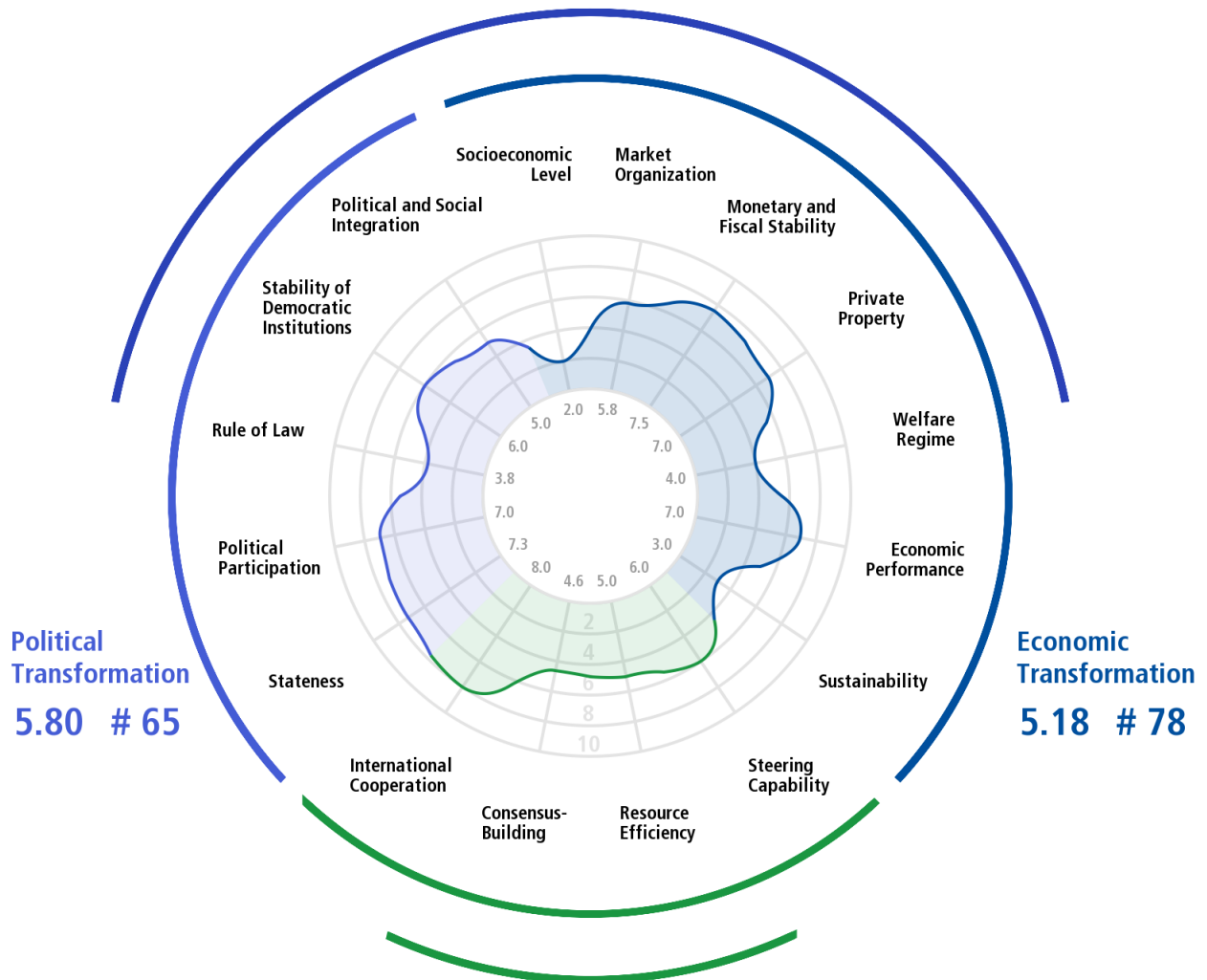


Côte d'Ivoire

Status Index

5.49 # 63

on 1-10 scale out of 137



Governance Index

5.47 # 45

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2020**. It covers the period from February 1, 2017 to January 31, 2019. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	25.1	HDI	0.516	GDP p.c., PPP \$	4200
Pop. growth ¹	% p.a.	2.6	HDI rank of 189	165	Gini Index	41.5
Life expectancy	years	57.0	UN Education Index	0.441	Poverty ³	% 57.4
Urban population	%	50.8	Gender inequality ²	0.657	Aid per capita \$	33.9

Sources (as of December 2019): The World Bank, World Development Indicators 2019 | UNDP, Human Development Report 2019. 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

After years of protracted civil conflict, Alassane Ouattara was inaugurated as Côte d'Ivoire's president in May 2011. The 2010 elections had plunged the country into deep chaos with the election's loser clinging to power and the international community acknowledging an elected government that had to be protected by U.N. peacekeepers. The winner of the election had to resort to violence to claim his office effectively, and the losers of the election eventually went into exile (or prison in The Hague and in the country) instead of contributing to a more stable national political configuration. In 2019, toward the end of Ouattara's second term, democratic institutions remained fragile and lacked substantial vertical and horizontal accountability. The 2010 elections could certainly not be considered the founding moment of a democratic transition. The 2015 elections were rather a plebiscite for the incumbent president than a democratic competition, as the opposition was divided and weakened by the exile and imprisonment of many top leaders. With former President Gbagbo probably returning from the Hague in time for the 2020 elections and the split in the ruling coalition, it cannot be excluded that the next electoral cycle will lead to a return of bitter political polarization (a competition between Ouattara, Bédié and Gbagbo) and electoral violence. As the contours of political community and citizenship remain contested, achieving political stability and social integration within Côte d'Ivoire is still the main challenge for further peaceful transformation.

