electoral Commission (CENA) has been transformed into a permanent body that still needs support from the government to function correctly. The previously non-permanent CENA was not the responsible body when the country introduced a permanent and computerized voters' roll (LEPI). The LEPI was subject to controversy primarily because the management bodies were ill-defined by the law. The technical body (MIRENA) was meant to be supervised by the political oversight body (CPS) but the CPS did not have the means to perform the supervision in technical terms. Contesting the reliability of the LEPI, the opposition delayed recognition of President Yayi's re-election in 2011. Political tensions caused by his victory in the first round were much higher than usual for Benin, but did not escalate into violence. Although credible

Free and fair elections
8

reports surfaced that an unknown number of minors voted in northern Benin, and some southern citizens' were excluded from the voting because their names were left off the register, the real impact of LEPI mismanagement cannot be determined. In 2012, after pumping millions into the registration process, UNDP officials stated that LEPI would be one of the best voter registers in Africa. Significant parts of Benin's civil society argue differently and pushed for a revision of the voter rolls. This revision has begun, albeit slowly and late in the process of the upcoming parliamentary, municipal and presidential elections. All in all, the electoral process has been negatively impacted by the LEPI controversy. The municipal elections – originally due in 2013 – have been postponed several times. President Yayi had firmly pledged that they would take place before the end of 2014. The date was finally set for April 2015. Respect for the electoral process lessens the lower one goes in the political hierarchy of elections. Observers, including domestic politicians, have for years deplored the poorly developed intra-party polls. Hence, the appropriation of elections as decision-making processes is less common than in most consolidated democracies.

The government has the effective power to govern. The army, formerly a major power player, has receded to the barracks and is largely unwilling to re-emerge on the political scene. Even so, the president's allegations that high profile businessmen acted in association with members of the military to poison him (Talon Affair) or plotted a coup against him reveal Yayi's concerns – substantiated or not – about the elected government's fragility.

Effective power to govern

9

Political enclaves are more likely to exist at the local level where the elected municipal councilors enter a political terrain already occupied by various chiefs, notables and non-elected actors. State capacities at this level are often very low. This makes parts of the population disinterested in elected representatives. These populations instead turn to local actors that render more effective services, including local customary leaders and religious service providers.

Benin is characterized by a multitude of social and political associations. There are numerous political parties and non-governmental associations that act without intervention from the authorities (except for basic registration requirements). Trade unions are particularly vocal when it comes to representing the interests of the relatively small formal labor force – mostly public employees – but they cannot always enforce their claims. Political elements in civil society continued to play an effective watchdog role vis-à-vis formal politics, though President Yayi has (temporarily) co-opted several prominent civil society leaders into the cabinet, including former minister Okanla (foreign affairs), Gbegnonvi (basic education) and – most prominently – Madougou (microfinance, later justice department). Although Kérékou used similar co-optation strategies, civil society organizations recently and increasingly complain about the alleged authoritarian behavior of President Yayi (e.g. the LEPI debate). In July 2013, a new association called Citizens' Alternative started

Association / assembly rights

9

organizing the Red Wednesday campaign against the alleged power abuses of the incumbent government. Protesters showed up on Wednesdays in red shirts. Minor clashes with police were occasionally reported. Most civil society leaders are associated with political parties, though this practice does not interfere with freedoms of assembly and association. There are no reports of any denial to create an association. All in all, association and assembly rights are rarely restricted.

State and numerous private media operate freely, and the regulation of the media sector combines both a state institution (HAAC) and a voluntary body of journalistic self-control (ODEM). Domestic respect for the prestigious HAAC, a model for the region, has suffered due to President Yayi's appointment policies. Fully according to his constitutional powers, the president appointed a new HAAC chairman for the second time in 2014. As with the predecessor, the selection process was not transparent and unlike previous processes, not consensus-based. The opposition therefore considered this process to be, again, partisan. Surveys released in recent years indicate a sharp decline in press freedom. Thus, at least the perception of media freedom has declined. Reporters Without Borders (RSF) ranked Benin 75th out of 180 nations in 2014, indicating a recovery from worse ratings in the years before. However, Benin is still far from its earlier rating of 30th in the world. Freedom House's Global Press Freedom survey never reported the same sharp backslide, instead consistently assessing Benin as having a lower level, "partly free," press. However, their 2014 report confirms RSF's moderate upward trend. The government has continued to prosecute journalists for libel. HAAC censures media outlets for defamation when they expose corruption. In October 2014, the new HAAC leadership urged the press to cede any negative reporting on the electoral roll review body. The HAAC chairman had to apologize for this censorship later. In early 2015, ORTB (Office de Radiodiffusion et Télévision du Bein) journalist Sounouvou Osias was dismissed as newscaster because he has asked the president to apply the principles of freedom.

Freedom of
expression

7

3 | Rule of Law

Separation of powers is not only constitutionally mandated but also implemented in practice. Benin has a pure presidential system in which the president frequently faces periods where the opposition has control of the country's unicameral legislative body, the National Assembly. The more the country approaches the 2015 parliamentary and the 2016 presidential elections, the more the National Assembly has proven the volatility it has always been reputed for. As the president does not have the constitutional right to run for a third term, most politicians commenced searching for new ground in an unstable party system. This highlights the dependence for a functioning separation of powers on individual and personal interests. Parliament is

Separation of
powers

7

able to counter-balance the executive, but not always for the systematic democratic reasons that the BTI's normative framework would wish.

Judicial review by the Constitutional Court is a cornerstone of the political system and an effective check on actions taken by government and the National Assembly. Despite the opposition's concerns, constitutional judges seem generally non-partisan. The constitution provides for a simultaneous appointment of all judges, three by the president of the republic and four by the executive committee of the National Assembly, which has remained under the control of the ruling party (despite the loss of the majority of the pro-president parties in the legislature at that time). The bench was last renewed in July 2014 with three new entrants and four reappointments. The president renewed all of his three appointees. Although he could have renewed the terms of high profile lawyers, he opted for the appointment of low profile candidates, one of which he was even forced to replace for procedural reasons. This reinforced debate on the court's relationship to the president, who has been accused of attempting to control the court's adjudications. However, the Constitutional Court has not demonstrated a bias in favor of the executive. In particular, it reiterated that the two-term limit would not be amendable, although critics feared the president would want to use the new appointees to push through a respective constitutional change.

