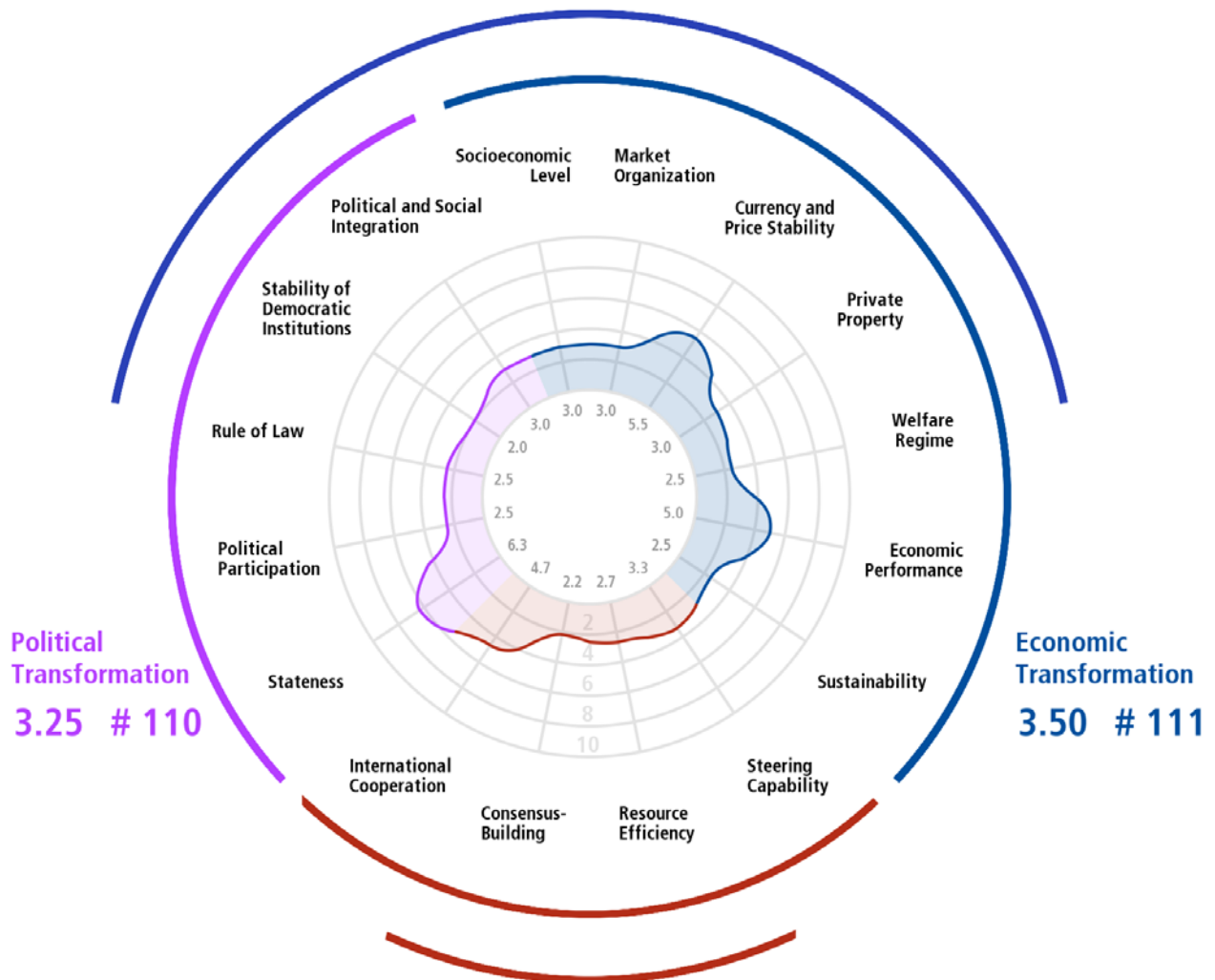


Congo, Rep.

Status Index

3.38 # 111

on 1-10 scale out of 129



Governance Index

3.00 # 114

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. 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	5.1	HDI	0.592	GDP p.c., PPP \$	5719
Pop. growth ¹	% p.a.	2.6	HDI rank of 188	135	Gini Index	48.9
Life expectancy	years	64.1	UN Education Index	0.547	Poverty ³	% 61.3
Urban population	%	65.8	Gender inequality ²	0.592	Aid per capita \$	17.8

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

In the review period, the transformation of the Republic of the Congo (Congo-Brazzaville) was marked by the continuous political supremacy of the regime of President Sassou Nguesso as well as slow diversification and lukewarm liberalization of the oil-dominated economy, while the economy and living standards of the Congolese people suffered seriously from a downturn of global demand and prices of the Congo's major foreign exchange earner, oil.

The autocratic regime corrupted the political transformation process by policies extending Sassou Nguesso's rule beyond the limitations prescribed by the 2002 constitution, which meant that the president would be forced to relinquish power in 2016. In reaction, the president and his Parti Congolais du Travail (PCT) pushed through a highly controversial referendum in October 2015, which formally legitimized a new constitution enforced in November 2015, which allowed Sassou Nguesso to run again for president in the forthcoming election. Protests in the major cities were brutally crushed by Sassou Nguesso's state security. Based on the new constitution, the president was able to "organize" a 60% victory in the corrupted March 2016 presidential election. Protests against the outcome led to several days of violence in the capital city, Brazzaville. Several opponents, including General Jean-Marie Michel Mokoko, who guaranteed the security of the 1991 National Conference that facilitated the transition to democracy in 1992, were incarcerated. The government also imprisoned several journalists and civil society activists, including Ghys Fortune Dombe Bemba and Paulin Makaya. Following a fire at a government building in April 2016, the government launched a military campaign in Pool region, which targeted ethnic Lari. Many observers accused the regime of genocide. The campaign lasted for months and was designed to deter future domestic opposition. To justify the brutal crackdown, the government blamed the April fire on a rebel group that disbanded at least a decade ago.

In sum, despite the utilization of the ballot box, the regime remained de facto authoritarian, based on repression, human rights violations and massive corruption. The political transformation process can be termed a mock democracy, propping up a largely personalized regime that relies

on the appropriation of oil revenue, clientelistic networks, bribing of moderate opponents and systematic harassment of more radical adversaries. Political transformation witnessed a setback in the review period instead of progress toward democracy.

At the economic level, oil continued to dominate exports, public finance and the GDP. While economic development was fostered by favorable oil prices and high global demand of oil products until mid-2014, demand and prices for oil witnessed a tremendous depression in the following months and years, which translated into a serious slump of foreign exchange earnings and state revenue, accompanied by a remarkable downturn of GDP growth (to 2.3% and 1.7% in 2015 and 2016, respectively). Now the country saw the drawbacks of oil dependency, low economic diversification, and the continuous neglect of the non-oil economy, including agriculture. The economic decline also revealed severe conflict-prone social and regional disparities in the country, which tended to fuel political instability.

In order to foster its international creditworthiness, the regime, along with other oil-export-dependent CEMAC countries, approached the IMF for support. Previously, the Congo had applied economic policies in line with IMF conditionality from 2004 up to 2011, but then deviated from IMF prescriptions as it felt strong enough to do so, given the favorable price, demand and income provided by the oil economy at that time. From 2011, the regime moved to economic policies that meant, *inter alia*, less austerity, while the implementation of market economy policies remained slow. Public debt and external debt followed an upward trend, jeopardizing the economic improvements that the Congo had achieved in 2010, when it benefited from substantial debt relief granted by international creditors with the cooperation of the IMF.

Given the defiant approach of the Sassou Nguesso regime toward political and economic transformation, a change of course (toward transformation) could most probably be stimulated by external pressure from the IMF, the World Bank and other major donors, rather than by domestic forces, which grew stronger in the review period, but were deterred by massive repression.

History and Characteristics of Transformation

The political and economic transformation of the Republic of the Congo began in the early 1990s. Domestic and external pressures then combined to force the self-proclaimed Marxist-Leninist government of Denis Sassou Nguesso, in power since 1979, to take steps in the direction of major political and economic change. His regime officially renounced Marxist-Leninist ideology and introduced a multiparty system in 1991, abolishing the one-party rule of the Parti Congolais du Travail (PCT). So far, the Sassou Nguesso government had brought a modicum of stability to the country, a former French colony, which faced two decades of political instability after independence in 1960, including military coups and political murders. Ethnic rivalries, social and regional disparities, and mounting power struggles over the control of oil, the main export product, were all responsible for the trouble.

Under these circumstances, transformation became an extremely conflict-ridden affair, inciting power struggles, political violence and civil war, which caused considerable destruction of infrastructure, serious disruption of the economy and hardships for many people.

In the 1992 to 1993 elections, Sassou Nguesso and the PCT lost power to a coalition led by Pascal Lissouba and his Union Panafricaine pour la Démocratie Sociale (UPADS). After a brief bloody civil war, Sassou Nguesso returned to power in 1997, owing to support from Angola and France. Thereafter, ethno-regional militias waged war against his authoritarian regime, with the Pool region in the vicinity of Brazzaville becoming the most prominent theater of violence. In the end, the militias were no match for the regime's military might, and Sassou Nguesso was able to impose peace regulations on them. Based on a new multiparty constitution, the president and his PCT-led coalition "organized" their victory in the 2002 elections. In 2003 and 2007, the regime was able to impose peace agreements on the Pool militia, which was headed by a Pentecostal military commander, known as "Pasteur Ntoumi."

Acting within a corruption-prone political system, Sassou Nguesso has been able to gain victories in each election since 2007. With its carrot-and-stick approach, in which both oil revenues as well as the threat of military force are employed, the regime has successfully integrated "moderate" opposition politicians and erstwhile enemies, including Ntoumi, into its system. From 2007, Sassou Nguesso has been able to coopt several erstwhile opponents, including the Mouvement Congolais pour la Démocratie et le Développement Intégrale (MCDDI), which is based primarily in Brazzaville and the Pool region. The death of several prominent opposition leaders, including, MCDDI leader Bernard Kolélas in 2009, tended to strengthen the regime.

When the president's second term, and constitutionally his last, approached its end, the sociopolitical basis of the regime started to erode, with, most prominently, the MCDDI leaving the presidential coalition in 2015. At end 2013, the president had faced a serious violent challenge by a dissident-turned former close ally, Lt. Colonel Marcel Ntsourou, whose troops were defeated in a brief bloody gun battle in Brazzaville. The officer, a key figure in Sassou Nguesso's return to power in 1997, was held responsible, inter alia, for a March 2012 arms depot explosion (almost 300 casualties).

Finally, the president forced through his intention to stay in power through drastic measures, altering the constitution to allow his reelection by a controversial October 2015 referendum, overshadowed by protests and massive state repression. Thereafter, Sassou Nguesso prevailed in the March 2016 presidential poll with 60% of the vote. The political opposition coalesced into two umbrella groups: the Front Républicain pour le Respect de l'Ordre Constitutionnel et l'Alternance Démocratique (FROCAD) and the Initiative pour la Démocratie au Congo (IDC), which soon merged, and chose – surprisingly – to field five different candidates in the 2016 election. Faced with brutal violence by Sassou Nguesso's security services, the mass protests that accompanied the 2015 referendum and the 2016 election were unable to fundamentally threaten the government's hold on power. In April 2016, just before Sassou Nguesso's inauguration, frustrated citizens set a government building on fire. In response, the government launched a military campaign in the Pool region, which targeted ethnic Lari and was designed to deter future political opposition. The government justified its military campaign by blaming the April fire on "Pasteur

Ntoumi,” who disbanded his militia a decade ago. The government issued a state of emergency, cut internet and SMS text messaging and launched airstrikes. Since the government refused NGOs access to Pool, it remains unclear how many people were killed. Realistically, the death toll surely numbers in the thousands, with perhaps 100,000 citizens displaced. Opposition politicians, like General Jean-Marie Michel Mokoko, who provided security for the 1991 National Conference and hence is a national icon, were jailed, while oppositional protests in the main cities were crushed. Some opposition politicians, like MCDDI-leader Parfait Kolélas (son of late Bernard Kolélas), opted to leave the IDC-FROCAD in November 2016, having been newly co-opted by the regime and subject to repeated threats of violence. The remaining IDC-FROCAD decided to form a broader coalition, including political allies of (still jailed) Mokoko, at end 2016.