Some essentials of a market-friendly economic order were maintained even in the unstable and violent environment that characterized Côte d'Ivoire during the 2002 to 2010 period. In part because Ouattara is a former IMF official, macroeconomic reforms have been prioritized under the new administration. Overall macroeconomic performance has strongly improved in the period since 2011. This was due to domestic reforms in the administration and key economic sectors and due to considerable public investment in infrastructure, education and health, but also to favorable contextual conditions, such as initially favorable world prices for cash crops and the continued effects of the significant cancellation of external debt (HIPC). Since 2015, Côte d'Ivoire managed to attract increased foreign direct investment (FDI). Much remains to be done in terms of poverty

reduction, the modernization of physical infrastructure (especially roads and energy), the promotion of small and medium enterprises, the creation of a sound financial sector and the enforcement of anti-corruption policies. While all objective indicators reveal a country with extreme low levels human development, and a whole generation of young people who were involved in militias rather than enrolled in school or university, the country's economic and political elite remain highly optimistic about economic transformation and the rise of the country toward the world's "emerging" economies, if not by 2020, as initially predicted, than soon after.

However, many observers are skeptical as to the general trajectory of political transformation. The president runs a one-man-show, and a group of elder men continues to dominate politics without significant elite rejuvenation. Key structural reforms with regard to the distribution and access to land or the building up of a more professional security sector have only partially been tackled. Regional politics and economic integration remain an untapped resource. Côte d'Ivoire has survived a nightmare and has come out the other side with a sound economic foundation and potential that need to be protected and used. However, the country will need good managers not only to ensure macroeconomic essentials, but also to develop a more consensual style of policy-making and a more serious commitment to democratization and constitutional reform.

History and Characteristics of Transformation

Political and economic transformation in Côte d'Ivoire have followed different paths: After independence in August 1960, the country's first president, Félix Houphouët-Boigny, came to dominate the country's political life and economic decision-making, and in the 1960s and 1970s presided over Côte d'Ivoire's emergence as one of Africa's few stable and economically successful countries. A broadly liberal economic system that was actively integrated into the world market was combined with a basically authoritarian mode of political regulation. Côte d'Ivoire's success as an exporter of cocoa (the top producer worldwide) and coffee was a major factor in its stability, as these exports quickly enabled the country to achieve an enviable level of prosperity and social development.

When commodity prices fell in the 1980s, Côte d'Ivoire began to face serious economic and social problems. The established model of political and economic regulation, which denied political participation but guaranteed social advancement for elites and fixed producer prices for planters, had become unsustainable. Levels of popular dissent increased, and by the beginning of the 1990s, multiparty rule was introduced. Along with political liberalization came an attempt at economic reform headed by a technocratic team under then-Prime Minister Alassane Ouattara. He conducted an economic reform program in the face of significant resistance from within the ruling party, the Parti Démocratique de la Côte d'Ivoire (PDCI), particularly from the president of the National Assembly, Henri Konan Bédié.

Upon Houphouët-Boigny's death in December 1993, both Ouattara and Bédié vied for the succession; however, Bédié eventually won and subsequently consolidated his own power,

sidelining those sympathetic to Ouattara. A pro-Ouattara party, the Rassemblement des Républicains (RDR), broke away from the PDCI. The 1995 presidential elections saw the victory of Bédié with both RDR and the other traditional opposition party, the Front Populaire Ivoirien (FPI), boycotting the polls on the grounds that the electoral code excluded Ouattara from candidacy due to his “dubious” Ivorian nationality.

Bédié was eventually overthrown in a bloodless coup in December 1999. Initial hopes for a more thorough political democratization were soon disappointed when it became clear that coup leader General Robert Guei would stand in the 2000 elections and that opposition party FPI adopted former president Henri Bédié's concept of “Ivoirité,” leading again to the exclusion of Ouattara. The candidacy of Henri Konan Bédié (PDCI) was also rejected. A popular uprising thwarted the rigged election of October 2000, and Laurent Gbagbo (FPI) was declared the winner over the protests of the RDR supporters. The September 2002 coup attempt and the ensuing descent into civil war nevertheless took the country by surprise. The mutineers swiftly took control of the entire northern half of the country, often welcomed by a local population that had felt marginalized by the previous administrations. France eventually stepped up its military presence in Côte d'Ivoire, agreeing to police the cease-fire line following a truce agreement on October 19, 2002. The main political parties and rebel groups reached a first political settlement during negotiations in France in January 2003 but implementation of the terms of the peace accords, including disarmament, territorial reintegration and a menu of significant political reforms, was halting. A new peace agreement brokered by Burkina Faso President Blaise Compaoré in early 2007 allowed for a power-sharing government with rebel leader Guillaume Soro as prime minister.

This government eventually made the formal reunification of the country possible and cleared the way for presidential elections held between October and November 2010. However, hopes that this election would represent a first but decisive step toward solving the conflict were dashed. The results of the elections were contested, and both Gbagbo and Ouattara declared themselves to be the winner. Following a major political stalemate, the conflict was eventually solved by the military victory of the rebel forces in conjunction with international (mainly UN and French) troops over loyalist forces. Ouattara finally took effective power in May 2011 and was re-elected in October 2015.

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

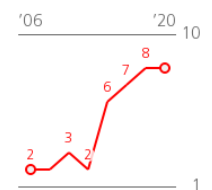
The elections of 2010 and the ousting of Gbagbo's government in April 2011 marked the definite end to the country's territorial division into an official government zone in the south and a rebel-held zone in the north. Since 2011 President Ouattara and his government have strived for normalization and the extension of state authority throughout the whole territory which was completed in 2013. Some problems remain, primarily in the form of the continuing weak control of territory in two provinces along the border with Liberia where returning refugees and militias represent a threat to the state monopoly, in a context of unresolved land disputes.