Technically, the judiciary is institutionally distinct and operates independently, but – apart from the Constitutional Court – that independence is undermined by insufficient territorial and functional penetration. Access to courts has improved following assistance by the U.S. led Millennium Challenge Account (MCA). However, corruption remains endemic: more than one-half of the country's magistrates have been involved in financial scandals. The executive has massive and durable influence on judicial nominations and promotions. According to reputable domestic analysts, examples of judiciary bias include the Ministry of Justice putting pressure on subordinate departments of public prosecution and the refusal of the executive to enforce verdicts.

Independent
judiciary

6

The strongest sign of doubt against the independence of Benin's judiciary originated abroad. In October 2013, a French court denied the extradition of Patrice Talon. The well-heeled businessman was accused of having initiated a poisoning attempt to murder President Yayi. In May 2014, Yayi dropped all charges against Talon.

Officeholders who break the law and engage in corruption rarely face prosecution. Impunity is a major problem in the country, arising from several factors. For one, courts are understaffed and overloaded. Secondly, the political elite is composed of a tight knit group of friends and even kin, who watch each other's backs and pull strings to prevent prosecution in cases of individual malfeasance. Certainly, this deeply engrained structure of favoritism hampers the flow of information and opens the door to a biased application of the law. Occasionally, high office holders are prosecuted,

Prosecution of
office abuse

4

but sanctions are even rarer, even in the cases of likely political interests behind the prosecution. Major scandals involving the government (e.g., CEN-SAD and National Assembly construction, and ICC Services fraud) led to several ministers being dismissed, but not to prosecution. In January 2013, law enforcement authorities interrogated the former Minister of Urbanization, François Noudégbessi, on allegations of embezzlement of funds related to the National Assembly construction scandal. The legislature's new building was scheduled for completion in March 2011, but the construction stopped with less than half of the work completed. Nevertheless, the ministry authorized the payment of two-thirds of the contracted costs to the construction firm; in numbers, 12 billion CFA francs or about 18 million euros. Authorities brought in the incumbent minister, Blaise Ahanhanzo-Glèlè, for questioning but released him soon after. There has been no legal follow-up since then. On a lower level, unlawful behavior and police corruption are not systematically prosecuted either, allowing widespread impunity to become the norm. By and large, those accused of corruption have rarely faced consequences, and the judicial sector itself is susceptible to corruption. Some Beninese analysts speak of an excess of tolerance for the sake of societal peace. However, watchdog organizations such as Front des Organisations Nationales Anti-Corruption (FONAC) are doing their best to address the problem.

Civil liberties are generally guaranteed, but the legal procedures to seek redress for violations often exist only on paper and the poor level of literacy in the countryside makes the effective use of these rights difficult. Existing human rights violations are less the result of deliberate actions by state agents than the consequence of a lack of resources, especially in the prison system, where detainees can spend months or years under deplorable conditions waiting to go to trial because of the large backlog of court cases within the justice system. Likewise, despite some improvements women's rights are not enforced in most rural areas; traditionalists widely practice female genital mutilation, for instance.

Civil rights
8

4 | Stability of Democratic Institutions

Democratic institutions in the country perform their functions, at least at the national level. Though progress has been made, the local and regional level of government is still characterized by counterproductive frictions between traditional, appointed and elected actors. The overall performance of the administrative and judicial systems is not always efficient due to general administrative weakness and the aforementioned lack of resources. The head of state's capacity to press forward with impulsive ad hoc policies underlines the extent of the executive's power when government is unified (otherwise the National Assembly becomes a more important player). As a result, the image of Benin's democratic institutions has suffered under the Yayi administration.

Performance of
democratic
institutions
7

The political class accepts democratic institutions as the legitimate form of political organization. The democratic experience since 1991 and the peaceful transfer of power are still major sources of national pride. As a result, President Yayi's centralized style of governance is under close observation. The political class and civil society have criticized his authoritarian tendencies and his plans for constitutional reforms have been suspended due to push back from the public. Although the opponents of Yayi fear that the president will try to seek a third term in office, there is no evidence that a respective constitutional amendment will be realized. The Constitutional Court has repeatedly declared the two-term limit untouchable because it was a core element of the great constitutional consensus of the 1990 National Conference. Only a similar consensus can amend such provisions, the highly respected court has ruled.

Commitment to
democratic
institutions
9

5 | Political and Social Integration

Ever since the renaissance of multiparty rule in 1990, the party system has been characterized by a low degree of institutionalization and high fragmentation. Changing coalitions and the large number of small parties which have backed the presidential alliance Forces Cauris pour un Bénin émergent (FCBE) obstruct any determination of the exact number of formally recognized parties in the National Assembly. FCBE started with close to an absolute majority in the legislature (41 of 83 seats) into the 2011 – 2015 term. Several more pro-presidential alliances, such as Alliance Cauris 2 and Foreign Affairs Minister Bako-Arifari's Alliance Amana, provided Yayi with a safe majority leading up to the 2015 and 2016 elections. However, personal frictions between the president and several important politicians of this camp returned parliament to be a place of heavy fluctuation and uncertainty about who effectively holds a majority.

Party system
5

Electoral alliances remain fragile as the opposition alliance Union Makes the Nation (UN; initially 30 seats) shows. It collapsed shortly after the elections, emphasizing that the individual political parties constitute the more relevant organizational units. Party system fragmentation is somewhat countered by very moderate polarization, as indicated primarily by few programmatic differences and frequent crossing-the-floor. The further decline of those parties that were previously seen as part of a relatively stable core party system, such as the Party of Democratic Renewal (PRD), Renaissance of Benin (RB) and the Social Democratic Party (PSD), suggests high volatility in the upcoming elections. New alliances emerge, mainly surrounding the most promising presidential candidates. These new alliances, however, are largely made up of well-known parties. For example, former Yayi supporters of the Union for Democracy and National Solidarity (UDS) and the Relief Union (UPR) built the Sun Alliance to support General Robert Gbani's campaign. The general is a newcomer on the political scene but gained political experience while serving as

President Yayi's chief military advisor from 2006 to 2012. UN alliance membership changed and now includes PSD, Key Forces (FC) and the African Movement for Development and Progress (MADEP). They aim to present a common presidential candidate from among their most experienced politicians. Likewise, former senior ministers Abdoulaye Bio Tchané and Pascal Koupaki will run with their own alliances. Reconfigurations of the party system are to be expected again following the 2016 presidential election to adapt to the electoral results. Overall, while the population is very dissatisfied with the country's volatile and opportunistic party system, the principle of multiparty democracy, in general, is not questioned at all.