With the political system still in the grip of the Sassou Nguesso regime, the transformation of the country’s economy, dominated by oil exports, from a highly state-interventionist (“socialist”) system to a more market-oriented system have been thwarted by the leverage of strong vested interests of the state elite, but also by the conflicts delineated above. Feeling the need to look for economic stabilization after the defeat of the Pool militia (2003), the government reluctantly subordinated its policies to IMF conditionality by two mid-term loan arrangements in 2004 and 2008. Massive debt relief, mediated by the IMF and the World Bank in 2010, provided some financial reprieve for the country. However, transformation toward a socially and ecologically balanced market economy has been sluggish, while poverty and unemployment have challenged the political and economic stability of the country.

When the 2008 loan agreement with the IMF expired in 2011, the government decided to continue without formal follow-up IMF backing, as the country benefited from high oil revenue in the 2010 to 2014 period, complemented by generous loans from China. From mid-2014, however, the economy came under severe stress, as global oil demand and prices suffered a downturn, meaning a heavy slump of export and state revenue. While the need for economic and export diversification became more evident than ever, the means to pursue policies in that direction declined sizably. As a member of the Communauté Economique et Monétaire de l’Afrique Centrale (CEMAC), the Republic of the Congo, along with other oil exporting CEMAC countries, approached the IMF for support. However, until end 2016, the Brazzaville government has been unable to obtain a new formal loan arrangement.

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

Transformation Status

I. Political Transformation

1 | Stateness

The government's monopoly on the use of force, as regulated by both the 2002 and 2015 constitutions, is intact in principle in most regions of the Republic of the Congo. However, the overall situation worsened in the period under review.

The government's monopoly on the use of force tended to be challenged in three areas at least: the Pool region in the vicinity of Brazzaville; the border zone adjacent to the conflict-ridden Central African Republic (CAR); and the two major cities of the country, Brazzaville and Pointe-Noire.

Sassou Nguesso claimed victory in the March 2016 elections despite credible accusations of widespread fraud. Two weeks after the election, a group of young people attempted to trigger a popular revolution by setting a government building on fire in Brazzaville. To justify a violent crackdown on regime opponents – and to signal to other disgruntled citizens that the regime would use force to retain power – the government launched a major military campaign against Frédéric Bitsangou, alias “Pasteur Ntoumi,” the former leader of the Ninja militia, which has been disbanded since at least 2006. To be clear, the government justified its violent crackdown on the political opposition by blaming the fire on a rebel group that has not existed for over a decade. As it did, the government decreed a state of emergency to quell protest. The state security forces even launched airstrikes, which caused hundreds of civilian and military casualties and as many as 100,000 displaced persons in the Pool region in the course of the year. At end 2016, international observers tended to conclude that the potential for trouble in the Pool region was far from over.

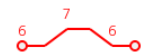
The Ninjas waged war in the same region in the 1998 to 2003 period, but were forced by a carrot-and-stick approach of the Sassou Nguesso regime to consent to peace agreements in 2003 and 2007 that came close to their defeat. Subsequently, the violence-ridden landscapes had been reintegrated into the Congolese state. However, the relationship between the local people and the national capital remained uneasy to

Question
Score

Monopoly on the
use of force

6

'06 '18 10



1

the extent that the disputed 2016 election had a strong potential for renewed conflict and violence.

The border zone at the CAR frontier became a zone of insecurity as a spillover effect of violence in the neighboring country since 2013. Over time, civilian refugees as well as militia and armed gangs crossed the border from the CAR, while armed people mixed with civilians, often hiding among them. Thus, military and criminal cross-border activities contributed to a regional climate of insecurity in the extreme northeast of the Republic of the Congo. Congolese military and police strived to restore the government's monopoly on the use of force there, but the situation remained volatile.

The government's monopoly on the use of force is also challenged by current high levels of violent crime in the two major cities Brazzaville and Pointe-Noire. Some districts of these cities became very insecure in recent years, largely as a result of state-sanctioned armed gangs, who threaten the local population.

To make matters worse, there are widespread reports of serious human rights abuses, which one local NGO describes as "government policy."

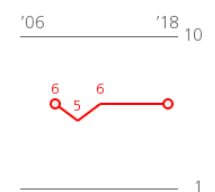
Legally, all people born in the Republic of the Congo are citizens of the country. While citizenship itself is not disputed, major discrimination patterns between the country's ethnic groups are common. According to the constitution, Congolese citizens are allowed to change their nationality or to adopt the citizenship of another country without losing their Congolese citizenship. Indigenous people, so-called Pygmies (or Baka), suffer systematic discrimination that amounts to a withholding of citizenship rights. However, in recent years the government has undertaken steps to improve the situation of this group – especially its children – in reaction to international (U.N.) pressure. While minority rights were legally codified in 2011, minorities continue to suffer under unsatisfactory living conditions and are often forcefully denied access to markets as both buyers and sellers.

In the course of time, the Sassou Nguesso regime has come to be more dominated by Cuvette regionals – Cuvette is Sassou Nguesso's home region – than ever before. This trend is especially pronounced at the top levels of the military and more sensitive ministerial and parastatal positions. Southerners generally have access only to the least important ministerial portfolios. As the Sassou Nguesso government has increased violent repression, it has lost claims to legitimacy from broad swathes of the population, and its survival now depends almost entirely on violence. All this, however, represents a problem in executing the rule of law rather than citizenship.

Up to 90% of the population are Christian, about 2% (mostly in Brazzaville and Pointe-Noire) Muslims and the remainder (mostly in rural areas) adherents of traditional African religions. Christians are subdivided into Catholics, Protestants, Evangelicals and Pentecostals, with the relative share of Catholics decreasing in favor

State identity

6



No interference of religious dogmas

9

of the other denominations. There is evidence that, owing to immigration and rural-urban migration, the share of Muslims is growing.

While the country is highly Christianized, the state is constitutionally secular, with the separation of religion and state as well as the prohibition of using religion for political aims being legally stipulated. Although most political elites are Catholic, the Church’s leadership, which hails mostly from southern regions, lacks political leverage to force the regime to alter political decisions. Clerical opposition to the regime has been voiced in the case of the disputed 2015 referendum and the obviously fraudulent 2016 election, for instance. However, this had no effect on government policies.

Administrative and public security systems are provided by the state almost nationwide, as the Sassou Nguesso regime strives to strengthen its presence in regional hinterlands. However, the performance of state administration is impaired by corruption, low professional skills, ethnic rivalries, heterogeneous state structures and security challenges mentioned above. The government has displayed little interest in effective decentralization, state authority remains a highly centralized affair, the better for Sassou Nguesso’s government to control the flow of state revenue.

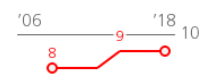
The economic and social infrastructure the state provides is highly lopsided. Most of the public resources are directed to the main urban centers of Brazzaville and Pointe-Noire, the transport and communication axis interconnecting the two cities as well as the area closer to the home of the Sassou Nguesso family clan in the north.

The state has shown significant neglect for other mostly rural areas and the lower sections of Congolese society. For instance, 24% of the population (60% in rural areas) lacks access to improved drinking water sources, while only 15% (6% in rural areas) have access to improved sanitation facilities.

2 | Political Participation

The 2015 constitution, as the previous one, calls for free and fair elections with universal suffrage. However, polls organized within these legal frameworks have been consistently subject to massive fraud, without which the incumbent government would have virtually no chance of victory. As a result, elections are now accompanied by widespread protests, despite the inherent risks to protesters. This could be witnessed in fierce protests in Brazzaville and Pointe-Noire around the controversial 2015 constitutional referendum and the disputed 2016 presidential election, which also prompted a violent government crackdown in the Pool region from April 2016.

Due to the regime’s willingness to employ blatant electoral fraud and brutal repression, there was no election or referendum from 2002 that had the potential to



Basic administration



Free and fair elections



really challenge the supremacy of the PCT and the president. Usually, the PCT, closely allied satellite parties and PCT-prone “independents” garner up to 95% of mandates in any election. The PCT also prevailed in presidential elections, including the March 2016 poll, which has been organized by the Commission nationale électorale indépendante (CNEI), newly created on the basis of January 2016 electoral reform. Yet the “independence” of the electoral commission turned out to be fake, as the regime lacked a real interest in promoting a virtually competitive multiparty system. In 2016, again, the regime “arranged” a clear, but obviously fraudulent victory of President Sassou Nguesso. In the Congo’s corrupt electoral system, opposition parties and candidates wield very limited power. The government now prohibits them from private fundraising, restricting them to public funding from the state, which is minimal and frequently unpaid. As well, they receive little media coverage from the local press, which is either owned by the regime or subject to self-censorship.

Reasonable doubt bears upon official data on voter turnout. Figures of more than 66% in the 2002 and 2016 presidential elections and the 2015 constitutional referendum are questioned by the opposition, country status overviews (CSO) and international diplomats, who mostly see reason to claim outstandingly high levels of voter abstention. According to their perception, voter participation rates regularly swing between 10% to 15%.

International monitors – save those from African countries very friendly to the regime – are virtually never permitted.

President Sassou Nguesso has been longtime head of state of the Republic of the Congo from 1979, with the exception of the 1992 to 1997 Lissouba years, which were brought to a violent end by civil war. The head of state never rose to power by the ballot box, but he successfully retained power by ostensibly corrupt electoral processes.

The regime has never been legitimized democratically by transparent and credible elections. However, by means of cooptation, corruption, manipulation and repression, which are optionally applied, the consecutive governments led by Sassou Nguesso proved able to rule the country quite effectively, with the exception of violence-prone areas, like the Pool region and the zone bordering the CAR, in the review period.

Since the military’s leadership is dominated by Sassou Nguesso’s family or longtime allies and its mid-level officer corps is dominated by Cuvette regionals, it is highly unlikely that the military would act as a veto power. For instance, the clash of the regime with dissident military officer Marcel Ntsourou in 2013 remained an isolated affair, as Ntsourou lacked support from within the military.

Other groups such as landowners or business elites do not form any threat of veto power either. However, there is a considerable French influence.

Effective power to govern

2

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The freedom of association of political and civil society organizations has been codified in both the 2015 and 2002 constitutions. However, the political system is shaped in favor of those organizations close to the regime. Organizations representing opposing interests are allowed to exist provided they do not challenge Sassou Nguesso's authority.

Labor legislation provides for basic trade union rights, excluding some groups such as state employees. However, there is a huge gap between theory and practice regarding the implementation of trade union rights, including the bargaining for wage increases or better working conditions. Intimidation and arrests of workers by the police occur regularly in labor disputes. Sometimes, the government influences union leaders to persuade workers to refrain from protesting.

Reactions by state authorities tend to be especially harsh when people assemble to articulate political protest directly against the Sassou Nguesso regime. For instance, in October 2015 state security forces killed several people, who demonstrated or were innocent bystanders of demonstrations in Brazzaville, Pointe-Noire and other places against the controversial constitutional referendum, which laid the legal foundation for Sassou Nguesso's reelection in March 2016. The regime has proven increasingly willing to jail opposition candidates, civil society activists and journalists. Indeed, Sassou Nguesso's two primary opponents in the 2016 elections, General Jean-Marie Michel Mokoko and André Okombi Salissa, are currently in prison, charged with "threatening state security."