Citizenship rights are among the root causes of the ongoing conflict. For many years, significant aspects of citizenship (if not citizenship itself) have been withheld from the "northerners" as well as from migrant workers who have lived for decades in Côte d'Ivoire. Fueled by politicians, the nationalistic concept of Ivoirité encouraged southerners who were primarily Christian or Animist (a traditional African religion) to regard themselves as true Ivoirians, while Muslim northerners (whether of Ivorian nationality or not) were made the target of xenophobic sentiments and actions. The electoral victory of a northerner has not solved the problem outright, as the underlying constitutional and legal questions of citizenship rights have not yet been fully addressed. A new law enacted in 2014 allowed several thousand first generation immigrants to claim citizenship and the constitutional revision of 2016 weakened the Ivoirité provisions in the electoral provisions. The FPI supporters, many of which continue to boycott political participation, as well as many PDCI supporters after Bédié left the ruling coalition, however, still perceive Ivoirité (and its citizenship implications) as a sound policy and question the legitimacy of the current "nation-state."

Question
Score

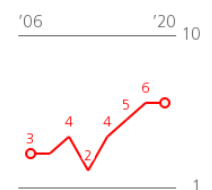
Monopoly on the
use of force

8



State identity

6



The Ivorian population in general is very religious and politicians are well advised to portray themselves as devout Christians and Muslims. The separation of religion and state, however, is guaranteed by the secular constitution, and religious extremists command no political influence.

Conflicts between the various ethnic groups and immigrant groups gained religious overtones over the course of the last decade. However, economic and political discrimination (and violence) has related to ethno-cultural stereotypes and linguistic cleavages and targeted all northerners regardless of religious affiliation (although most Muslims live in the northern part of Côte d'Ivoire). While some people in the Gbagbo administration unsuccessfully tried to portray northern rebels as Islamist extremists in the early 2000s, theological disputes were never a dominant feature of the north-south divide. The attacks on a tourist hotel in Grand Bassam on March 16, 2016, were organized and perpetrated by foreign nationals.

After years of de facto partition and the establishment of parallel administrations in the north (2002-2010), Côte d'Ivoire has a single administrative apparatus throughout the country which provides all basic public services.

The efficiency of this state apparatus (especially justice sector, police) is still hampered by corruption, a lack of resources and the legacy of party-political and military intervention in the government.

The physical infrastructure had been far above the regional, sub-Saharan standard but the years of neglect during the conflict have not improved roads and other parts of physical and social infrastructure. Access to water (82% in 2015), electricity (64% in 2016) and sanitation (23% in 2015) remains limited, indicating a relatively strong level of social and economic exclusion.

2 | Political Participation

After a decade without elections and a heavily disputed presidential election in 2010, the country is now governed by an elected president (2015) and elected members of parliament (2016). All political actors today accept elections as the main mechanism for access to political office and elections are regularly held, but Côte d'Ivoire has yet to see a peaceful transfer of power through elections. The latest election cycle has not really been a test whether the political elite and the electoral administration would maintain the good quality of electoral governance in a more open electoral race.

Local and regional elections were held in October 2018, in the wake of the split of the ruling coalition in August 2018. Increased political competition, mainly between politicians of the former coalition partners, led to a series of complaints about unfair procedures, destruction of ballot papers and voter harassment. Elections had to be

No interference of religious dogmas

9

'06 '20 10



1

Basic administration

6

'06 '20 10



1

Free and fair elections

6

'06 '20 10



1

repeated in a number of municipalities in December, but again led to contested results and protracted judicial struggles.

Opposition parties have requested a reform of the electoral commission for a long time. The African Court on Human and People's Rights ruled in November 2016 that the Ivorian laws did not respect international standards about impartiality and legal independence of electoral commissions. President Ouattara eventually promised to reform the Electoral Commission, but municipal elections in 2018 were still held under the existing institutions.

In principle, the Ouattara government is capable of effectively governing the country. The strongest veto players continue to come from within the security apparatus, where former rebel commanders who played a major role in the military victory over Gbagbo have maintained control within the new security apparatus. The effective power wielded by these veto players can be seen in the lack of judicial procedures against war crimes committed by loyalist security personnel, and in sporadic but repeated mutinies.

Disgruntled elements of the army, demanding better pay and working conditions, have mutinied against the government, but the government has brought this under control by mostly satisfying soldiers' demands. Since 2011, arms and munition have been hidden across the territory – not under the control of the official military apparatus.

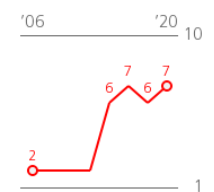
Constitutional reforms in 2016 excluded Guillaume Soro, former rebel leader and speaker of the National Assembly until February 8, 2019, from becoming the automatic successor to President Ouattara in the case of death or illness. This was generally interpreted as a successful attempt by Ouattara to limit the political influence of former rebels in government.

The freedom of civil society groups and opposition parties to operate was largely constrained between 2002 and 2011 due to repressive policy measures (including prohibitions on public demonstrations for extended periods) and the activities of violent youth activist groups in the south, as well as a general absence of the rule of law in the north. Since 2011, things have improved strongly, and union activity has continued to be strong throughout.

The law provides for freedom of assembly and association, which is now generally respected. There is a vocal opposition which organizes public rallies, hold conferences and maintains its own media outlets. However, opposition political groups repeatedly report denials of their requests to hold political meetings and alleged inconsistent standards for granting public assembly permission.

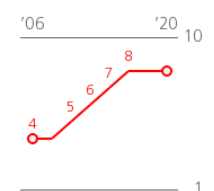
Effective power to govern

7



Association / assembly rights

8



Many years of political instability and civil war have made access to balanced information very difficult. Although the situation has changed since 2011, opposition media remain subject to threats and pressures from the government, especially during electoral campaigns. The constitutional provisions for freedom of expression are thus only partially respected in practice, and journalists remain in principle vulnerable to abuse by police. The public media remains firmly under the control of the incumbent government, but there is an abundance of private media that openly criticize the government. The National Communication Council continues to lean harder on opposition newspapers than on pro-government ones.