The topography of interest groups is relatively close-knit, though not all interests are equally represented. Rural and urban interests do translate into the party system and explain the astonishingly high number of political parties. However, urban interests combined with personal rent-seeking are over-represented. Trade unions have been very strong since the Marxist-Leninist period. In April 2014, they were able to use strike actions to drive the government into a 26% increase in the minimum wage despite the tight national budget. Most formal employees represented by the trade unions work in the public sector. However, even the informal traders who account for 70% of non-commercial gasoline consumption (Kpayo) have a kind of trade union whose representatives negotiate with government. The NGO sector is highly dependent on foreign capital, but urban civil society has a considerable impact on the political process. The tone of protest further harshened during the period under review. The Citizens' Alternative (AC) became the most vocal political movement. AC organized the Red Wednesday campaign in straightforward opposition to the president's policies. Patrice Talon's legal councilor was among the leaders of AC, underlining the political position of the movement. However, other parts of civil society are satisfied with the current situation. Most NGOs are less political and work in relative calm in the interest of the association's aims, but also often in the material interests of the association's leadership.

According to the most recent data from Afrobarometer round 6 (referring to 2014), support for democracy is strong but slightly decreasing. Detailed data were not available at the time of writing. Yet, this decrease shows only a moderate decline. The country continues to have high proportions of respondents rejecting alternatives to democratic rule such as one-party or military rule (86% and 81% respectively, measured in Afrobarometer round 5 of 2012). Regarding the actual functioning of democracy in the country, 74% rated the 2011 elections free and fair, not exceeding minor problems. Almost all respondents in Benin (98%) felt free to vote without pressure. Eighty-seven percent felt free to express what they think. Despite general acceptance of the logic of democratic rules, cynicism is widespread among voters. The practice of vote buying also remains. Consequently, it is uncertain under what socioeconomic circumstances the Beninese will maintain their strong support for democratic processes.

Interest groups
8

Approval of
democracy
9

Social self-organization and the creation of social capital are strong, although these organizations are often locally limited and, therefore, do not cross the main linguistic and ethnic barriers (more bonding than bridging social capital). Apart from the high number of military takeovers after independence, Benin has a history of peaceful resolution of conflicts and no political violence. This success can be attributed, among other reasons, to the Beninese's overarching trust in their society's capacity to find consensus as well as a balanced representation of the population in state institutions.

Social capital
6

II. Economic Transformation

6 | Level of Socioeconomic Development

Still one of the world's least developed countries (ranked 165th out of 187 with a value of 0.48 on the Human Development Index in 2013), Benin came closer to the level of "medium human development" as defined by the UNDP a few years ago, though it has now stagnated at the same level. The country exhibits social marginalization that is quantitatively and qualitatively extensive and structurally ingrained (inequality-adjusted HDI at 0.31). Almost all relevant indicators, such as income, gender and education, point to severe inequalities, although social indicators have improved over the last years. Primary school enrollment surged, promising a brighter future in this sector in the years to come. New data referring to 2012 reconfirms that up to three-quarters of the population live on an income of less than \$2 a day, which means that this share has remained constant for at least a decade. Access to basic health care is tremendously poor with six physicians per 100,000 people (about 50 times lower than the average European physician-to-patient ratio and 100 times lower than in Cuba). Moreover, development is not equally distributed regionally; urban and coastal areas benefit significantly more from development than rural areas. Rising inequalities have incited internal migration ("hyper-urbanization") and deepened dissatisfaction among underprivileged people and unemployed young university graduates. A considerable percentage of the population is engaged in a subsistence economy and practice informal trade activities (especially with Nigeria). Altogether, Benin lacks the socioeconomic prerequisites for comprehensive freedom of choice.

Question
Score

Socioeconomic
barriers
2

Economic indicators		2005	2010	2013	2014
GDP	\$ M	4358.0	6561.8	8307.2	8747.0
GDP growth	%	2.9	2.6	5.6	5.4
Inflation (CPI)	%	5.4	2.3	1.0	-1.1
Unemployment	%	1.3	1.0	1.0	-
Foreign direct investment	% of GDP	-0.2	0.8	3.9	-
Export growth	%	13.4	3.0	12.0	8.8
Import growth	%	2.4	0.8	27.5	7.3
Current account balance	\$ M	-226.1	-530.3	-	-
Public debt	% of GDP	40.6	30.2	29.8	34.0
External debt	\$ M	1551.7	1599.2	2366.6	-
Total debt service	\$ M	47.9	56.2	112.1	-
Cash surplus or deficit	% of GDP	-0.6	2.1	-	-
Tax revenue	% of GDP	15.2	16.5	-	-
Government consumption	% of GDP	12.0	11.9	11.2	11.5
Public expnd. on education	% of GDP	4.0	5.3	5.0	-
Public expnd. on health	% of GDP	2.4	2.6	2.5	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.0	-	1.0	1.1

Sources (as of October 2015): The World Bank, World Development Indicators 2015 | International Monetary Fund (IMF), World Economic Outlook, October 2015 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2015.

7 | Organization of the Market and Competition

The basic institutional framework for market competition has been increasingly strengthened over the last two decades. Benin ranks 99th out of 178 countries (“mostly unfree”) on the 2015 Index of Economic Freedom. The government generally does not formally intervene in the economic process. President Yayi, the former head of the West African Development Bank (BOAD), supports market-based competition. However, notwithstanding several efforts such as privatization in the banking, energy and telecommunication sectors, the general framework continues to be weak and the informal sector dominates the economy. Political interference in key sectors has increased in recent years. For example, the private companies of Mr.

Market-based
competition
4

Patrice Talon have lost markets in the cotton sector and a contract to manage the import-verification system at the Port of Cotonou. The government argues this was in the public's economic interest, but personal rivalry among the rich and the powerful cannot be excluded as an alternative explanation.