The freedom of expression has been guaranteed by both the 2015 and 2002 constitutions for citizens, political and civil society organizations as well as the mass media, including online media. The Conseil supérieur de la liberté de communication (CSLC) is tasked with safeguarding this right, with exceptions. By law, some expressions of opinion, like inciting ethnic hatred, violence and civil war or promoting racism and xenophobia are criminalized and liable to punishment.

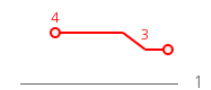
De facto, freedom of expression is restricted, too, when it comes to criticism of the regime and its political priorities. While state authorities allow moderate criticism as an outlet to ease political tension, they tend to allege offenses against state security in cases where criticism of the regime is too outspoken from their point of view. In the review period, increased media restrictions, journalist intimidation and self-censorship have been prompted by growing political tension around the controversial 2015 constitutional referendum and the disputed 2016 presidential election. Thus, the Republic of the Congo fell to rank 115 (2014: 82) out of 180 countries in the Reporters Without Borders' World Press Freedom Ranking in 2016, oscillating only a tiny margin above the "not free" level in the Freedom House's Press Freedom score.

The harsh attitude of the state authorities in case of media criticism led, inter alia, to the suspension of newspapers, including *La Voix du Peuple* (June 2015, for "false

Association /
assembly rights

3

'06 _____ '18 10



Freedom of
expression

3

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news”), Talassa (January 2017) as well La Griffé, Le Nouveau Regard or La Vérité, which had been banned in previous review periods.

Roughly a dozen print media are published, mostly in Brazzaville and Pointe-Noire, many of them irregularly because of financial and/or technical problems. The dominant newspaper is *Dépêches de Brazzaville*, the only daily, which is owned by the Sassou Nguesso family and serves as the regime’s chief propaganda outlet. Most print media lack critical distance from the regime and is funded by regime loyalists. Moreover, the government has not loosened its grip on the broadcast sector and continues to run the Radiodiffusion-Télévision Congolaise (RTC); members of Sassou Nguesso’s entourage operate the country’s other major TV stations. The political profile of private radio remains generally low, while the dominant stations are owned by political elites. Political parties are not permitted to run their own radio or television programs. Internet sites that are radically critical of the regime can only operate outside the country. Individuals and groups can express anti-regime sentiments via the Internet inside the country. However, the regime tends to disrupt telecom services at times when political tension is mounting, as was the case around the 2015 constitutional referendum. Moreover, the authorities have enhanced their electronic surveillance capacities ostensibly with Chinese support.

3 | Rule of Law

Checks and balances in the Republic of the Congo are governed by the constitutions and ensuing legislations. The 2002 constitution has been substituted by a new constitution, which has been officially promulgated on November 6, 2015. Tailored to allow President Sassou Nguesso to maintain political supremacy in the country, the 2015 constitution abrogated the upper age limit for presidential candidates, modified the maximum presidential tenure of office from two terms of seven years to three terms of five years and created the hitherto not codified position of prime minister. Moreover, the new constitution allows for immunities to former presidents, which primarily concerns Sassou Nguesso.

In principle, both the 2002 and 2015 constitutions provide for the separation of powers, including an independent judicial system and an effective “fourth power,” the media. In practice, however, there are no adequate checks and balances for these powers, since President Sassou Nguesso and his political allies dominate all sectors of the political, judicial and media systems, including the government, both chambers of the national parliament, the Constitutional Court, other high-level courts and the bulk of the media. The constitutions do not define any legal option to remove the president from office. Control mechanisms exercised by the legislative powers, the courts or the media are almost nonexistent (or exist only on paper). Political decision-making remains in the hands of the president and his closest advisers and allies in the PCT and associated political parties.

Separation of powers

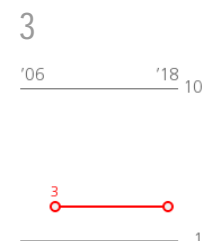
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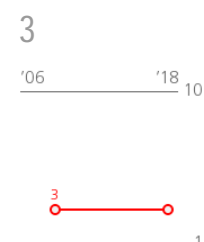
Both the current and the previous constitutions codify an independent judiciary. The reality is different, as legislation and the judiciary are mostly politically compliant to the Sassou Nguesso regime, despite some rudimentary decentralization of trial procedures. Indeed, the judiciary continues to be overburdened, underfinanced and subject both to political influence and corruption. Politically motivated judgments designated to please the president are handed down against regime opponents, as in the case of former presidential candidates Jean-Marie Michel Mokoko (June 2016) and André Okombi Salissa (January 2017) or Unis pour le Congo (UPC) party leader Paulin Makaya (July 2016). Moreover, in an environment of ongoing political conflict and renewed violence, the technical capacities of the judiciary are still weak. There is a serious lack of trained staff able to work effectively when it comes to administering the rule of law. As a consequence of the weaknesses of the “modern” system, traditional courts retain broad jurisdiction, particularly in rural areas.

Independent judiciary



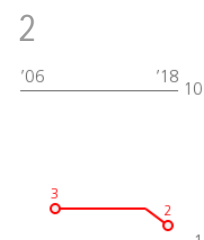
De jure, office abuse, abuse of power, corrupt practices and high treason are criminal offenses liable to punishment. In practice, however, evidence of such prosecution is extremely limited. With the exception of some scapegoat cases, mostly targeting lower-level state or public enterprise employees, the regime consistently refrains from implementing legal regulations effectively, especially in those cases, in which the personal entourage of President Sassou Nguesso (members of his family clan, close political allies etc.) is concerned. The overall impression prevails that officials who are close to the regime may engage in corrupt practices like misappropriation of state funds with impunity. Indeed, there are credible reports of massive money laundering by Sassou Nguesso and his senior associates; these are simply ignored. Outspoken critics of corruption are more likely to be punished – accused of challenging state security for instance – than corrupt officials. Local and international organizations allege that officials routinely enrich themselves at the expense of the public treasury by diverting revenues into private overseas accounts, with only the remaining revenue officially declared.

Prosecution of office abuse



Civil liberties and human rights are codified in the 2002 and 2015 constitutions. While fundamental rights, including those to life and physical integrity, are guaranteed by law, they are not well respected when people speak out, protest or even start to fight against the semi-autocratic Sassou Nguesso regime.

Civil rights



While the death penalty has been abolished as a judicial instrument in the 2015 constitution, state security forces often do not hesitate to risk extra-legal killings in order to crush protests or to fight rebels like those in the Pool region. Such killings reached alarming levels in 2015 and 2016, as seen in state repression of protests against the constitutional referendum in October 2015 and in post-election violence in the Pool region from April 2016. Sometimes protesters simply “disappear” without a trace after being confronted by the state security. The most prominent incident has been the case of 353 returned refugees, known as the “Disparus du Beach,” who “vanished” in 1999. Other serious human rights violations include prolonged

politically motivated arrests, physical abuse, torture, and – very important – impunity of state security perpetrators. In February 2017, Colonel Marcel Ntsourou died in police custody under very suspicious circumstances; the regime reportedly pressured his family to decline an autopsy. The government’s “investigation” into Ntsourou’s death targeted his cousin, a clear case of scapegoating.

Women, children, ethnic minorities (including some 300,000 non-Bantu Pygmies) and other highly vulnerable groups of the Congolese society do not receive adequate real protection regarding civil liberties and human rights despite specific legislation safeguarding them. For instance, women and children suffer from discrimination and violence, including sexual harassment, rape, forced labor, forced prostitution and human trafficking. Moreover, women are consistently denied rights equal to men regarding, inter alia, remuneration, leadership or appointment to political positions.

In most regions of the country, local ethnic majority populations discriminate against local ethnic minority groups. West and Central African immigrants often suffer discrimination and violence. Since the state does not protect the people, some of them resort to vigilante justice, which sometimes leads to the killing of (suspected) perpetrators or criminals.

While the general human rights record improved after 2002, it tended to deteriorate again in the review period, although the government does not stop reiterating its would-be commitment to foster human rights and civil liberties by the Ministry of Justice and Human Rights and the National Human Rights Commission (NHRC). Largely regime-compliant associations like the Fédération congolaise des droits de l’Homme (Fecodho) and the Coordination des réseaux et associations de la société civile pour la gouvernance démocratique et électorale (Coraged) also address human rights issues. The Observatoire Congolais des Droits de l’Homme (OCDH) indeed is the only independent human rights promoter; from time to time it is harassed by the regime, which deems it opposition-prone. The OCDH (which works in the framework of the Fédération Internationale des Ligues des Droits de l’Homme, FIDH) repeatedly complained about serious human rights violations in the country.

4 | Stability of Democratic Institutions

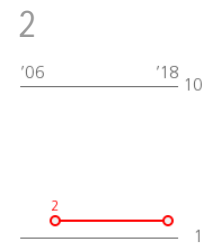
Despite its essentially undemocratic character, the institutions of the executive and legislative branches, the government and parliament have been relatively stable, buoyed largely by the influx of state revenue. As global oil prices have remained low, however, the government is confronting a serious financial crisis and has dramatically increased violent repression to secure itself during the 2015 referendum and the 2016 election. Public administration and the judiciary suffer from pervasive corruption, a lack of professionalism and poor performance. State institutions are widely regarded as illegitimate, though the Congolese population has little recourse.

Performance of democratic institutions



Given the de facto lack of democratic choice in elections, the Brazzaville regime can be classified as an authoritarian government, very thinly disguised in a democratic façade. The 2015 constitutional referendum and the 2016 presidential election were organized to enable Sassou Nguesso to retain power, despite the term limits set by the 2002 constitution. The new constitution also gave Sassou Nguesso lifetime immunity from domestic prosecution, and made it treasonous for subsequent governments to extradite citizens to the International Criminal Court. Owing to intimidation in the unfavorable political climate of the country, citizens cannot challenge the government.

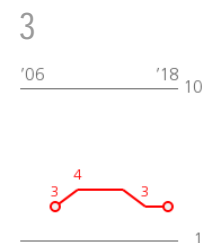
Commitment to democratic institutions



5 | Political and Social Integration

A fragile multiparty system, fragmented along ethnic, communal and regional lines, emerged from the transformation process of the early 1990s. In the 2000s, the former single-state party, the PCT, has been able to restore its political supremacy in the country by co-opting many small parties and corruptible “independents,” as well as repressing the remaining opposition. From 2007, the PCT-dominated Rassemblement de la Majorité Présidentielle (RMP) has been joined by erstwhile opposition parties like the Mouvement Congolais pour la Démocratie et le Développement Intégral (MCDDI) of the Kolélas clan and the Rassemblement de la Démocratie et le Progrès Social (RDPS) of the Thystère-Tchicaya family, attracted by oil-wealth allocations offered by the regime. Subsequently, the PCT has been able to consolidate its supremacy in both chambers of parliament and mostly at the communal level.

Party system



By contrast, the Union Panafricaine pour la Démocratie Sociale (UPADS), founded by former President Pascal Lissouba, entrenched in the so-called Nibolek region, long remained the only major opposition party with parliamentary representation that refrained from joining forces with the PCT. Other parties with an oppositional approach but without representation in the parliament chambers included the Alliance pour la République et la Démocratie (ARD), the Parti Social-Démocrate du Congo (PSDC), the Unis Pour le Congo (UPC) party and the Union Patriotique pour le Renouveau National (UPRN).

The PCT hegemony has been challenged by an upsurge of opposition activities that have been motivated by protests against the October 2015 constitutional referendum enabling Sassou Nguesso to run again for president in the March 2016 election. The UPADS joined forces with several other opposition parties by forming the Front Républicain pour le Respect de l'Ordre Constitutionnel et l'Alternance Démocratique (FROCAD) in January 2015. Moreover, the MCDDI of Parfait Kolélas and other parties left the RMP and influenced allied parties to create the Initiative pour la Démocratie au Congo (IDC) in August 2015. The MCDDI, which was founded by Parfait's late father Bernard Kolélas, has a strong constituency within the Baongo (especially Lari) ethnic group in the Pool region and in Brazzaville. Other parties

having left the RMP are the Convention d'Action pour la Démocratie et le Développement (CADD), the Mouvement pour la Solidarité et le Développement (MSD) and the Mouvement pour l'Unité, la Solidarité et le Travail (MUST).