In December 2017 a new media law was enacted which further decriminalizes media offenses but makes insulting the president a crime.

Côte d'Ivoire was ranked 82 out of 180 countries in the Reporters without Borders 2018 Press Freedom Index and was categorized as “partly free” (with a score of 51) in Freedom House’s Freedom of the Press Index 2017.

3 | Rule of Law

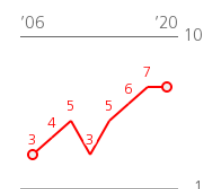
Côte d'Ivoire has a long history of complete presidential control of the political process. Political liberalization during the 1990s did not lead to any meaningful political empowerment of the parliament. The victory of opposition candidates in both the presidential elections in 2000 and 2010 did not significantly change the logic of governance, as presidents Gbagbo and Ouattara both shifted decision-making processes to a narrow group of collaborators, marginalizing ministers from allied parties such as the PDCI.

The most recent parliamentary elections (December 2016) reestablished a fully legitimate parliament, but the meager representation of the opposition reduced the possibility that parliament will become an effective institution of governmental oversight within the current legislative term (2016-2021).

The elections could thus not reverse the structural annihilation of parliamentary oversight, a situation initially justified by the emergency situation in which the Ivorian state found itself in the post-2002 period. The president has repeatedly claimed that he wants to establish an accountable government, but whether state actors are subjected to law is a matter of debate. The strongest effective check on government likely remains the extra-constitutional veto players in the security apparatus. The judiciary can only insufficiently balance the hegemony of the executive.

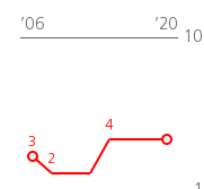
Freedom of expression

7



Separation of powers

4



Formally, the judiciary is institutionally distinct, but its decisions and doctrine have always been subordinated to the government of the day. Both the constitutional and the regular branch are vulnerable to executive intervention, lack adequate resources and are riddled with corruption. Prior to the civil war, a series of major judicial reforms were announced (installation of a Supreme Court of Appeal and of an Audit Office), but only the Court of Audit has been implemented yet. This new institution suffers from the lack of political will to fully implement its mandate. The independence of the Constitutional Court was decisively compromised by its controversial position in the electoral crisis of November 2010. The judiciary's lack of independence has been confirmed by the legal treatment of war crimes. While several hundred officials of the Gbagbo administration had been put on trial and finally convicted by the end of 2014, only a few cases were opened which accused former pro-Ouattara militias, with none leading to convictions, although the involvement of pro-Ouattara forces in criminal acts had been demonstrated by a U.N.-led expert mission in 2011.

Human Rights Organizations have also criticized the lack of professional expertise in the judicial sector, leading to the acquittal of some prominent accused individuals because of procedural errors.

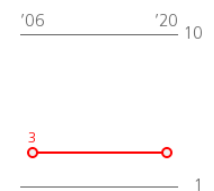
There is a long tradition of financial malpractices in the country, encouraged by the absence of auditing, and each new government implicated in a number of new scandals. The fight against corruption has not been the main priority of the government that took power in 2011, although it ratified all relevant international conventions. In the current environment, corrupt officeholders do not face any significant adverse publicity from civil society, the media or opposition parties, and are generally not subject to legal prosecution.

At times, officeholders and high-ranking officials attract adverse publicity but are rarely prosecuted. On some occasions, investigative media reports indicate massive corruption without legal or political sanctions enacted. An Afrobarometer survey from January 2017 revealed that more than a third of the 2000 respondents admitted regularly paying bribes to officeholders (e.g., in hospitals, government services).

Between 2002 and 2010, most civil liberties existed only on paper, in part because of the prolonged lack of a nationwide monopoly on the use of force, but also because of the lack of political will and judicial control. In the run-up to the 2010 presidential elections and in the unrest following the second round of polling, more than 3,000 people were killed by security forces or militia groups. Although the situation has been normalized since May 2011, the lack of control over the security sector still leads to human rights abuses. This includes gender-specific rights violations and sexual violence, cases of torture and disappearance, lack of police investigation and judicial prosecution; insufficient protection of LGBT and albinos against discrimination; and insufficient enforcement of legal provisions to suppress female

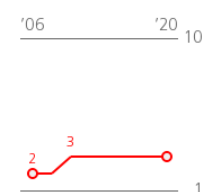
Independent judiciary

3



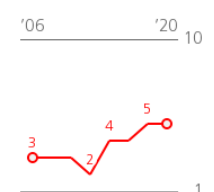
Prosecution of office abuse

3



Civil rights

5



genital mutilation (although the legal provisions were even included in the 2016 constitution).

With very few exceptions, the perpetrators of mass murder and serious violations of human rights committed since the first coup in 1999 have not been brought to justice and some of them continue to pursue their career in the army.

The government has, however, started to comply with reporting requirements to international human rights treaties. The death penalty was abolished with the reform of Penal Law in 2015. The National Human Rights Commission (CNDH-CI) has also been strengthened, providing for representation by civil society organizations and gaining international accreditation since 2016. It still suffers from a lack of financial resources, human capacity and political will to fully implement its mandate.

4 | Stability of Democratic Institutions

With the 2010 and 2015 presidential elections, the 2011 and 2016 parliamentary ballots, and the local and regional elections in 2013 and 2018, the country is approaching the completion of two cycles with democratically elected government at all tiers of government (although competencies of local governments remain very limited).

The constitution provides for a democratic regime, and no elite actor questions the legitimacy of democratic institutions per se. The extent to which the behavior of elites is primarily shaped by these institutions can nevertheless be questioned. Given the dominance of the presidency, relatively little friction exists; however, this reduces the functional quality of other institutions such as parliament and more broadly speaking, horizontal and vertical accountability.