Benin benefited from Millennium Challenge Account (MCA) program financed by United States, the objective of which is to improve competitiveness of the national economy. Within the framework of this program, the Cotonou port authority was reinforced through the markets access project. The crucial question of land, an obstacle to many economic initiatives (in particular the creation of a company), was taken into account by the land access project.

However, the Americans decided that the funding of a second compact would be subject to the democratic organization of the upcoming elections.

Some regulations to prevent monopolistic structures and conduct exist, but these are only partially enforced. At least in principle, Benin is committed to implementing West African Economic and Monetary Union (WAEMU) community legislation on competition. The Ministry of Trade is in charge of supervision. No independent agency has been established. In some industries, such as banking and telecommunications, privatization and competition are a reality. However, in many sectors of the economy, competitive structures appear not to be the foremost priority of the government. It appears to be more concerned about the general operating ability and political relations. The crucial cotton and port industries are good examples of this prioritization. When major domestic businessmen engaging in these sectors felt at odds with the government for political reasons, the state intervened by taking back the market. Market-based competition can hardly develop under such conditions. Most citizens of Benin are not very affected by formal market structures or monopolies, however; they rely on subsistence farming or local agricultural markets. Fuel subsidies in Nigeria as well as world cotton prices do, however, affect their daily lives.

Anti-monopoly
policy

6

Foreign trade is largely liberalized according to West African Economic and Monetary Union (WAEMU) rules, and Benin has the lowest barriers to foreign direct investments among Francophone West African states. However, much of the trade with Nigeria is not reported and an accurate assessment of trade flows is thus difficult. Benin has several agreements with the European Union within the ACP-EU framework and the EU is the country's largest trading partner. Benin has also been a WTO member state since 1996. The newest available WTO trade policy review published in late 2010 commends Benin for its significant progress. However, it also criticizes that many rates of the WAEMU Common External Tariff exceed the WTO bound levels. (The tariff has four bands of zero, 5%, 10% and 20%. Benin's weighted average tariff rate was 15.6% in 2009, according to the Heritage Foundation. WAEMU has planned a fifth band of 35%, which the WTO has advised it not to

Liberalization of
foreign trade

7

introduce. Non-tariff barriers have additionally depressed trade freedom.) Regional trade is hampered by a lack of modern technical equipment and poor governance, in particular at the Port of Cotonou. A new import-verification scheme was not fully implemented in the period under review, but the IMF lauded the government's progress after years of major difficulties. The scheme is expected to significantly improve the situation.

The financial sector has developed considerably, is relatively differentiated, and is aligned, in principle, with international standards. The sector is characterized by short- and medium-term loans reflecting the predominance of trade and transit activities and the lack of an efficient loan recovery mechanism for long-term investment projects. Private banks dominate the financial sector. Microfinance institutions are also taking on a greater role in financing small- and medium-sized enterprises. In fact, microfinance has grown at such a fast pace with little regulation that some abuses have occurred, and international agencies are recommending improved regulation of the sector. Supervision of the ordinary banking sector is relatively efficient due to regional integration. Benin is not a party of the Basel III Accord. Data on the banking system is not up to date or simply unavailable.

Banking system

7

8 | Currency and Price Stability

As a member of the West African Economic and Monetary Union (WAEMU), Benin cannot pursue an independent policy on currency and foreign exchange rates. The currency is pegged to the euro (formerly pegged to the French franc), and the Central Bank of West African States (Banque Centrale des États de l'Afrique de l'Ouest, BCEAO) is fully independent but heavily influenced by the European Central Bank's anti-inflation policy. After the common currency CFA franc was devalued in 1994, inflation was relatively low all over the monetary union, particularly in Benin. After a surge in consumer price inflation to 6.5% in 2012 due to Nigeria's fuel subsidy reductions, it has been estimated that the average inflation dropped sharply to zero in 2013 and 2014. Low inflation is expected for the coming years. The U.S. dollar became more expensive due to the euro's recent weakness. However, the bulk of Benin's trade is with China, India and the Eurozone.

Anti-inflation /
forex policy

8

In close collaboration with the IMF and the World Bank, the government has worked hard to maintain a rigid policy with regard to public expenditure. Reducing the budget deficit has been one of the government's core missions, although the payroll of civil servants has repeatedly created problems (25% pay rise from 2011 to 2014). The dependence on tariffs (one-half of total receipts excluding donor money) did not lead to sharp drops in receipts following the global financial crisis. Although a culture of stability-oriented policy may have emerged among policymakers, there are no institutional safeguards in place except for the targets set by regional integration schemes and strict monitoring by international donors. The government's

Macrostability

7

performance was rewarded with several poverty reduction and growth facilities (PRGFs) and an Extended Credit Facility (ECF). The latest assessment letters make clear, however, that the IMF assesses Benin's performance as good, though not excellent. The IMF considers port management, tax administration, investment in infrastructure and improved conditions for private sector development to be crucial elements for sustainable growth and macrostability. The latest international sovereign credit ratings by S&P and Fitch see Benin at the B level, i.e. indicating a highly speculative environment. It should also be noted that Benin refused to cooperate with rating agencies in the period under review.

9 | Private Property

Property rights are adequately defined but cannot be considered satisfactorily safeguarded because of shortcomings in the rule of law, especially corruption and institutional pluralism. Particularly in rural areas, traditional law conflicts with modern property rights. Women, for instance, are traditionally excluded from land rights in most ethnic groups. Thus, the property rights of the poor are very vulnerable to traditional intervention. In contrast, the property rights of rich investors have benefited from the pro-market policies of President Yayi. Moreover, inequitable enforcement continues. The IMF and WTO urge reforms. The unequal access to land and the long absence of a comprehensive land reform continues to hinder agricultural production. However, a land tenure law was passed by the National Assembly in 2013.

Some sectors are already dominated by private companies, and President Yayi has re-launched and reinforced further privatization programs in the strategic industries of cotton, banking, electricity, water, the telecommunications sector and shipping. The current government has been struggling with the many problems created by the ill-conceived and politically manipulated privatization programs of the past (e.g., Sonacop). Trade unions are opposed to such programs due to fear of job losses. Privileged shareholders have feared losing government protection during the period under review. Thus, the government appears to be trying to balance interests by keeping more political control of the cotton and harbor sectors while enforcing liberalization of other sectors (e.g., banking, telecom, electricity). The supervision of private enterprises is lax and often politicized. The Talon Affair, in which President Yayi accused one of the country's most successful private businessmen of having masterminded a plot to poison him, highlights the politicization of state-private relations. The small market and even smaller number of individual domestic actors frequently conflates political, private business and personal interests to the detriment of a transparent market structure in which the private and public are distinct.