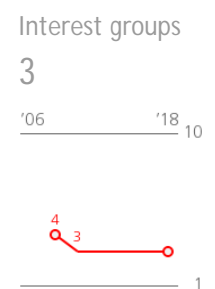
In order to challenge the regime more effectively, the FROCAD and the IDC decided to band together in the IDC-FROCAD alliance, and support five different candidates in the 2016 elections. While Sassou Nguesso was declared the winner of the election with 60% of the vote, Parfait Kolélas came in second on the Congolese Movement for Democracy and Integral Development (MCDDI) ticket with 15%, Pascal Tsaty Mabiala, Secretary-General of UPADS, fourth with almost 5% and André Okombi Salissa as IDC candidate fifth with just above 4%. Number six was IDC-FROCAD female politician Claudine Munari (MUST), with only 1.5%. The third position was occupied by Jean-Marie Michel Mokoko, a former military general who secured the 1991 National Conference, with about 14%. While Mokoko was perceived by the regime as a dangerous “traitor” and subsequently jailed in June 2016 for menacing the “security of the state,” his followers subsequently organized as Composante Jean-Marie Michel Mokoko (CJ3M).

As state repression increased, former presidential candidates Parfait Kolélas (MCDDI) and Pascal Tsaty Mabiala (UPADS) decided to dissociate themselves from IDC-FROCAD in the course of 2016.

Opposition alliances and parties are burdened with internal problems, caused in large part by state repression. Political parties and alliances are largely based on regional frameworks, although there are few real policy differences between them. They are undermined by the divide-and-rule tactics of the PCT regime.

The regime's stranglehold on power seriously impairs the ability of CSOs to mediate between social forces and the political system. The topography of interest groups is meager, and important social interests (e.g., those of informal-sector workers, the rural population and women) are underrepresented. The trade unions, including the PCT-friendly Confédération Syndicale des Travailleurs Congolaise (CSTC), the Confédération des Syndicats du Congo (CSC) and the Confédération des Syndicats Libres et Autonomes du Congo (COSYLAC), focus on basic issues important to their members, but they try to avoid direct political conflicts. In cases where disgruntled union members attempt to stage protest, the regime reacts by influencing union leaders to dissuade unionists from going to the streets to articulate their demands.

Some of the most influential players are Catholic Church leaders who have stressed the importance of national reconciliation and criticized, for instance, the lack of transparency and accountability in the handling of state resources, particularly oil. In the area of human rights, the Observatoire Congolais des Droits de l'Homme (OCDH) presented itself as a trustworthy force. More recently, the Ras-le-bol civil society movement organized protests against the 2015 constitutional referendum and other



controversial issues. These organizations are relatively few, however, and their members are routinely threatened with incarceration by the government.

There is no clear empirical evidence regarding citizens' consent to democratic norms. Given the very limited democratic scope of elections under Sassou Nguesso, official voter turnout rates of 72.4% at the 2016 constitutional referendum, 68.9% at the 2016 presidential election or 66.4% at the 2009 presidential election are subject to a high level of suspicion. Foreign diplomats and local opposition groups have estimated voter participation in these elections to be much lower than official figures. While no official voter turnout data is published with regard to parliamentary or local elections, the opposition continuously alleged abstention rates of 85% and more.

The alleged unwillingness to support the voting procedures imposed on the Congolese electorate by the regime should not be misinterpreted as a lack of consent to democratic norms. Rather, staying away from the ballot box almost certainly indicated a high degree of frustration, disillusionment and silent protest among a growing majority of the people.

State repression and a pronounced legacy of political violence work together to impair the ability of individuals and society to organize. With the country's oil revenues allocated almost entirely to the country's political elite – as well as infrastructure improvements pursued mostly for their benefit – the vast majority of the population is forced to rely on the informal sector and subsistence agriculture to survive. Extended families, village communities and women's groups are major frameworks of solidarity and self-organization. There are also several organizations working, inter alia, in the youth, human rights and environmental fields. While none of them appears to be able to challenge the supremacy of the Congolese regime effectively, they offer some useful societal frameworks and social services for people in need. Within these forms of self-organization, interpersonal trust appears to be relatively high. On a more national scale, however, matters are very different: due to the increasing dominance of Cuvette regionals in high-level political positions and economic affairs, as well as the legacy of civil war, southerners and northerners are extremely distrustful of each other, more commonly viewing each other as adversaries to be defeated rather than as compatriots.

Approval of
democracy

n/a

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n/a 1

Social capital

3

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4 3 1

II. Economic Transformation

6 | Level of Socioeconomic Development

The Republic of the Congo continues to face enormous economic and social challenges left over from years of conflict and political turbulence. Progress toward a more market-oriented economy has been continuously slow and did not accelerate substantially in the review period. As the government neglected the need to diversify the country's economy due to vested interests within state elite to rely on oil for wealth accumulation, oil still dominates export earnings, state revenue and the GDP. Subsequently, the country remains subject to volatility in global oil markets. In 2016, oil accounted for 71% of exports, 42% of government revenue and 38% of GDP.

In the 2015 UNDP Human Development Report (HDR), the Republic of the Congo attained an HDI value of 0.591, ranking 136 out of 188 countries. The Gender Inequality Index was valued at 0.593. Social inequalities were also reflected in the income Gini coefficient, which amounted to 40.2 in the 2015 HDR. Despite a reduction of overall poverty in the first 15 years of the 21st century, more than 40% of the population still struggle to cope with such living conditions, according to the World Bank. In the 2016 World Hunger Index (WHI), the Republic of the Congo scored 26.6, which meant an overall situation of serious undersupply of food. According to FAO data, more than 30% of the population suffered from malnutrition in the 2014 to 2016 period, while one of 22 children died before the age of five years, mostly as a result of malnourishment and avoidable disease. The government's violent crackdown has exacerbated poverty and inequality.

A very tiny class of people in the state elite, the military and business circles can be perceived as rich, while the middle class is small. The country continues to be wracked by severe social, economic and regional disparities that are a consequence of its one-sided integration into the global market economy, but also of corruption, bureaucratic failure and mismanagement.

The oil sector is a very capital-intensive industry with low labor requirements. The oil sector remains a world-market-oriented enclave in the country, with only low trickle-down effects for the majority of the population. In 2016, the non-oil sectors, including agriculture, fisheries, forestry, mining, industries and services, contributed 62% of GDP, while a large majority of the working force, including many women, has been trying to earn a living outside the oil sector, primarily in the informal sector. Despite the marginal GDP share of agriculture (5%), a still substantial (but shrinking) share (35%) of the population still lives in rural areas.

Question
Score

Socioeconomic
barriers

3

'06 '18 '10



Economic indicators		2013	2014	2015	2016
GDP	\$ M	14085.9	14177.4	8553.2	7833.5
GDP growth	%	3.4	6.8	2.6	-1.9
Inflation (CPI)	%	6.0	0.1	4.5	-
Unemployment	%	10.0	10.1	10.6	11.2
Foreign direct investment	% of GDP	20.7	38.8	21.8	25.6
Export growth	%	-10.0	4.6	-4.5	-35.0
Import growth	%	8.6	6.6	-6.0	-7.8
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	34.2	46.8	96.3	115.0
External debt	\$ M	3449.4	3903.1	4060.2	3836.9
Total debt service	\$ M	302.8	303.7	226.3	150.2
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	13.6	13.8	18.1	15.5
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	4.1	4.2	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	2.6	5.0	-	7.2

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Pressured by the IMF, the Sassou Nguesso government claims to be fighting corruption, but has made few gains in actually doing so. State-owned enterprises (SOEs) are used to buttress the regime and its elite rather than foster economic liberalization, privatization and competition. In the 2016 Index of Economic Freedom, published by the Heritage Foundation, the Republic of the Congo ranked only 172 out of 178 classified countries, while in the 2017 World Bank Doing

Market-based
competition
3

Business Index (published in 2016) it ranked 177 out of 190 countries. The overall assessment by both institutions was almost unchanged to the previous review period.

Despite the government's stated commitment to pursuing market-oriented policies, including the privatization or reform of some major SOEs, the Congo still has a long way to go before it will have a competitive market economy. Although the country became a member of the Extractive Industries Transparency Initiative (EITI) in 2007, recent investigations, including by the Berne Declaration, suggests that this is more a function of the sophistication of its money laundering apparatus than its commitment to transparency. Moreover, the IMF has repeatedly criticized the Congo's SOE and mineral sector performance, highlighting, in particular, the non-transparency of the state-owned oil company, the Société Nationale des Pétroles du Congo (SNPC), as well as the lack of a credible anti-corruption program.

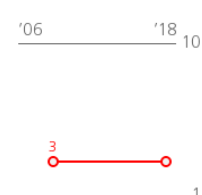
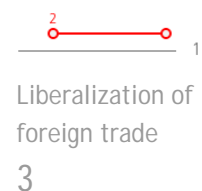
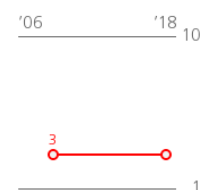
According to the Heritage Foundation, the public-sector inefficiency has pushed many people into the informal economy, which accounts for most of the Republic of Congo's limited private-sector growth.

There is no information on anti-cartel or anti-trust legislation. However, there is clear evidence that state monopolies operate in "strategic" sectors of the economy, including that of oil. In what is sometimes a cat-and-mouse game, the Sassou Nguesso regime tries to defend state monopolies against external pressure, largely from the IMF and World Bank, to liberalize and deregulate the economy.

The Republic of the Congo is integrated highly selectively into the global economy, primarily through the export of oil and the import of capital goods on which the viability of the oil sector depends. Other major aspects of world market integration are the import of (partly luxury) consumer goods demanded by the Congolese elite and the import of food, which is a consequence of the long-term neglect of domestic agriculture, resulting in insufficient domestic food production. While the major export and import sectors are intertwined with respective global markets, most of the sectors of the Congolese economy are scarcely interconnected, if at all.

As a country that is heavily dependent upon the world market economy, the Republic of the Congo became a member of GATT in 1963 and then joined the WTO in 1997. It also became a party to other international trade treaties, including Central African cooperation regimes. As a member of the Central African Economic and Monetary Community (CEMAC), the Congo applies CEMAC's customs rules. The average tariff rate is 16.5%.

Under IMF pressure, the Sassou Nguesso regime has committed itself, inter alia, to the liberalization of foreign trade. However, bowing to vested interests within the



state elite, the regime tended to fluctuate between rhetorical concessions to IMF demands and unassertive action in reality.

Thus, the foreign trade regime remains under the control of the state and its actors to a large extent. The most significant drawbacks include import and export quotas, restrictive import licensing rules, non-tariff barriers, government export-promotion programs, an inefficient customs service and bureaucracy and a lack of transparency.

While the government started reforms to improve trade and customs procedures, including computerization of data, corruption remains a major factor capable of thwarting all attempts to bring forth transparency.

The financial sector has been largely privatized, though the Sassou Nguesso clan retains controlling interests in some institutions. Major banks, including Crédit du Congo and La Congolaise de Banques, are now in foreign private hands, mostly from France and Morocco. BGF Bank Congo, however, is almost entirely controlled by the Sassou Nguesso family. Although the number of banks operating in the country has grown in recent years, the financial sector remains tiny – confined to a small number of customers (companies and individuals) – while the majority of the population does not or only marginally participates in it.