Democracy has clearly become “the only game in town,” but all elite actors stick to a narrow and legalistic interpretation of democracy as majority rule (with very few institutionalized accountability mechanisms) that may in fact have reduced the legitimacy of democratic institutions in the eyes of large segments of the population.

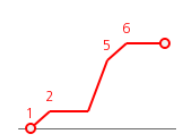
Civil society actors are supportive of liberal democracy and often side with the opposition in claiming a more inclusive style of policy-making (including constitutional reforms or reform of electoral commission), but even with huge parliamentary majorities, both the Gbagbo- and the Ouattara-led governments have shown little inclination to open up for a more consensual decision-making.

None of the key elite actors has a past record of being a committed democrat, and all can, on the contrary, be held responsible for having led the country into violent conflict out of fear of losing power. Whether elite actors truly accept democratic institutions (including rule of law) will become clearer only at the end of the current presidential term when Ouattara is not allowed to stand again and a more open competition is likely to emerge.

Performance of democratic institutions

6

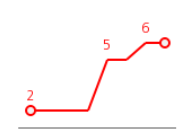
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Commitment to democratic institutions

6

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5 | Political and Social Integration

The Ivorian party system is characterized by relatively low fragmentation and low voter volatility, partly due to regional and ethnic voting. Three political parties have dominated Ivorian political life since the mid-1990s: the FPI, the RDR and the PDCI (with all remaining parties having never succeeded to move beyond 5% of electoral support). Their party leaders Gbagbo, Ouattara and Bédié, now aged 73, 77, and 84, continue to dominate political life since that time, and it seems that FPI leader Gbagbo might even return to party leadership following the acquittal of charges at ICC. While political polarization was one of the key factors driving the country toward civil war, at least one of the three players, the RDR has been able to form coalitions with both FPI and PDCI.

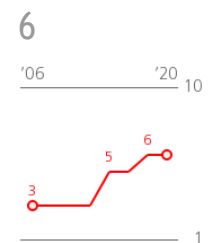
Both the FPI and the PDCI have a very long tradition of political participation and used to be strongly rooted in society. To an extent, violent conflict has frozen the party system, hindering new parties from emerging. Although the New Forces rebel movement today participates in government, and former rebel leader Soro was speaker of parliament until February 8, 2019, the movement did not initially transform itself into a political party. Since his resignation as speaker of the parliament in February 2019, Soro Guillaume launched his own political movement to support his probable candidacy for the 2020 elections.

In the highly polarized and violent political competition that has characterized the country throughout the last two decades, formal political party structures had little space to organize, and consequently had no meaningful role in aggregating and moderating social interests. Parties are also substantially personalized and thus clientelistic.

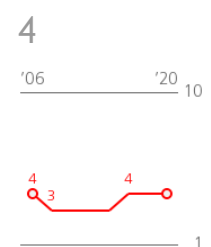
Many interest groups, from cocoa planters' associations to student unions, continued to exist even throughout the last decade of violent conflict. However, they cooperate only rarely (numerous additional planters' associations have emerged since 2005) and have very little influence on political processes. The country lacks a tradition of constructive relationships between the state and interest groups (with the exception of the economically important export sectors) and there is little faith among social actors in the state's willingness to listen to them.

Important social interests remain underrepresented, especially in the case of religious and ethnically cross-cutting interest groups that were much more active in the 1990s. Civil society, although formally represented in many state- or donor-led schemes, has generally not been able to shape public policies. Trade unions in the public sector remain quite strong and may mobilize heavily to defend their interests.

Party system



Interest groups



Results of the most recent Afrobarometer rounds held in Côte d'Ivoire (2016-18) show an overall positive assessment of democracy as the preferred regime type (77%) and a strong support for free and fair elections (85%). Ivoirians are also very clear about their refusal of military rule. The survey results have to be interpreted within a tradition of democracy which amounted to benign authoritarian rule (houphouetisme) or to exclusionary varieties of nationalism (as exemplified by the FPI and Gbagbo). In fact, citizenship has been a source of tension since the 1990s, when Ivorian nationalists adopted former president Henri Bédié's concept of "Ivoirité" to exclude perceived foreigners (including Ouattara) from the political process. Côte d'Ivoire has one of the highest "demands" for democracy throughout the African continent.

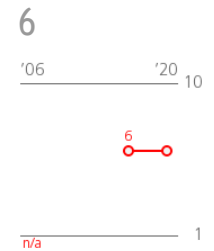
Only 40% of the population were, on the contrary, very or fairly satisfied with the "supply" or performance of democratic institutions. Trust in the president (59%) is higher than in parliament or the judiciary, but significantly lower than trust in traditional leaders (69%).

Voter turnout rate was very high in the 2010 elections (over 80%). This should not be taken as a conclusive sign of approval of democratic elections per se, but rather as a sign of the elections' de facto political relevance and the extent of political mobilization. In fact, the turnout in the 2015 presidential elections came down to 54.6%. The turnout rate in the legislative elections of December 2016 was 34%.

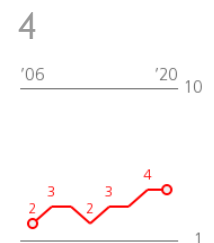
Insecure access to land within the ethnically mixed neighborhoods in many parts of the country (which also pits indigenous and migrant populations against each other) has been identified since the 1990s as a major root cause of social conflict. Civil war and evictions of migrant workers have aggravated the problem. Such violent clashes have stopped since 2011, with the exception of isolated episodes in the west and northeast.

Although many local peacebuilding activities have been implemented, and many reports indicate stronger capacities for peace within local communities, there is little indication of generalized social capital that cuts across ethnic and other identity groups within the Ivorian social fabric. Survey data from Afrobarometer (2016/18) show nevertheless that around 90% of the population does not see any problem living with people of different ethnic or religious background as neighbors. There are many voluntary and autonomous civic and other social associations, but they lack funding and face other organizational shortcomings.