Property rights

6

Private enterprise

6

10 | Welfare Regime

General policies for providing social services are minimal, and health spending is insufficient for broad segments of the population. The government has made some progress, but Benin – as most African countries – will fail to achieve the Millennium Development Goals (MDGs). Individual goals will be met. However, the overall picture remains miserable, in particular with regard to the rising share of extreme poverty and undernourishment. While access to clean water is one of the rare goals that has already been achieved, improved sanitation reaches only 15% of the population, not to mention the substantial lack of public infrastructure and material support if a citizen falls ill due to the generally bad conditions. Only employees in the small formal sector can rely on pension funds. Social safety nets are more efficiently provided by NGOs and traditional clan and family structures, but their contribution to poverty reduction is not measurable.

Social safety nets
3

There are no specific institutions that address gross social differences. While religious and ethnic groups are not systematically discriminated against with regard to job opportunities, the opposition accuses the president of favoring his fellow northerners. Women have limited access to public office, most ordinary women lack access to educational institutions and many experience unequal treatment under traditional laws and customary behavior. While at the primary level enrollment rates are closer to equal (89.5%), this is much less the case with secondary (61.0%) and tertiary (27.0%) education. Overall, the Beninese education system is still poor, even though a slow improvement can be expected in the medium term due to surging school enrollment rates. Education gender parity has gone up by 20 percentage points over the last 15 years. However, many poor people, mainly internal migrants to urban areas, do not have equal opportunities and are forced to accept poor working conditions without chances for advancement. Even the formal minimum wage hardly surpasses €2 per day (40,000 CFA francs per month) and most people do not benefit from this due to their informal employment or dependence on subsistence agriculture. National and international NGOs have started to fight the increasing trafficking of children, mostly young girls. The government has made some progress by strengthening the Brigade de Protection des Mineurs, a child protection organization, in an attempt to protect children from violence and other forms of exploitation.

Equal opportunity
4

11 | Economic Performance

The economy has largely recovered from losses suffered from the global financial crisis. Real GDP growth rates increased to above 5%. The Economist Intelligence Unit (EIU) estimates, in accordance with the IMF, that these rates will remain relatively stable in the coming years. However, growth is highly dependent on external factors, such as price developments in the world market and in neighboring Nigeria. This is why the global financial crisis hit economically marginalized Benin indirectly but sharply. While inflation remained moderate in the medium term, and was recently softened by favorable oil prices, a general decline in world trade affected the country. Debt is no major concern. Although the IMF projects a moderate absolute rise in debt, the debt to GDP ratio is expected to remain stable below the 30% mark. However, the overall level of economic performance is still poor due to the low level of industrial production and export of goods produced in Benin, a high degree of social inequality and extreme vulnerability to external factors.

Output strength
6

12 | Sustainability

Ecologically sustainable growth receives only sporadic consideration and is pursued within a rudimentary framework, but the lack of any significant industrial sector or mineral resource extraction makes government intervention less urgent. However, Cotonou has one of the highest levels of air pollution among West African cities. Also, coastal erosion is a major problem. As in many African countries, population growth increases the use of wood as the main fuel, which in turn deepens the massive problems caused by deforestation and forest degradation. Yet under foreign pressure and assistance, forest preservation efforts in Benin have been successful. Still, environmental issues have no priority over economic and political interests. An eco-tax introduced in 2004 is inadequately applied. Benin ranks 150th out of 178 in the Economic Performance Index (EPI) with a particularly poor record in the agricultural sector.

Environmental
policy
4

Benin has a very poor record in terms of education, training and research institutions. As relevant indicators illustrate, basic institutions for education, training, research and development do not function properly, although significant progress with regard to primary and secondary education has been made in recent years. Gross enrollment surged to 123%, indicating that also overage pupils are enrolling. About 80% complete primary education according to World Bank projections. Benin also lowered the backlog in rural areas. However, gender inequalities persist, revealed by the low female to male ratios in enrollment rates in the secondary and tertiary sectors of education (61% and 27% respectively).

Education policy /
R&D
4

Formerly known as the “Latin Quarter of Africa,” the country’s academic reputation has suffered considerably due to worsening public university facilities. A few private institutes do not compensate for the general decline in quality. Some improvement can be observed, however, in the geographic spread of tertiary education facilities. The existing public universities in Abomey-Calavi and Parakou opened campuses in more provincial towns.

Transformation Management

I. Level of Difficulty

The structural constraints on governance are broad and far-reaching. The most significant constraints are extreme poverty, a deficient education system, a lack of administrative as well as transport infrastructure, a critical undersupply of energy, and a dependency on international economic developments (cotton market, shipping, Nigeria). Whereas the country's sea access is an advantage, the infrastructure at the Port of Cotonou is inadequate. Widespread corruption hampers development, the growing frequency of natural disasters such as heavy rainfalls strain the state's resources, and structural poverty in large non-coastal areas persists.

Structural
constraints

8

Traditions of civil society in Benin are fairly strong, at least by African standards. Even the Marxist regime of the past allowed for the operation of semi-independent trade unions and rural development associations, and a wide variety of civic and developmental associations have blossomed since the country came under democratic rule. Though still highly dependent on the public face of well-known leaders and politicians, associational activity in Benin has been undergoing formalization. Participation in public life is valued culturally and NGOs perform an important watchdog function vis-à-vis the government. For example, when the 2011 elections approached and substantial distrust concerning the computerized electoral roll (LEPI) heated the debates, a new network called FORS-LEPI, later FORS-ELECTIONS, organized to monitor the process, constructively discuss flaws and develop ideas for improvement. The FORS movement has developed into the Citizens' Alternative which seeks to prevent President Yayi from changing the constitution to allow himself a third term in office – just as the “Touche pas à ma constitution!” campaign did back in the 2000s under President Kérékou.