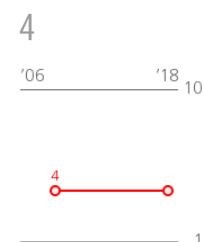
Owing to the monitoring system of the Central African Banking Commission (COBAC), the country's financial sector has become less vulnerable to shocks originating from domestic or international financial and economic problems, though the banking system is still structurally weak. The banking sector assets accounted for 35.5% of GDP in 2014 and 43.3% in 2015, while the loan-to-deposit ratio was 55.3% and 72.8% in the same years. The latest figures for bank capital to assets ratio (2015) stand at 13.8% and for non-performing loans at 4.6%. There is no functioning national capital market, but the Congo participates in the multinational CEMAC capital market, which allowed the Sassou Nguesso regime to issue a mandatory loan to garner the sum of FCFA 193 billion (almost 300 million euro) at end 2016.

A micro-finance sector, which aims to support small-scale projects, especially in rural areas, is being developed very slowly and primarily by religious charities operating in Brazzaville. Given the country's significant oil reserves, Western creditors have chosen to allocate their development aid to other African countries, with the result that the domestic micro-finance sector lags behind other countries in the region.

8 | Currency and Price Stability

As a CEMAC member, the Republic of the Congo uses the CFA franc as a currency, which is pegged to the euro and to a large extent influenced by decision-making in the euro zone. Another important factor is the monetary policy of the Banque des Etats de l'Afrique centrale (BEAC), the central bank of the CEMAC countries, which

Banking system



Anti-inflation /
forex policy

7

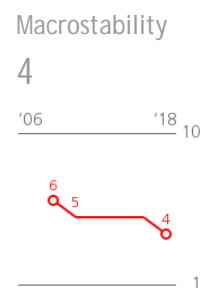
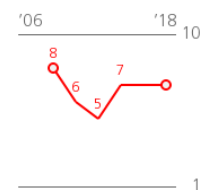
is located in Yaoundé, Cameroon. According to the IMF, BEAC policy aims to maintain price stability and strengthen the external position of CEMAC members.

Owing to the Congo's integration into the CEMAC, there is no clearly defined national policy regarding price stability and foreign exchange. As CEMAC countries are mainly oil exporters (with the exception of the Central African Republic), suffering the economic repercussions of low oil prices from mid-2014, the IMF started to put pressure on all of them from 2015 to shift their economic policies to anti-inflationary austerity elements that follow IMF rules. The Sassou Nguesso regime and the other CEMAC governments faced strong IMF demands for good governance and fiscal discipline, which were prone to conflict with vested interests of the respective state elites.

In the Republic of the Congo, the course of the inflation rate remained highly erratic over a long period of time. From 2010 to 2013, the rate was 5.0%, 1.8%, 5.0% and 4.6% in the consecutive years. In 2014, the rate slowed down to 0.9%, but then went up again to 2.0% in 2015 and a projected 4.0% in 2016. The real effective exchange rate index (2010 = 100) also proved erratic over a long period of time, oscillating between 93.6 in 2006 and 103.9 in 2013, with several ups and downs; the index decreased to 103.5 in 2014 (-0.5%, compared to the previous year) and 100.6 in 2015 (-2.8%).

Macrostability is highly vulnerable to challenges of any kind caused by national or international developments in the oil sector. This has been underlined equally by the different oil booms of the 2000s as well as the ensuing downturns, which could be witnessed in 2009 and again from mid-2014. In the review period, the Sassou Nguesso regime was forced to drastically curtail its planned infrastructure allocations due to revenue shortfalls. Accordingly, the Congo's macroeconomic position remains erratic. The Brazzaville regime tends to oscillate between tight, IMF-style fiscal policies and less IMF-prone policies, depending on the level of oil revenue. At times of high revenue, the regime tends to stray from the IMF path, while in less favorable situations, it may ask the IMF for support. Thus, Brazzaville's fiscal and debt policies are inconsistent and insufficient to promote macroeconomic stability.

According to IMF data, the Congo's current account, which witnessed surpluses from 2010 to 2013 (peaking at 17.7% of GDP in 2012), turned into red figures from 2014 owing to a severe lack of economic diversification and ongoing dependency on volatile oil revenue, with deficits at 3.3% of GDP in 2014, 21.0% in 2015 and a projected 8.2% in 2016. The government's budget, which produced surpluses uninterruptedly between 2003 and 2012 (peaking at 16.6% of GDP in 2006 and 16.5% of GDP in 2011), became deficits from 2013, showing -7.9% in 2014, -18.4% in 2015 and a projected -7.5% in 2016. Public debt, which had been reduced to 22.9% of GDP in 2010 owing to international debt relief, climbed to 47.5% in 2014 and further to 70.6% in 2015 and 69.3% (hoped for by the IMF) in 2016. External public debt amounted to 33.8% of GDP in 2014, but then jumped to 50.9% in 2015 and a



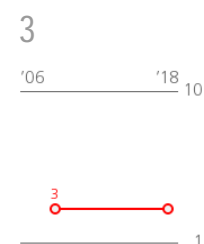
projected 51.2% in 2016. Subsequently, international reserves dwindled, decreasing from 9.5 months of imports of goods and services in 2014 to 4.9 months in 2015 and a projected 2.8 months in 2016.

9 | Private Property

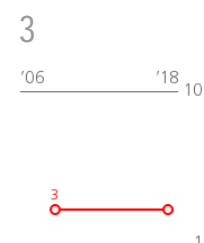
While international companies have licenses to operate many of the oilfields, the state strives actively to retain control of property and production, directly or indirectly, not only in the oil industry, but also in many other key economic sectors, including timber, minerals, aviation, hotels or shipping. Ever since Sassou Nguesso returned to power in 1997, legislation of property rights has mostly been designed to keep the regime's control of key business assets, such as state-owned enterprises (SOEs), although there have been relatively few reports of state expropriation of major private assets. One recent exception occurred in 2014, when SARPD, a front company for Sassou Nguesso, used a questionable legal maneuver to expropriate shares in the Ngoki oil field in the Cuvette basin from an Emirati firm. While property rights are defined and codified in legal frameworks like the Code des Hydrocarbures or the Code Minier, the validity of property rights may be critically hurt in reality by excessive bureaucracy, rampant corruption and an inefficient and erratic judicial system. Problems may occur especially for investors who do not dispose of the power to put economic or political pressure on the regime.

The state is under strong pressure to improve the investment climate for private, and especially foreign, capital. Bowing to the IMF and the World Bank, the Brazzaville regime has declared its official commitment to encourage private-sector investment and to allow the privatization of SOEs. The latter play a key role in sectors perceived as strategic, such as oil, transport, telecommunication, water and electricity. Public investment is also present in sectors like farming, forestry, banking and tourism (hotels). Given the powerful position of SOEs as well as public investment in mixed companies (i.e. joint ventures) in the form of majority or minority shares, the economic and political leverage of genuine private enterprises remains fairly weak. Private companies regularly encounter economic and administrative constraints caused by restrictive legislation, bureaucratic obstacles, corruption and a lack of institutional capacities. According to the 2017 World Bank Doing Business report, which gives the Republic of the Congo an overall rank of 177 out of 190 countries, starting a business consumes 50 days and eleven procedures (rank 178), and registering property takes 55 days and six procedures (rank 171), while the overall tax rate on profits is 54.3% (rank 183). In case of insolvency, problems are not easily overcome (rank 117).

Property rights



Private enterprise



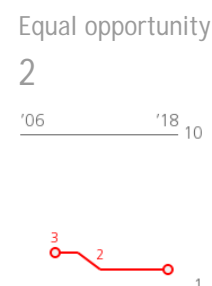
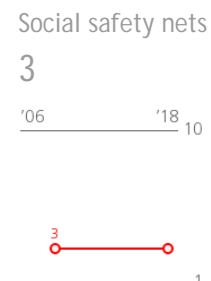
10 | Welfare Regime

Living conditions of the majority of the Congolese people improved substantially in the current decade (from 2010). According to U.N. data, life expectancy grew to 61.4 years (62.9 years for females, 60.0 years for males) in the 2010 to 2015 period, and it is expected to increase to 63.9 years (65.5 years for females, 62.4 years for males) in the period between 2015 and 2020. According to the WHO, expenditure on health amounted to 5.2% of GDP in 2014, with the state bearing 81.8% of total health expenditure. In 2010, the corresponding percentages had shown much lower levels, at 2.3% and 60.5% respectively.

However, the depression of oil revenue (from mid-2014) forced the state to downsize the expenditures both generally and sectorally. Subsequently, the Brazzaville regime proved unable in 2016 to offer some of the health services to which the people had become accustomed. For instance, the government failed to provide ARV drugs to tackle HIV/Aids that had been available to HIV-positive patients free of charge since 2007.

Apart from the health issue, the overall social security situation remained difficult for the majority of the Congolese people, as poverty persisted in the country, with levels above 50% of the population. Most people are forced to rely on family and community structures as the social basis of survival. Subsistence agriculture and the informal sector shape the living conditions of a large majority of the population. For the relatively few employees in the formal economy, a basic social security system has been established that provides for insurance in cases of accident, illness, disability, old age and death, as well as maternity and family allowances. Moreover, a legal minimum wage is in place. Retired high-level civil servants and state employees are supported by the Caisse de Retraite des Fonctionnaires (CRF), whereas the Caisse Nationale de Sécurité Sociale (CNSS) is responsible for other beneficiaries. Despite some increases in payments, made possible by the oil booms of the 2000s, the amounts available for most beneficiaries remain generally low, and the vast majority of public sector employees engage in corruption to supplement their incomes and ensure their post-retirement welfare.

Equal opportunity does not exist. In particular, there are strong biases in terms of ethnicity and gender. There are institutions tasked with compensating for gross social differences, but they are limited in scope and quality. Discrimination against women is ubiquitous in most sectors of the economic, social and political systems, while access to – and exclusion from – opportunities is highly dependent on the ethnic origin of the individuals involved. Discrimination also limits access to higher education, economic opportunities and public office. The female to male enrollment rate partly shows this with values of 0.9 and 0.8 for the secondary and the tertiary sector.



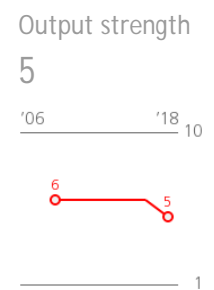
In 2015, UNESCO estimated the Congo's adult literacy rate at 79.3% and the female rate lower at 72.9%, while no corresponding contemporary data was available for education. According to U.N. data, the female labor force participation rate was also lower in 2014 (at 67.1%) than the corresponding rate of men (72.6%).

With the rise of female ministers in successive Sassou Nguesso governments, regional discrimination is perhaps now more salient, with high-level ministerial, parastatal, and military posts reserved exclusively for Cuvette regionals and other northerners. This persistent ethnic discrimination led to the central cleavage seen in violent conflicts of the country from 1997 on.

11 | Economic Performance

Supported by a long-lasting boom of oil, the country's major source of income, the economy has been able to recover gradually from the civil war crises of the late 1990s and early 2000s. The recovery was also assisted by international donor commitments as well as massive external debt relief (particularly in 2010), which helped the Sassou Nguesso regime to overcome a temporary economic downturn, caused by the 2008 to 2009 global financial and economic crisis. In mid-2014, however, the boom was definitely over, and the Republic of the Congo, as other oil exporting CEMAC countries, began to feel the severe consequences of a massive downturn of global demand and prices of oil, caused to a substantial extent by weakened economic growth of global economic powerhouse China. While oil production performed relatively stable in the review period, oscillating around 270,000 to 280,000 barrels per day (b/d), existing fields are maturing and few new fields are expected to come online. Barring unexpected discoveries, oil production will soon begin to decline. In the review period, oil export earnings decreased from 57.0% of GDP in 2014 to an estimated 41.8% in 2015 and a projected 40.0% in 2016, according to IMF data. The share of oil in total exports slumped from 84.6% to 73.7% and a projected 71.0% in the same period of time, while the contribution of oil-related revenue to state revenue shrunk from 68.6% to 37.8% and 42.0%, according to the IMF. In the same period of time, the share of the oil sector in the GDP dropped from 54.4% in 2014 to 39.5% in 2015 and a projected 37.7% in 2016. Subsequently, economic growth dwindled from 6.8% in 2014 to 2.3% in 2015 and a projected 1.7% in 2016. The corresponding growth figures for the non-oil economy – agriculture, manufacturing, construction, transport, telecoms etc. – were 7.9%, 4.8% and a projected 0.2% respectively. The overall investment rate was exceptionally high at 42.2% in 2014 (owing to oil exploration and development activities), but then declined to 33.4% in 2015 and a projected 30.0% in 2016 (reflecting the downturn described above).