Approval of democracy



Social capital



II. Economic Transformation

6 | Level of Socioeconomic Development

While Ivorians themselves tend to consider their country as the economic powerhouse of francophone West Africa, according to empirical evidence the country is one of the world's least developed countries (ranked 170 out of 189 countries on the Human Development Index 2017), Côte d'Ivoire exhibits social marginalization that is massive quantitatively and qualitatively, and is clearly structurally ingrained. Almost all relevant indicators point to severe problems, although violent conflict made collection of valid data difficult or impossible over many years.

According to World Bank data, the percentage of people living under the poverty line of \$3.2 per day increased during the phase of civil war and instability continuously, before going down to 57.4% in 2015. Gender inequality is a severe problem, and the country has one of the world's worst ratings in the United Nations' Gender Inequality Index (and the worst among predominantly non-Muslim countries). Inequality has remained high, with a 2015 Gini coefficient of 0.415.

Although some socioeconomic problems have clearly been linked to the protracted violent conflict and its consequences (i.e., the lack of administrative structures, and the precarious functioning of education and health facilities in the north for a couple of years), many barriers, particularly in the education sector, are structurally ingrained.

Economic indicators		2015	2016	2017	2018
GDP	\$ M	33131.1	35297.0	38053.6	43007.0
GDP growth	%	8.8	8.0	7.7	7.4
Inflation (CPI)	%	1.3	0.7	0.7	0.4
Unemployment	%	3.1	2.6	2.5	2.5
Foreign direct investment	% of GDP	1.5	1.6	2.6	2.1
Export growth	%	6.9	2.2	17.6	0.3
Import growth	%	15.9	1.9	7.5	5.7
Current account balance	\$ M	-201.3	-414.0	-1046.5	-

Question
Score

Socioeconomic
barriers

2

'06 '20 10



Economic indicators		2015	2016	2017	2018
Public debt	% of GDP	47.3	48.4	49.8	53.2
External debt	\$ M	11385.8	11448.1	13444.1	15659.7
Total debt service	\$ M	810.8	1568.4	2243.3	1656.0
Net lending/borrowing	% of GDP	-3.4	-4.4	-4.8	-
Tax revenue	% of GDP	15.4	15.7	16.2	-
Government consumption	% of GDP	11.9	12.7	14.4	13.8
Public education spending	% of GDP	4.8	5.4	5.1	-
Public health spending	% of GDP	1.1	1.1	-	-
R&D expenditure	% of GDP	-	0.1	-	-
Military expenditure	% of GDP	1.7	1.7	1.3	1.4

Sources (as of December 2019): 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

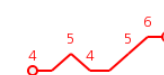
Although the country used to be hailed as capitalist model in Africa, the institutional setting for free markets and competition has never been sufficiently developed. This is particularly true in the vital cocoa sector, where uncertainty over economic fundamentals and regulation has persisted until recently. During the last years Côte d'Ivoire has, however, made progress in various areas, such as price regulation in the cocoa sector. The government continues to guarantee a minimum “farmgate” price to cocoa farmers (although adapted to world market prices), and price controls also exist in the gas, power and water sectors.

The government has invested a lot of efforts to modernize the regulatory framework. The harmonization and more transparent regulation of private investments earned the country better scores in the Heritage Foundation's 2018 Index of Economic Freedom. Côte d'Ivoire is considered “moderately free” and is now ranked 78 out of 178 countries (only four other sub-Saharan countries are ranked higher), with business, investment, monetary and trade freedoms being particularly successful. According to the Doing Business ranking Côte d'Ivoire still lags behind the most competitive African economies, but the business start-up process has become more straightforward (on average six days, four procedures and 2.7% of GNI per capita), placing the country at rank 24 out of 190 in the World Bank's 2019 Starting a Business sub-index. Also, minimum capital requirements have been reduced.

Market
organization

6

'06 '20 10



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Throughout the decade dominated by military and political conflict, the informal sector gained increasing importance, with the incidence of smuggling and other illicit activities rising. With the joint efforts of the government and donor community this trend could be stopped. Despite these efforts, according to the OECD, the informal sector amounts about 30% of GDP.

The formation of monopolies and oligopolies has been the object of a 2013 law, based on community policy norms agreed upon in the West African Economic and Monetary Union (UEMOA), the Francophone regional monetary and economic integration scheme, back in 2002. The legislation also led to the establishment of a commission to register and sanction monopolistic practices. The new legal framework has not, however, raised political interest in the issue, the commission did not gain sufficient autonomy from the ministry, and the practical relevance of the commission, which took office in July 2014, for regulation has remained unclear. In 2018, the government appointed 10 new members to the commission with the task to fight against la “vie chère.”

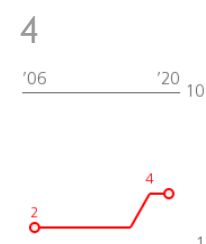
The lack of effective competition is clear in several sectors of the economy, particularly in the markets for fixed telephone, internet services, water and electricity distribution, and port services, where foreign-owned companies hold de facto monopolies or were granted such monopolies even after the law had been enacted, such as the award of the second port terminal to the French company Bolloré).

Rather surprisingly and in a context of a price hike for electricity, President Ouattara announced during the May 1st celebrations in 2016 an end to the monopoly of water and electricity provision as this would lead to a lowering of prices. It remained, however, unclear to local observers, how these monopolies could be ended in the short term as the state has contractual obligations over long periods of time. A liberalization of the electricity sector was announced for 2018, but no further legal steps have been taken so far.

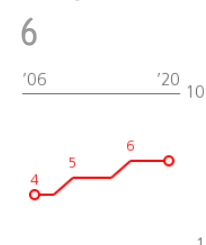
Côte d'Ivoire used to be a regional hub and attracts considerable trade (and investment). Cocoa and coffee trade are to a large extent run by multinational companies. As the world's biggest producer of cocoa, the country's economy is strongly integrated into the world economy.