Civil society
traditions

3

Political violence along ethno-regionalist lines is virtually unknown in Benin. As in nearly all other African countries, however, the country's society is divided along ethnic, regional and religious lines that structure political and social processes. The strongest historical divide separates the northern part of the country (mainly the provinces of Atakora, Alibori, Borgou and Donga) from the two strongest kingdoms of the south, i.e. Dahomey (Zou and Atlantique provinces) and Porto-Novo (Ouémé province). While the two kingdoms were involved in slave trading and politically favored in colonial times, they were at odds with each other. As a result, post-colonial

Conflict intensity

2

Benin was politically divided into three parts representing internally heterogeneous communities. The conflicts between these fragmented groups have traditionally been managed in peaceful ways; political actors trying to capitalize on ethnic or religious sentiments use their personal proximity to the people for political gain but avoid incendiary language. In a poor country like Benin, social conflicts are ubiquitous, but they have rarely manifested in the political process. President Yayi is frequently accused of favoritism toward “his people” from the north. He sometimes fueled this debate by imprudent statements. In addition, the 2016 presidential campaign is emerging – to a certain extent – along a north-south divide. General Gbian and the Sun Alliance represent the north whereas any UN and RB candidate will be perceived as representing the south. However, there are no serious signs that the capacity to cooperate politically across ethno-regional lines was or will be disrupted.

II. Management Performance

14 | Steering Capability

With a Ph.D. in Economics from a French university, President Yayi clearly has a strong understanding of economic issues. Upon entering office, he articulated a clear agenda prioritizing economic reforms that focused on the cotton sector, the Port of Cotonou, the business environment and relationships with Nigeria. President Yayi has improved the government’s commitment to strategic reform goals but has also made several political mistakes. He has a centralized style of governance, hastily makes decisions and has alleged been involvement in serious scandals (e.g., CEN-SAD embezzlement, ICC Services Ponzi scheme, agricultural vehicles, dry port of Tori-Bossito), although he was able to blame responsibility on others – mainly cabinet ministers. Analysts question whether his government has the will or the capacity to effectively implement longer-term policies such as the PRSP III or Benin Alafia 2025 programs. On the one hand, the government, like any other political actor in the country, relies on good relations with rich businessmen. Yayi’s campaign and government was supported by entrepreneurs like Olofindji Rasaki Babatundé and Patrice Talon. Babatundé’s relationship with Yayi remained friendly whereas Talon publicly withdrew support from the president before being accused of attempted murder and self-exiling himself to France. In general, a phase of political reorientation of influential businessmen toward high potential candidates in the presidential race has started. This successively takes away leeway from the government in the short term. On the other hand, the state is highly dependent on foreign aid and investment. While ODA is designed to improve the government’s capacity to prioritize, private foreign actors may prefer preferential or even exclusive access to Benin’s markets.

Question
Score

Prioritization
5

The Yayi government has stated it will continue to work on implementing reforms in the civil service's pay structure and privatize key economic sectors. In the case of these reforms, the government continued to face strong resistance from all political parties (including the governing parties) and the trade unions. This has delayed the already protracted process. The reform of the cotton sector is of particular importance, given its direct effects on employment and economic growth. However, cotton sector reform has become one of the most politicized areas of reform since the largest domestic investor in the industry was alleged of plotting to poison the head of state. Privatization efforts in the mobile telecommunications and energy sectors have recently advanced. All in all, however, promises made by the government have largely exceeded implementation results, as governance is hampered by corruption and the government's own weak operational capacity. For example, transport infrastructure has been declared a top priority of the Yayi administration. Realizations do exist, such as the improvement of the Cotonou-Lomé highway, but the transit routes to the north of the country have significantly degraded during the same period. Today, most travelers accept a long detour (via Porto-Novo) to avoid the main road (via Abomey). Likewise, while Niger has already realized most of its part of the planned Cotonou-Niamey railway line, the building process in Benin was stalled in the period under review. Difficulties usually arise as soon as there is no direct presidential decision. President Yayi became increasingly involved in power struggles at the cost of driving his policies forward. Earlier reform programs started with similar government promises but ended with "modest" results as the IMF states in the PRSP I and II. The World Bank and other international partners share these concerns about the speed of policy implementation.

Implementation
5

The political leadership is clearly committed to introducing changes in response to past mistakes and failed policies of earlier governments. President Yayi was elected into office on a campaign that essentially promised further development. However, since many people expect individual material gain from politicians, the reality of actual (and sometimes painful) reforms, including subsidy cuts, leads to disappointment. Thus, learning from past errors is only the first step; developing innovative solutions is the second and breaking institutionalized routines is the third. The political leadership was able to advance the goals of the first step but attempts to advance beyond this stage have stalled and/or come upon massive resistance. This problem can be attributed to Yayi's impulsive style of government, already present for a number of years and possibly somewhat increased, in which he fails to seek broad-based support, even though inclusive and respectful consultations are a fundamental principle of Benin's political culture. Due to the approaching elections, the negative perception of the president's governance style among significant portions of policymakers has not decreased in the period under review. This is even though President Yayi avoided drastic language in public, such as he had used in a TV interview back in August 2012 (which had a devastating effect on his reputation).

Policy learning
6

15 | Resource Efficiency

The government uses only some of its available resources efficiently. The government's capacity to act is restricted by multilateral and bilateral donors' tight control over the use of economic aid. Expectations that President Yayi would improve efficiency in government have not been met. When President Yayi assumed office, he staffed key cabinet posts with technocrats. However, once faced with the prospect of his party losing its majority in the legislature, he reshuffled his cabinet to bring in appointees more palatable to the opposition. More recently, he used reshuffles against – perceived or real – rivals among his own members of government, including his closest collaborator Pascal Koupaki. This (at times frantic) behavior resulted in a waste of human resources as ongoing debates about personnel have marginalized action on policy issues. Many young academics are unemployed and seek to leave the country for more promising professional development. They often complain about unfair hierarchies and clientelistic promotions. At the same time, the education sector, including universities, and the public sector in general is understaffed with qualified workers.

Efficient use of assets

4

The office of the president has tried to coordinate conflicting objectives and interests, but has been only partially successful in doing so. Government actors generally prefer personal communication channels over the use of formal procedures. Coordination efforts on economic issues have been strengthened by donor organizations' support for the government's economic policy. Coordination of political affairs, however, is undermined by constant personnel changes in government and administration. Official statements from the presidency are usually behind dismissals for so-called underperformance. However, political and personal reasons are often the origin of many reshuffles. In any case, top-level changes, and the concentration of power in the executive, tend to obstruct coordination efforts at lower levels. As politicians increasingly focus on the upcoming elections, coordination capacities decrease at least temporarily.