The current account produced a huge overall deficit at -27.0% in 2015 and a projected -8.2% of GDP in 2016. Government revenue decreased from 42.3% of GDP in 2014 to 27.8% in 2015 and a projected 31.3% in 2016, while government expenditure was



brought down from 50.2% of GDP to 46.2% and a projected 38.9% of GDP in the same period of time. After substantial relief granted by international creditors in 2010, government debt sprouted again from a low 22.9% of GDP in 2010 to 47.5% in 2014, going further to 70.6% in 2015, slightly lessening to a projected 69.3% in 2016. Money inflows have been largely used to finance large-scale infrastructure, oil sector and mining projects.

Although the subsistence subsector of agriculture is an important part of the economy in terms of employment and food provision, agriculture in general is a sector traditionally neglected by the Congolese governments. Thus, the country remains dependent on food imports to meet the needs of the urban – and increasingly urbanizing – population. Moreover, the industrial sector outside the oil industry remains fairly weak, and the tertiary sector does not form a pillar of the economy strong enough to compensate for losses caused by downturns in the oil industry.

Despite the weak economic performance in the review period, per-capita GDP (PPP) remained almost stable at \$6,643 in 2014, \$6,722 in 2015 and a projected \$6,787 in 2016, according to IMF data. Since the Republic of the Congo, as the Gini coefficient attests, is among the most unequal countries in the world, the benefit of the per-capita GDP goes mainly to the oil companies and the state elites, while the majority of the people remain poor and are left out in the cold.

12 | Sustainability

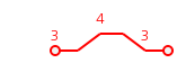
Tropical rainforests still cover more than half the territory of the Republic of the Congo. However, wood is harvested on a commercial scale and, after oil, it is the second most important source of foreign exchange income. Deforestation, soil erosion and the pollution of the air, soil and water are the Republic of the Congo's primary environmental concerns. The country is also slightly affected by the local and subregional consequences of global warming, which sometimes means less rainfall than is usually expected or, at other times, heavy rains and flooding. The Republic of the Congo itself contributes about 2.5 million tons per year to the global CO₂ emission.

According to U.N. data, 119 species were threatened with extinction as of 2015, ten more than in 2013. A special sphere of environmental concern is the oil-producing region in the vicinity of Pointe-Noire, which brings high risks of pollution to the air, soil and water. Ecological aspects of sustainability remain secondary in the formulation of economic policy; foresting licenses are often dispensed with little or no consideration of environmental impact. Political factors are more relevant concerns for the Sassou Nguesso government. Since its primary constituency is located in the north, Sassou Nguesso's government requires foreign timber companies to invest in social projects – health clinics, schools, and roads – only in northern communities. Hence, the timber sector is stratified, with European firms –

Environmental
policy

3

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bound by EU investment agreements, which require public investment – licensed to operate in the north, and East Asian timber firms more active in the south.

The Brazzaville regime has chosen to participate in international – and, especially, Central African – agreements on protecting tropical rainforests. In 2016, it prepared for a review of domestic forestry legislation in order to comply with demands of the 2015 Paris Agreement to contain global warming, which the Sassou Nguesso regime signed in April 2016 (with ratification still pending at the end of year).

Overall, the Republic of the Congo ranked only 128 out of 180 states in 2016 assessed by the Environmental Performance Index (EPI 59.56).

There are only basic levels of institutions for education, training and R&D. Education and training facilities are mostly concentrated in the large cities of Brazzaville and Pointe-Noire, while most of the country does not have sufficient education institutions. While the education sector was significantly damaged during the 1997-2003 civil war, the government has worked hard to rehabilitate it with international assistance. According to UNESCO, education expenditures amounted to 6.2% of GDP in 2010 (most recent data). Gross enrollment rates at schools, which had plunged to meager levels in the late 1990s, recovered substantially (with no data available for the review period). The adult literacy rate in 2015 was estimated at 79.3% (females 72.9%, males 86.4%), while for the 15 to 24 age group it was estimated at 80.9% (females 76.9%, males 85.7%). Illiteracy remains an education problem especially in the countryside and with the elderly.

The quality of institutions, staff, curricula and material to foster the educational standards remains weak. Education curricula, particularly at the university level, have been subordinated to the political interest of power retention by President Sassou Nguesso, for instance by means of ideology or propaganda.

Moreover, R&D is available at very low levels, if at all. Efforts to improve the situation are nascent at best. Shortcomings in the education and technology sectors form a huge obstacle to the country's economic and social development.



Governance

I. Level of Difficulty

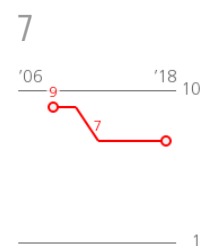
As outlined above, the economic performance and political opportunities for action of the Republic of the Congo are heavily dependent upon the performance of the oil industry, which in turn is largely dependent upon international demand and prices of oil. Since the development of the oil sector is also subject to vested interests within the Congolese state elite, especially President Sassou Nguesso' entourage, the scope of economic policies beyond oil remains fairly limited. In the mid-term, the regime hopes to boost oil production by the development of additional oilfields, leading to an (expected) increase of export earnings and state revenue. In its developmental policies, the regime tends to continue its reliance on oil revenue rather than developing alternative sources of income.

As a result of the regime's reluctance to invest oil revenues in viable economic diversification projects – along with its failure to create a domestic business climate that attracts foreign investors – Congo remains highly subject to volatility in global oil demand and prices. While the dispersion of economic dependencies should be on the agenda, the regime continues to rely on the performance of the oil sector first. Although some timid steps to broaden the basis of the economy have been taken in recent years, oil is still prioritized above other sectors in decision-making, with the mid-term perspective of increased production due to the development of additional oil fields.

Domestically, the Congo's economic prospects remain uncertain, as a range of major ills persist: mass poverty, violence-prone ethnic, regional and social conflicts, the weakness of civil society, poor education, a deficient infrastructure and the lack of economic diversification (including the generation of foreign exchange). However, it should be stressed that these domestic constraints are used by the Sassou Nguesso regime to buttress its political position; a crushingly poor southern population is less able to contest northern political dominance, just as northerners, who fear southern political ascension, are more likely to support the Sassou Nguesso regime, unpalatable though it may be.

In the economic sphere, unforeseeable crisis-prone developments may impose severe limitations on governance. Such developments may include the ups and downs of

Structural
constraints



world market prices of the major export (oil) and imports (food, energy, capital goods) as well as the cost of mounting external debt (mainly interest). External imponderabilities are associated with conflict-ridden countries in the neighboring region, namely the Democratic Republic of the Congo (DRC) and the Central African Republic (CAR), with the risk of conflicts spilling over to the Republic of the Congo.

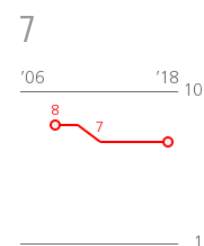
There is a range of civil society organizations (CSOs) in the Republic of the Congo. Dozens of them are engaged under the umbrella of the Programme Concerté Pluri-Acteurs Congo (PCPA Congo), together with Congolese state actors as well as French NGOs and ministries. Among other issues, the PCPA Congo is focusing on human rights, peace-building and poverty alleviation. However, many CSOs have a very limited scope and profile, largely confined to special issues of a low political profile (e.g., forests). CSOs blossomed in the early 1990s, as the country transitioned from a Marxist dictatorship to a multiparty democracy; since returning to power in 1997, the Sassou Nguesso regime has sought to weaken CSOs, the better to consolidate its authority. The regime does not allow CSOs to perform that are openly opposed to it in their programs and attitudes. Since CSOs have to be cautious in their actions, most of them are dedicated to modest reform, at best. These organizations are careful to articulate their positions in the least threatening manner possible, since criticism of the regime could result in a political backlash. As a rule, CSOs and NGOs avoid political statements that may provoke an unpleasant reaction from the state; instead, they pursue low-profile political issues in order to protect their specialized fields of activity from state interference.

If it comes to political influence in areas of major interest, the government does not allow criticism-prone civil society actors to participate. Notwithstanding, some courageous civil society activists have not been reluctant to criticize the regime's human rights record and oil revenue management. The Observatoire congolais des droits de l'Homme (OCDH) and Transparency International have been particularly active here. Since both are relatively visible internationally, the Sassou Nguesso regime counters them by setting up sham organizations, like the Human Rights Commission (HRC), which work to discredit legitimate CSOs and advocate on the regime's behalf.

Many CSOs have an ethnic or ethno-regional basis. Village-level associations are historically very strong in the country, even though they now have virtually no political leverage beyond the local level.

Ethnic, regional and social conflicts, including mass poverty, all contributed to the political turbulence and civil wars in the 1990s and early 2000s. The Republic of the Congo is driven by strong ethnic, regional and social divisions that are also reflected in political parties, mainly the ruling PCT, the MCDDI and the UPADS. While there has been little violence since the end of the civil war for years, the ethnic, regional and social rifts in the country contributed to renewed bloody violence just prior to and in the aftermath of the 2016 presidential election. This violence culminated in a

Civil society traditions



Conflict intensity

8

military campaign against the Pool region, which was designed to deter political opposition and targeted civilians based on ethnic origin. Thus, political processes, national reconciliation and social and economic development have all been dramatically undermined, indeed instrumentalized by the Sassou Nguesso government.

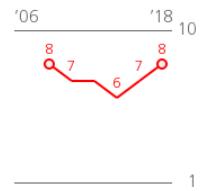
At times, the Sassou Nguesso regime instrumentalized resentment against foreigners – primarily in the two major cities – to curry popular support for the regime. The regime misuses foreign (often DRC and West African) nationals as scapegoats for crime or negative economic developments. Repeatedly, DRC nationals were expelled from the country and the borders between the two countries closed. Amidst growing anti-Islam sentiment among the region’s Christians – due largely to the conflict in the neighboring CAR – government-owned media repeatedly accused West African traders, almost all of whom are also Muslim, of price gouging, stimulating several instances of religiously motivated crime against West African businesses.

II. Governance Performance

14 | Steering Capability

Given its supremacy in the Congolese political system, the regime is able to organize its policy agenda without worrying about challenging political competition. As President Sassou Nguesso and his entourage expect (or hope for) a renewed oil boom, resulting from the development of additional oilfields, they tend to favor investment in this still dominant sector of the economic rather than develop alternative sectors as sources of income.

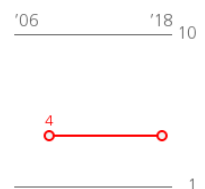
While IMF, World Bank and donor pressure influence policy formation to some extent, the regime is almost entirely preoccupied with maintaining political control and its power bases. Although it is occasionally able to articulate long-term developmental plans, most projects – such as the new international airport outside Oyo – serve only the interests of the ruling elite and are of doubtful economic relevance. A severe shortage of qualified professionals also adversely affects institutional capacity and effectiveness. While the leadership is officially committed to building democracy and a market economy, its strategic aims are not commensurate with the country’s problems and needs. The government does not formulate security, political, social, economic and environmental policies consistently enough to articulate clearly identifiable objectives and strategic priorities. By employing brutal repression to secure political survival during 2015 and 2016, the Sassou Nguesso government has exacerbated society’s already profound ethnic divide. Although these measures may have been politically expedient, they will further undermine the government’s long-term position.