Foreign trade follows nondiscriminatory principles (as provided for in the West African Economic and Monetary Union (UEMOA) and Economic Community of West African States (ECOWAS) regional programs), but domestic rules, administrative barriers and informal interventions by officeholders still constrain the liberalization of the foreign trade regime in practice. The UEMOA Commission has exclusive authority over the common trade policy of its members vis-à-vis third states. Since the late 1990s trade policies have been substantially harmonized by the commission, resulting in a common trade policy in fields such as customs taxation at

Competition policy



Liberalization of foreign trade



the border (Common External Tariff in force since January 1, 2000), bank domiciliation of trade transactions and rules of origin.

In 2012, the first WTO trade policy review in 17 years was conducted (again in 2017 as joint UEMOA review). It made clear that Côte d'Ivoire has to further simplify its tax system and bring its bound and applied rates in conformity with WTO provisions (in the WTO, the UEMOA member states have individually bound their customs duties and other duties and taxes), as well as to refrain from minimum import prizes and quantitative restrictions. The simple average of the most-favored nation (MFN) applied total tariffs was 12.2 in 2017. Côte d'Ivoire was one of the first African countries to ratify the WTO trade facilitation agreement in December 2015, although trade facilitation performance remained below African average by 2018.

Côte d'Ivoire signed an interim Economic Partnership Agreement (EPA) with the EU in 2008 and started to implement it from January 2019 on; since 2011 the country has (again) become eligible for the U.S. government's African Growth and Opportunity Act (AGOA)

The banking sector survived the politico-military conflict in the 2000s relatively well, but suffered from the increase in government arrears owed to the private sector (most of which were cleared since then) and the temporary closure of banks in the north and west. There are currently 28 banks, eight of which manage about 78% of loans and deposits. Five banks dominate the banking sector with 60% of assets, four of which are owned by foreign banks with activities across the region.

A legal framework for the banking system and capital market is in place. The modernization and restructuring of the financial sector remains one of the top priorities of the government. The West African Regional Stock Exchange (BRVM) is located in Abidjan with 62 listed companies as of end 2018 (the bulk of which is Ivorian). The BRVM has grown somewhat in size in the context of strong economic growth, but has yet to become a major source of funding for private sector activity.

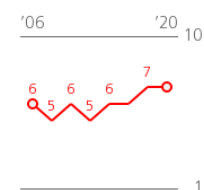
Weaknesses in the financial sector include insufficient equity, an increased level of non-performing loans and heavy exposure to a handful of borrowers. UEMOA has thus initiated reforms providing for the inclusion of the Basel II and III standards into the regulatory framework. The Ivorian law strengthening prudential standards became effective in January 2018, but diversification of the lending clientele will take time. According to BCEAO figures, the average bank capital adequacy ratio which stood at the UEMOA minimal norm of 8% end-2016 increased to 9.8% at end-2017 in anticipation of new stricter legal regulations.

Public banks, the financially weakest segment of the financial sector, are undergoing restructuring. The authorities intend to retain two public banks, which either play a significant role in the rural areas or provide credit to sectors where private banks do not have large presence. Banking penetration remains at 18.3%.

8 | Monetary and fiscal stability

Banking system

7



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As a member of the CFA franc monetary zone, Côte d'Ivoire cannot pursue an independent policy regarding currency and foreign-exchange rates. The currency is pegged to the euro, and the Central Bank of West African States (Banque Centrale des États de l'Afrique de l'Ouest, BCEAO) is fully independent with priority given to targeting inflation.

With some exceptions, such as a spurt of inflation after the CFA franc was devalued in 1994 (and a temporary peak of 6.3% in 2008 due to the surge in international food prices), this has led to relatively low inflation rates (between 0.7% and 5% throughout the last decade; 0.7% in 2017). Even the political unrest produced no discernible increase in the inflation rate.

As the country tended in the past to fall quickly into domestic and external payment arrears, fiscal policy used to be the main source of disagreement with the IMF. Programs were negotiated, suspended and resumed after 1999. After 2002, the country lapsed in its performance commitments, and programs suspended with the outbreak of civil war in 2002 were resumed only in 2009. Despite some ongoing fiscal slippage and extra-budgetary expenditure, the IMF awarded the country a poverty reduction and growth facility (PRGF) in March 2009 and was quite optimistic about future prospects.

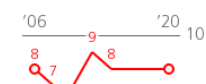
After the arrival of former top IMF official Alassane Ouattara at the helm of the state in April 2011, relations with the Bretton Woods institutions improved. The government completed its responsibilities under the Highly Indebted Poor Countries (HIPC) initiative in July 2012, allowing it to write off large amounts of multilateral and bilateral debt. Since 2013, there has been a slight upward trend in the debt-to-GDP ratio (public debt 48.7% of GDP in 2017, external debt 28.7%). The ratio of lending and borrowing stood at -4.3% of the GDP in 2016 (which marks a worsening development over the years).

The Bretton Woods institutions continue to be quite optimistic concerning public financial management and the consolidation of sound macroeconomic policies. The government freed additional budgetary resources for infrastructure investment and priority spending by adhering to strict civil service recruitment guidelines (hiring one new public servant for every two retirees except in the education and health sectors), limiting transfers to public enterprises, mitigating fiscal risks and improving public financial management.

The IMF nevertheless reminded the government of the need to continue with a prudent fiscal policy and additional tax policy measures in order to lower the budget deficit to the UEMOA criterion of 3% of GDP by 2019. Notwithstanding the ambitious public investment, inter alia in education and health policies, government consumption has remained modest from a comparative perspective (12.0% of GDP in 2017).