Policy coordination

5

The diversion of funds from their intended purpose is a severe problem in Benin and deters foreign investment. State resources are distributed on the basis of patronage networks, and corruption is a fundamental characteristic of the political system. According to international assessments by the World Bank and the Economist Intelligence Unit, corruption is endemic, but not as rampant as perceived by the public. Still, attempts to stem the tide of dishonesty, such as the creation of special commissions and even the judicial prosecution of embezzlers, have so far failed to significantly improve the integrity of officeholders and public administrators. Corruption is often attributed to the low level of salaries in Benin and the lack of an appropriate results-oriented payroll system. Although the Yayi administration has identified the fight against corruption as a priority, the pursuit and prosecution of

Anti-corruption policy

4

those involved has been unsystematic and has lacked credibility, likely because they implicate those in power. For example, major scandals such as the Tori-Bossito dry port, the National Assembly and the CEN-SAD construction issues and the ICC Services fraud case have allegedly involved cabinet ministers. In the case of the National Assembly construction site, the contractors abandoned the building after less than half of the construction work had been completed. However, out of the budget of 18 billion CFA francs, they had already received 12 billion. Ministers have been questioned over the case, but nobody has been convicted as of early 2015. Civil society actors often uncover corruption more effectively than government. The National Anti-Corruption Authority (ANLC) was created in May 2013. However, the ANLC chief administrator publicly declared in November 2013 that a lack of resources paralyzes the agency. Since this time, the ANLC is trying to better organize itself through international support.

16 | Consensus-Building

There is a broad consensus among all relevant actors concerning the value of Benin's democratic institutions. Despite lively debates on how exactly a democratic government should act, all actors agree that peace and democracy are the country's pride. All actors acknowledge the progress Benin has made since 1990 and the necessity of further deepening democratic governance. The right to vote is broadly ingrained in society and no major political actor would be strategically well-advised to question this fundamental principle. However, in the implementation of democratic procedures, many political actors do not shy away from less than democratic means (vote buying, use of public means for particularistic ends, etc.) to increase their own benefit.

Not all major political actors agree upon the goal of building a liberal market economic system that is socially balanced. Motives vary, as part of the population's income is based on illegal smuggling activities, and many political actors hesitate to support privatization and a substantial reform of the civil service. Some entrepreneurs are not eager to create more competition as they enjoy the benefits of near monopolies or oligopolies. Some politicians adhere to the French-inspired idea that crucial industries should be in the hands of the state. At the same time, only the Communist Party of Benin (PCB) is calling for a return to a command economy. The PCB, which prefers to act as an informal organization, still has the capacity to mobilize protest, but is ideologically isolated when it comes to economic policies.

Consensus on goals

7

Defying all predictions, President Kérékou, originally the main veto player, abided by the constitution and left office in April 2006. Since then, democratic actors have successfully and permanently co-opted all veto actors. In the period under review, no openly anti-democratic actors have surfaced. The military, a highly influential veto player throughout the country's history, has apparently developed a more republican spirit and stays out of politics. However, individual generals have decided to run for the presidency, which has generated questions about the political role of military personnel. Additionally, increasing limitations on freedom of the press and the potential of spillover effects from Jihadist movements in neighboring countries underline the fragility of the democratic consensus.

Anti-democratic
actors

8

The political leadership is able to successfully manage the ethnic and religious heterogeneity of the country. In stark contrast to neighboring countries, national unity is not an empty phrase in Benin. Credit for this success, however, is not attributable to current government policy alone, but to the overall policy stance of all governments since 1990 and the country's political culture. The value of constitutional stability is appreciated by all major political actors and by society in general. The constitution has never been amended since a national consensus was reached at the National Conference in 1990. Moreover, the Catholic Church has always been a significant contributor in building political consensus in Benin. Since the National Conference, the Catholic Church (through the late Mgr. Isidore de Souza) has been seen as a neutral body that continues to play a credible role in maintaining a culture of unity.

Cleavage /
conflict
management

9

The political leadership takes into account the interests of civil society actors because of their significant power to mobilize. However, there are few institutional mechanisms for the systematic accommodation of civil society interests within the government's policy-making process. In fact, President Yayi and some of his government ministers have tried to discredit civil society members. Yayi frequently and harshly complained about unqualified criticism. His Minister of Justice called judges corrupt and has remained in permanent conflict with the magistrates' union. It is a widely shared view in Benin that civil society activists are appointed to cabinet as a means of co-opting them and quelling their criticism. Regardless of the motivating factors involved with their being appointed to cabinet, their presence suggests an acknowledgment in government of the need to give civil society actors careful consideration. This willingness has decreased in the period under review, with civil society critics of the president and the head of state himself both having contributed to a more polarized debate. Inclusion has been partially substituted by confrontation. When government critics who believed Yayi intended to stay in power beyond 2016 formed the AC and started to organize the Red Wednesday marches, government supporters immediately answered by organizing White Friday marches, instead of approaching the opposition for talks. In return, a so-called Platform of Democratic Forces emerged uniting members as diverse as the Communist Party of

Civil society
participation

4

Benin, liberal presidential candidate Abdoulaye Bio Tachné, the UN alliance and AC. A formerly senior FCBE member of parliament is the spokesperson of the platform.

Although systematic torture was employed under the first Kérékou regime, no relevant political actor in the country has expressed a need for large-scale reconciliation. Victims of torture are recognized, however, and they receive a small pension. The National Conference in February 1990 successfully brought an end to Benin's authoritarian period of history. Kérékou was forced to resign from his office and was granted amnesty for acts committed during his rule. There is no way the current leadership can be assessed with regard to this issue.