Question
Score

Prioritization

4



Rhetorically, the regime accepts the goals of both a constitutional democracy and a socially and ecologically balanced market economy, according to official statements. However, it tends to execute policies derived from these insights only when pressured by the IMF, the World Bank or other international actors. The regime is ready to apply those policies only under strong international political pressure or when it feels the urgent need to react to unfavorable economic developments like the global downturn of demand and prices of oil, the main export of the country, from mid-2014. When political and/or economic pressure decrease, the regime is prepared to stray from the path, ready to bow to vested interests within the state elite and divert resources to private coffers. Thus, implementation of policies tends to be corrupt. Even if policies convey the impression of being in line with objectives and priorities, the government does not really intend to follow or implement them, as policies are likely corrupted by the vested interests of parts of the state elite. For instance, economic diversification and political decentralization were adopted as valuable objectives by the regime. However, resounding economic diversification has not materialized so far, given the fact that the oil sector is still dominant. Formal administrative decentralization has not resulted in significant real transfers of powers and competencies from the state to regional and local authorities, as the state effectively remains highly centralized. Ultimately, there is reasonable doubt as to whether the regime has an interest in implementing those reforms.

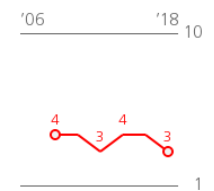
The political leadership occasionally responds to mistakes and failed policies but its interest is in its own survival and prosperity; it has little interest in generating sustainable growth and participation for the broader population. To this end, the regime actively learns from past experiences (and possibly other learning opportunities). Regarding economic and political transformation goals, however, it reacts with meaningful adjustments only if it feels international (IMF) pressure or the urgent economic need to do so, for instance, reacting to the economic downturn caused by the decrease of global demand and prices of oil from mid-2014. However, in the mid-term, the regime tends to hope for a substantial revival of the oil sector as a major source of revenue rather than taking political steps to broaden the economic scope. Domestic pressure from political opposition got stronger in the review period, but not strong enough to force the regime to adjust its policies substantially.

Many would-be development projects serve the narrow interests of the state elite rather than the economic interests of the rural and urban poor. So far, there is no sustainable attitude of the state elite toward the needs of economic, social and political development, which can lead the country into a better future without external impetus.

The government repeatedly engages in pro-cyclical fiscal and spending policies that undermine macroeconomic stability. The effects have been particularly adverse during the review period, as sustained declines in global oil prices have forced dramatic spending cuts, which further undermined economic performance.

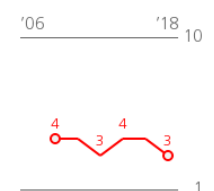
Implementation

3



Policy learning

3



15 | Resource Efficiency

Due to the power of vested interests, the Brazzaville regime uses only part of its available oil resources efficiently to foster socioeconomic development. There is evidence that, owing to clientelism and corruption, a substantial part of revenue is siphoned off to private accounts of the state elite, including the president and his entourage. As a result of clientelism, the government comprises over 35 ministers; this consumes substantial resources, too. However, precise figures are not available due to the reluctance of the regime to publish reliable data on the government budget as well as the oil economy including production and revenue.

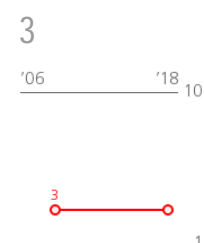
Regarding state (especially oil) revenue, the regime tends to “cultivate” a severe lack of accountability and transparency. Moreover, the bureaucracy that could provide data suffers from a lack of skills, professionalism and honesty since it is, to a large extent, shaped by ethnic and regional clientelism rather than by merit.

Despite the supremacy of President Sassou Nguesso in the highly personalized political system, the government and administration are not completely homogeneous, as different parts of the government compete against each other. These competitions are encouraged by President Sassou Nguesso himself, since elite competition for his favor fosters compliance with his interests. Moreover, vested personal and corporate interests remain opposed to the regime’s alleged goals of economic diversification and decreased reliance on the oil sector. Many public works projects provide high-value consumption goods to the elite; their construction contracts are allocated to firms owned by members of the governing coalition. Rather than pursue sound long-term economic policies designed to lift large numbers of its citizens out of poverty, the government generally prefers to enrich its constituent members. Slight improvements can only be observed as a result of external pressure by the IMF and the World Bank. These organizations try hard to direct the government to a more consistent and sustainable policy approach.

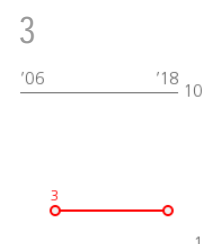
The Republic of the Congo takes part in the African Peer Review Mechanism (APRM) and the Extractive Industries Transparency Initiative (EITI). Under external (IMF, World Bank) pressure, the government has committed itself – rhetorically, at least – to combating corruption and to implementing mechanisms of good governance.

Two government-sponsored institutions, the Commission nationale de lutte contre la corruption, la concussion et la fraude (CNLCCF) and the Observatoire anti-corruption du Congo (OAC), are liable for tackling corruption and fraud. These institutions, created in 2004 and 2007 respectively, are tasked with supporting the government’s anti-corruption policies, in theory at least.

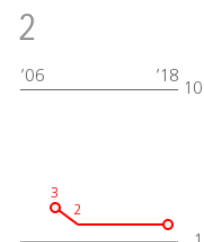
Efficient use of assets



Policy coordination



Anti-corruption policy

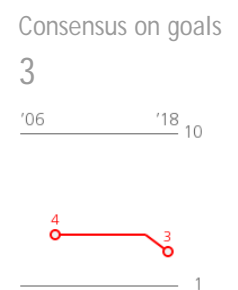


However, the overall anti-corruption record of the Sassou Nguesso regime has been disappointing over time. Corruption did not diminish substantially over the years. Credible anti-corruption NGOs such as Berne Declaration, and OCDH have observed Sassou Nguesso's massive money laundering operation, which is designed to avoid EITI detection. Under the pressure of vested interests in the state apparatus and as a constituent of the problem, the regime continuously refrains from serious attempts to wipe out corruption. The president, his party and his confidants are really entangled in the system of non-transparency and corruption nurtured by oil.

16 | Consensus-Building

In the rhetoric of the regime, democracy is a major political objective and major political concern of the political elite of the country. As such, on a superficial level at least, this objective is shared by a large part of Congolese society. It is, however, highly doubtful whether the regime and the political forces backing it are really committed to democracy given the authoritarian style of the regime. Sassou Nguesso himself, alongside strong factions in the PCT, acted as major advocates of one-party rule from the 1970s through to the 1990s. If they are now presenting themselves as advocates of democracy, this is due to the fact that they created a multiparty system, the plurality of which is largely shaped by a set of PCT satellite parties while genuine opposition remains too weak to present a significant challenge to the regime. The official commitment to democracy is also due to the dominant international political climate and the need to gain the support of donors rather than to an actual change of mind. The real advocates of democracy are more likely to be found in the weak opposition parties and in civil society. Despite a referendum and a regime-orchestrated “national dialogue,” the government unilaterally imposed the new constitutional order rather than negotiating it multilaterally, as protests and violence in 2015 (against the referendum) and 2016 (against the official outcome of the presidential election) clearly demonstrate. In essence, substantial consensus-building has not taken place.

In the perception of the regime, a market economy as such does not play a major role as a political objective. Although the government accepted IMF-style market economy policies, it did so only under heavy external pressure. Given the facts that the power of these policies lies largely in the hands of the state and the state is based on an economy that is able to create revenue for the state elite, the state elite are strongly inclined to favor the state capitalism and state intervention that have dominated the economic system under one-party rule from the 1970s through to the 1990s. If the regime is now presenting itself as compliant with IMF demands for market economy policies, this is again due to the need to gain the support of donors rather than to an actual change of mind. In years of high oil revenue (as in the 2010-2013 period), the government felt strong enough to depart from full-scale IMF conditionality which is equivalent to strict economic liberalism. The true advocates



of a market economy are more likely to be found in the weak opposition parties and in civil society. However, their political priorities have been of little political relevance since Lissouba and the UPADS were overthrown in 1997.

Given the authoritarian and repressive approach of the regime, it is clear that economic and political reform is not part of the government's agenda. As the regime, and especially the president as an individual, is first and foremost interested in staying in power, it tends to foster such policies that are highly compatible with this objective. As the years 2015 and 2016 have shown, the regime often resorts to repression and violence rather than promoting democracy, human rights and economic reform. In this sense, the regime itself may be considered a major anti-reform veto actor. Reformers who deserve to be called such possess insufficient leverage in the country.

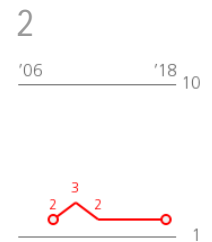
In general, the political forces supporting the regime of Sassou Nguesso and the PCT appear to be able – at will – to exclude, either politically or by force, any reform-minded individuals not ready to cooperate with the government. The government's violent crackdown against the political opposition and its ongoing military campaign against civilians in Pool makes this clear.

The Sassou Nguesso regime tends to exploit ethnic, regional, social and political cleavages to its own advantage using a carrot-and-stick approach, rewarding political forces that are ready to cooperate and punishing those political forces that opt for the opposition. While co-opting cooperation-prone elements, the regime also tends to instrumentalize political rivalries to its benefit. In doing so, the regime exacerbates cleavages between rival political forces, political parties and between individual politicians, including fragmentation of the political opposition.

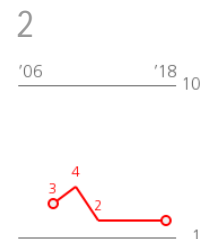
Apart from smaller players, there are three major political power centers in the country. The most powerful of them is the Sassou Nguesso regime, including the political elite, the PCT and the majority of the country's military officers. Most of them have their roots in the Mbochi ethnic group of the central-northern part of the country. The second player is the main opposition party, the Union Panafricaine pour la Démocratie Sociale (UPADS), founded by five-year (1992 – 1997) Congolese President Pascal Lissouba (pardoned after nearly 15 years in exile). The UPADS is primarily backed by the southern regions of Niari, Bouenza and Lekoumou (“Nibolek”). The third power center is the capital Brazzaville and the surrounding Pool region in the extreme south, with the clan of late Bernard Kolélas, his son Parfait and the Mouvement Congolais pour la Démocratie et le Développement Intégral (MCDDI) as major stakeholder. The MCDDI fluctuated between cooperation and opposition, with three party members, including Parfait Kolélas, acting as members of the government prior to the review period. The party has its strongholds in the Bacongo population, especially the Lari subgroup, in Brazzaville and the Pool region.

Following the blatantly fraudulent 2016 elections, the government launched a violent crackdown against the political opposition, which resulted in a wave of mass arrests

Anti-democratic actors



Cleavage / conflict management



and credible reports of torture. In addition, the government initiated a military campaign in the Pool region, which targeted ethnic Lari. It did so as a signal to future political opponents: the Sassou Nguesso government was willing to use brutal repression to retain power.

Given the lack of deeper (and honest) post-conflict processes of reconciliation and reintegration, the risk of renewed violent conflict cannot be ruled out. The regime exacerbated the potential for conflict by limiting high-level political, economic, and military positions to northerners, and especially Cuvette regionals.

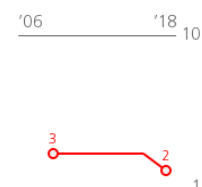
Whatever its rhetoric, the Sassou Nguesso government actively suppresses civil society organizations that criticize its economic or human rights record. The regime has imprisoned the two leading opposition candidates from the 2016 elections, a range of journalists and several prominent civil society activists. One political prisoner, Marcel Ntsourou, died under very suspicious circumstances, and the government obstructed an impartial investigation into the cause of his death. Political prisoners are kept in very poor conditions and have no expectation of a free trial.

Different from other war-torn countries, the Republic of the Congo did not create a truth and reconciliation commission to cope with the sociopolitical and moral consequences of violent conflict. The Brazzaville regime refrained from introducing institutions and mechanisms which would provide opportunities for open, equitable and sustainable settlements. Rather it tended to impose dialogues and settlements from above, which meant that real reconciliation could not take place. Moreover, the regime occasionally exploits memories of the violence of the late 1990s and early 2000s to secure popular acquiescence. Following the 2015 constitutional referendum and the 2016 presidential election, the Sassou Nguesso government launched a brutal military campaign against civilians in Pool region – virtually all ethnic Lari – to discourage subsequent political opposition. In so doing, the government overtly exacerbated ethnic cleavages as a tool for political survival.

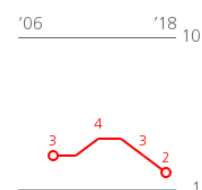
17 | International Cooperation

For many years, dependent upon its willingness to approach the IMF for cooperation, the Sassou Nguesso regime has been able to persuade international donors to commit themselves to substantial development aid contributions, with the bulk of aid coming from France, Germany, the EU, the World Bank, the U.S. and China since 2010. (Notwithstanding, a substantial part of the aid did not actually flow, but rather took the form of book entries following the comprehensive debt rescheduling agreement of 2010). Development aid, as well as other external financial assistance, is crucial to the survival of the Brazzaville regime.

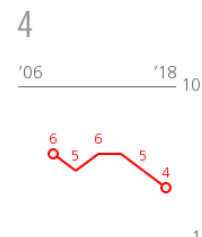
Civil society participation
2



Reconciliation
2



Effective use of support
4



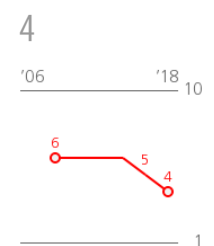
While President Sassou Nguesso pretends to use international assistance for purely developmental ends, his regime lacks the political will to pursue a consistent long-term development strategy suitable to use the support effectively. While a credible development strategy would mean less dependency on oil, more economic diversification and more transparency, the regime has not abandoned its prior path of oil rent-seeking, which is prone to kleptocratic practices and corruption, while the non-oil economy, although growing, remains small and dominated by the Sassou Nguesso family and its longtime allies. The regime's domination of these sectors simultaneously discourages foreign investors.

In general, the Sassou Nguesso regime tries to present itself as a credible and reliable partner in its relations with the international community, especially at the levels of the U.N., the AU and other international organizations. Although the regime has secured the confidence of Africa's autocrats, it remains unable to gain the trust of the IMF, World Bank and most Western governments when the regime's commitment to economic and political reform is addressed (or put into question). In 2014, even as the Sassou Nguesso regime issued loans to several African autocrats and sought to broker a peace deal in the Central African Republic (CAR), the government's decision to expel a number of Democratic Republic of the Congo (DRC) nationals damaged its standing in the region.

Following its violent return to power in 1997 and as a consequence of the stigmatization of non-constitutional takeovers by major powers and international organizations, the Sassou Nguesso regime became somewhat isolated internationally; however, it quickly secured strong French support and has since restored relationships with the EU, the U.N., the AU and subregional organizations. The regime also worked hard to improve its relationship with the United States, especially during the presidency of Barack Obama. However, the 2015 amendment of the constitution to allow Sassou Nguesso to serve another presidential term counteracted these efforts. In contrast, China became an increasingly important partner to the Brazzaville regime, with both interested in expanding Chinese stakes in the Congolese oil, forestry and mining sectors. Yet, throughout its entire history, the regime's main Western sponsor has been France.

Although the World Bank, the EU, the African Development Bank and U.N. organizations remain strategic partners, the country's ascent to lower-middle-income status (fueled by oil revenue) and debt relief tended to limit the political leverage of international donors for some years. From mid-2014, however, the Congo's attempts to portray itself as a reliable partner with democratic norms and stabilization-oriented macroeconomic policies suffered gravely from the oil revenue crisis (2014-2016) and the political conflicts in Brazzaville and the neighboring Pool region (renewed in 2016), with regime repression and human rights violations becoming more obvious. In sum, this led to a substantial loss of image; the international credibility of the Republic of the Congo was at stake.

Credibility



Although the regime works with bilateral and multilateral international donors (like the IMF and the World Bank), external pressure has had limited effect on government policy given the power of vested interests within the state elite. Corruption and a lack of transparency tend to undermine the Congo's credibility.

Finally, problems of credibility tend to translate into problems of creditworthiness. At end 2016, the Congo's credit rating was B- with Standard & Poors and B3 with Moody's (equivalent to an assessment of "highly speculative"), with an overall negative trend.

The Republic of the Congo is a member of the African Union (AU) and two subregional Central African bodies, the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC) and the Communauté Economique des Etats de l'Afrique Centrale (CEEAC), maintaining amicable or at least working relations with its five neighboring states: Angola, the Democratic Republic of the Congo (DRC), Cameroon, the Central African Republic (CAR) and Gabon. In general, the Brazzaville regime cooperates favorably with neighboring states and complies with the rules set by regional and international organizations.

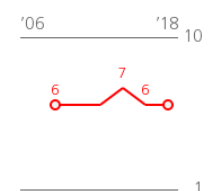
Historically, the Republic of the Congo maintains good relations with CEEAC member Angola, which militarily supported Sassou Nguesso's return to power in the 1997 civil war. Both countries share very similar economic problems, as they are both heavily dependent upon their oil sectors and respective developments on global oil markets. At end 2016, the Brazzaville and Luanda governments agreed to reinforce their cooperation, asserting that their friendship is based on (not well defined) ideological affinity. Apart from Angola, the Republic of the Congo also has very good relations with post-Apartheid South Africa, the regional powerhouse, which contributes to the Brazzaville regime's imports of industrial goods and food.

The relationship with neighboring DRC, also a CEEAC member, has been long strained by mutual distrust, additionally poisoned by a wave of violent cross-river deportations of refugees from the Congo-Brazzaville to DRC, particularly in 2014. However, both the Brazzaville Sassou Nguesso and the Kinshasa Joseph Kabila regimes strived to develop a working relationship in the review period. At end 2016, Sassou Nguesso was in a position to participate in efforts to mediate in the Kinshasa power struggles that were fueled by Kabila's attempt to remain president of his country whatever the cost.

With four of the six CEMAC members – Cameroon, Chad, Equatorial Guinea, Gabon – the Republic of the Congo shares the dependency of state revenue and foreign exchange earnings on the export of oil. All CEMAC members, except the CAR, struggled to cope with the problem of low revenue and ensuing economic crises of oil exporting countries from mid-2014. In a concerted effort, in which the Brazzaville

Regional
cooperation

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regime took an active role, the CEMAC states ostensibly coordinated their efforts to approach the IMF for support.

At the bilateral level, the Republic of the Congo maintains good relations with (bilingual) CEMAC member Cameroon, overshadowed only by mutual security concerns in the border regions of both countries, which the Yaoundé and Brazzaville governments try to cooperatively tackle. Security concerns are also an issue in the relationship with CEMAC member CAR, as cross-border activities of armed elements from that country (militiamen and criminal gangs alike) posed severe security threats in the northern Congolese border region from 2013 to 2014, after the CAR conflict scenario had taken a warlike turn. The Sassou Nguesso regime has assumed a mediating (political) role in the CAR internal conflicts and also contributed troops to peacekeeping forces in that country: first in a subregional (CEMAC) force, and since 2014 in a broader U.N. framework called MINUSCA (with close to 800 men from the Congolese military and police involved at end 2016).

The Republic of the Congo has long enjoyed a special relationship with CEMAC member Gabon, as Gabon's late president, Omar Bongo, was married to the late Edith Lucie Nguesso, Sassou Nguesso's daughter. Yet, following Omar Bongo's death and the ascent to power of his son Ali (in 2009), Sassou Nguesso, based on his older age and his experience as a ruler, started to outdo Gabon as number one of francophone Central Africa, aiming to shift the diplomatic center of the CEMAC subregion from Libreville to Brazzaville. While this led to some irritation in bilateral relations, the common interest of both regimes to cope with the oil revenue crisis motivated them to maintain good working contacts.

The Brazzaville regime did not only take an interest in political cooperation as well as subregional security and peacekeeping issues, it also decided to contribute to subregional approaches to problems of global dimension. As Central African tropical rainforests (in both Congo states, Gabon etc.) are important to the global climate as Africa's "green lung", countries of the subregion, including the Republic of the Congo, concluded agreements directed at its protection, with the support of international donors.

Strategic Outlook

The Republic of the Congo remains burdened with political and economic problems. Congolese democracy is more of an imposed system, shaped to the advantage of the Sassou Nguesso regime, than a system suitable for developing full-scale democratic structures. Economically, the country is still characterized by a high level of state intervention which benefits the ruling elite. Although, when pressured, the country has taken steps toward introducing and implementing IMF- and World Bank-style policies directed at the emergence of a market economy, the Sassou Nguesso family's large interests in the oil and timber sectors often impede reforms. Corruption continues to adversely affect considerable parts of the economy and society. Elections reinforced and consolidated autocratic rule, only superficially concealed by formally democratic procedures. President Sassou Nguesso and his political entourage continue to dominate the political scene, although the basis of his power shrank in the review period when the MCDDI and some other parties left the ruling coalition. Notwithstanding, genuine opposition is still too weak to challenge the regime seriously. The Sassou Nguesso regime has little incentive to democratize under pressure from external creditors (IMF, World Bank); with opposition parties weak and fragmented and regime insiders mostly compliant, the primary threats to the ruling coalition come from unanticipated popular uprisings. Regarding the mid- and long-term transformation of the country, ambitious rehabilitation, poverty reduction, and development objectives have been set, formulated within the framework of economic programs related to mid-term agreements concluded with the IMF in 2004 and 2008. Major aims include: consolidate peace and good governance; consolidate the macroeconomic framework and recovery of key productive sectors; improve access to basic social services and social protections; develop basic infrastructure; and strengthen the fight against HIV/AIDS. The Republic of the Congo also introduced a program for growth, employment and poverty reduction in cooperation with the UNDP.

Apart from the macroeconomic agenda, the following basic factors may be considered essential for the Republic of the Congo in developmental terms:

- An anti-corruption and transparency campaign: Since rampant corruption is one of the main impediments to rehabilitation and development, the fight against it should be intensified. Measures should go beyond economic incentives, specific legislation and administrative measures; the culture of corruption and impunity at the highest levels of government must be targeted. For instance, the education system should combat this culture of corruption.
- Empowerment of women: Women have a major role to play in the country. Thus, empowerment measures – including improvements in education, qualification and literacy – are crucial to the development of the Republic of the Congo. Discrimination against women is a serious impediment to development that can be prevented through increased educational opportunities for girls and women at all levels of the educational system.

- **Social service provision to children and youth:** Since impoverishment and disillusionment among Congolese youth heavily contributed to the violence of the civil war, the empowerment of children and youth is a vitally important factor for the future development of the country. Empowerment could assume the form of education, vocational training and job creation, as well as the provision of opportunities for leisure-time activities. Peace education, including instruction on nonviolent solutions to conflict situations, would also help greatly in preventing violent conflict.
- **Education and training:** Given the importance of education and training in the areas stressed above, improvement in education is highly crucial to the future development of the country. Although the importance of education has been identified in various reports, as well as in political action, this issue should receive greater attention.