Reconciliation
n/a

17 | International Cooperation

Relations with international donors are good, but Yayi's government has failed to meet the international community's high expectations. Overall, the government has been willing to cooperate with external supporters and actors. Yet given its dependence on foreign assistance, Benin has limited choices in accepting or refusing international aid. China has become its most important trading partner and an alternative to traditional development partners. However, Western actors sometimes top the import statistics because of a single big deal. For example, the importation of a drilling platform from the United States catapulted the Americans to first place among Benin's import trade partners in 2013. The platform accounted for 85.6% of U.S. exports to Benin in that year (442.7 billion CFA francs) and shows that Benin is still highly interested in keeping good trade relations with the Western world. Cooperation with donors has focused on the economic sector and decentralization. Development partners have faith in Benin's attempts to advance the consolidation of democracy, even though France and other Western partners closely monitor Benin's vulnerable political system. The confidence of the IMF and the World Bank in governance effectiveness has lessened, but not to the extent of denying Benin a new credit facility, which the IMF granted in 2010 (based on PRPP III). Short-term political interference with long-term development strategies reduces the reliance and effectiveness of such programs. More recently, IMF reported a recovery in confidence that Benin will effectively reform crucial sectors.

Effective use of
support
7

Having honored its international commitments, the government is generally considered a credible and stable partner by foreign governments, international organizations and the NGO community. Benin cooperates willingly with United Nations bodies and the International Court of Justice (ICJ). It has accepted defeat before the ICJ in border demarcation cases. It continues to contribute a significant part of its military to United Nations peace missions. However, the country's reliability suffers from occasional opaque reasons for delay in policy implementation. Inconsistencies in regulation and law enforcement make Benin a difficult investment partner. However, economic south-south cooperation is less hampered by these kind

Credibility
8

of difficulties. In general, the approaching elections created uncertainty about future credibility. From a democratic perspective, electoral uncertainty should be welcome. However, due to the central role of the president in politics, elections in Benin are more strongly connected with general credibility issues of the state than in less personalized and more reliably institutionalized political systems.

Benin has been a strong supporter of the regional WAEMU convergence schemes and fulfills the required four primary criteria of the planned West African Economic Union. Due to its limited economic and political weight, Benin cannot become a driving force behind increased integration. It strongly supports both ECOWAS (Economic Community of West African States) and the African Union, but – as a small country – Benin is certainly much less influential than players like Nigeria or South Africa. The country has a good record in the peaceful resolution of border conflicts. The current government actively worked to improve Benin's relations with Nigeria, and the two countries developed a common strategy to fight piracy in the Gulf of Guinea. The naval base at Grand-Popo will be equipped for this purpose. Benin has agreed to send 600 troops to Mali in the framework of AFRISMA, the joint ECOWAS military mission to this war-torn regional neighbor. However, observers raise serious doubts about the government's capacity to handle the potential influx of Jihadists from Mali and Nigeria, bringing with them the danger of domestic radicalization, in particular in the more remote and less developed areas of the Muslim north. Recently, pre-electoral domestic issues have detracted some of the attention for regional cooperation. In the previous period under review, Benin's regional integration efforts had culminated in the African Union (AU) presidency. However, little appears to have remained from this experience.

Regional
cooperation

7

Strategic Outlook

Benin's recent political development is shaped by a paradox. On the one hand, President Yayi's increasingly authoritarian and exclusive style of decision-making has further strengthened the opposition's fear that he might want to extend his presidency beyond 2016. Such an extension would require a constitutional amendment removing the two-term limit. Notwithstanding these fears, he has repeatedly denied having the intention to do so and the Constitutional Court has repeatedly made clear that it would not accept such an amendment as constitutional (it considers the two-term limit one of the irremovable achievements protected by the consensus of the 1990 National Conference). Thus, no politician dares to openly defend the idea of lifting the two-term limit. Given massive preemptive public protest, Yayi's own pledge to step down and pressure from the highly reputed Constitutional Court, any attempt by the president to stay in power is becoming increasingly unlikely. Nevertheless, the currently frozen constitutional reform plan and Yayi's style of governing (lacking much in the way of consultation) continue to fuel heated debates and tend to increase the level of political polarization. On the other hand, considering that former core supporters already left the president's camp, it is increasingly likely that Yayi will not be more than one of several big actors in the next election. Even journalists that are most critical of the incumbent government estimate that the 2016 presidential race will be decided among politicians such as the Union Makes the Nation (UN) alliance's Eric Houndété, Renaissance of Benin (RB)'s Léhady Soglo, General Robert Gbian (supported by the Sun Alliance), Kérékou's former minister of finance Abdoulaye Bio Tanché and Yayi's former prime minister Pascal Koupaki. This said, the upcoming elections – both, parliamentary and presidential – are very likely to entirely reconfigure the country's political power relations.

There is a minor risk that this power-struggle will sharpen the country's north-south divide. This is because the most well-known competitors, the UN/RB versus the Sun Alliance, clearly represent southern or northern profiles. While Benin's party system has always been characterized by flexibility, campaign rhetoric might give a different impression. The UN alliance still represents the most consistent part of the opposition against the incumbent government (which has, for so long, been supported by Sun Alliance member parties). Fundamentally, the chances for a further consolidation of democracy largely depend on a transparent and well-organized electoral process and the commitment of any post-Yayi government to restore more inclusive politics. The current review of the voter rolls will be crucial for paving the road toward acceptable elections.

While the democracy outlook is not as distressing as some local actors paint it, the economic development of the country remains very deplorable. Even if macroeconomic numbers such as GDP growth continue to report a positive trend, poverty and inequality will remain massive challenges to society in at least the medium term. Economic growth is estimated by the IMF and others to exceed demographic growth in the coming years, but the absolute number of poor citizens continues to be on the rise. The country will not be able to extend comprehensive health services, better jobs, social security or adequate access to justice to the majority of its population.

Investment will continue to be seriously hampered by endemic corruption, market opacity and floating judicial standards. In order to bring the country significantly forward, the new government must fight corruption, improve taxation, incite investment, improve transport infrastructure and tackle the energy supply deficit – all without losing sight of the daily privation of the people. For the moment, a reversal of the democratic trajectory appears to be unlikely, due to the country's negative past experiences with dictatorship as well as an elite consensus and the country's fundamental democratic values. Likewise, the basic preference for a market economy is sufficiently rooted. However, Benin's extreme economic vulnerability could easily lead to economic stress and political protest that questions the present system. Also, the government needs to carefully monitor the security situation in the region and find solutions to potential intrusions into its territory that could jeopardize the country's fragile trajectory.