Monetary stability

8



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Fiscal stability

7



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9 | Private Property

Property rights in Côte d'Ivoire are adequately defined but cannot be considered satisfactorily safeguarded by law. According to the World Bank, the country has made enormous progress with regard to the protection of property rights and the acquisition of property.

The biggest problem with property rights remains land tenure, especially the ability of (second-generation) immigrants to secure property rights to the land they farm, as the relevant legislation of 1998 has not yet been properly enforced (the deadline to claim land according to the new legal procedures was extended again until 2019). By 2018, only 4% of land was titled and the laws had apparently remained unknown, despite additional legal provisions from 2011 and 2015 which aimed to secure the rights of customary landowners and to provide mechanisms for dispute settlement. The government finally introduced the Agence foncière rurale (AFOR) in September 2017 to strengthen communication, capacity-building and enforcement of the regulations.

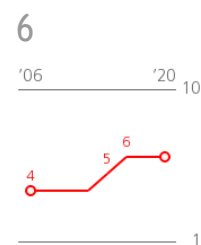
Private companies represent the backbone of the economy (accounting for 85% of GNP). The government encourages foreign investment, including in the privatization of state-owned and public firms, although in most cases the state reserves an equity stake in the new company.

Entrepreneur associations continue to complain about high domestic production costs, especially related to electricity, poor transportation infrastructure, the banking sector and corruption.

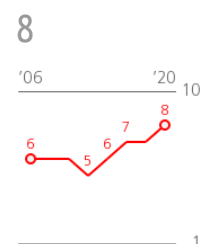
The IMF has over the years repeatedly expressed concern about the poor operating environment for business, but now the country has strongly improved its previously miserable standing in the World Bank's Doing Business Index. This is due to a rationalization of administrative procedures, a new investment code and a concentration of competencies in one single authority (Guichet unique de formalité d'entreprises). Other aspects of business activity, such as getting access to credit, dealing with construction permits or paying taxes, remain much more problematic. Since 2016, due to the establishment of a specific Commercial Court, business-related rulings have become less time-consuming. The government also approved new investment and mining codes which are business-oriented and grant important incentives to private investors, and adopted an electricity code, which includes an appropriate framework for the management of physical and financial flows in the electricity sector.

In November 2011, the government created a new state-regulated cocoa and cashew marketing mechanism, which entered into force during the 2012 to 2013 cocoa harvest and is considered to have contributed to the record harvests in the following years.

Property rights



Private enterprise



With Ouattara as president, a new round of privatization was launched. In 2014, the government proposed a program to privatize a quarter of public enterprises, including 15 public or semi-public enterprises, banks and the sugar company Sucrivoire (as a subsidiary of SIFCA). By 2016, the Ivoirian state had ceded its shares in Sucrivoire, CIDT and the SIB bank, and by end of 2017, of BHCI and Versus Bank. In January 2019, the government announced that due to budgetary reasons the government was examining the possibility of further partial privatization of 26 public firms, including CNCE, BNI, Petroci as well as of ceding of state assets in 54 further companies.

10 | Welfare Regime

The government has committed itself to poverty alleviation, but the country still suffers from years of political instability. The last PRGF was concluded in 2009, but IMF and World Bank have continued to support the National Development Plan (PND, 2012-2015, 2016-2020).

Employees in the public sector continue to have access to a well-developed social security system, but only a small part of the population belongs to this category. Social services have deteriorated owing to a lack of funding, a fact confirmed by the latest data on life expectancy, which remained at a historic low of 53.6 years in 2016 (one of the absolute lowest values worldwide). The large informal sector contributes to poverty reduction, albeit to an unknown extent. The government has invested a lot in free public education, including free materials for elementary school. A 2018 evaluation showed that, nevertheless, 30% of all children between six and 11 remain outside the school system. Public expenditure for health stood at 5.4% of GDP in 2015, and the government has offered in theory unlimited free health services to pregnant women and children up to the age of five.

Following the elaboration of a national Strategy of Social Protection in 2013, the government officially launched the Couverture Maladie Universelle (CMU) in December 2014, a fee-based public-supported health insurance scheme for both citizens and migrants living in Côte d'Ivoire, which still needs to be fully implemented. In April 2017, the government finally started a pilot phase for students in public and private universities (not necessarily those with major health challenges, and with the compulsory fee of CFA 1,000 paid by the government). By April 2018, 108,000 had enrolled.

Côte d'Ivoire's functioning society is based on traditional gender roles. Women are treated worse than men in all aspects of life. Women lack adequate access to public office and to educational institutions, as shown by the low percentage of women in parliament (11.9% in the parliament elected in December 2016) and a significantly lower female literacy rate of 36.8% (in contrast to 50.7% for men; 43.9% combined). Female enrollment in the education system faces still many challenges, although the situation has improved over the last years (the ratio of female to male enrollment at

Social safety nets



Equal opportunity



the primary level is 0.9%, and 0.7% at the secondary level). Women also form only 41.1% of the labor force, even if the percentage has continuously risen over the last decade (from 37.3% in 2007). The government is also not successful in enforcing the legal prohibition of FGM, which was even enshrined in the new 2016 constitution, but which is still a prevalent practice in some rural areas (country-wide 37%, in the northwest 80%).

While equality of opportunity is protected by the constitution and other legal norms, people from the north have faced discrimination in the education system and the job market since the mid-1990s. With a northerner now holding the presidency since 2011, this discrimination has stopped, but the effects of previous marginalization and the lack of a well-structured policy for better integration are still felt. Other minorities, such as albino people and LGBTQ sexual orientation, face discrimination and lack legal protection.

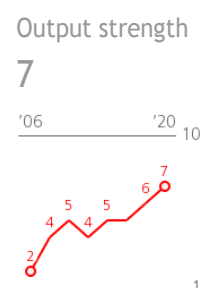
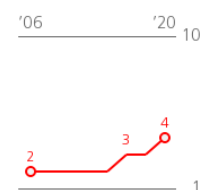
11 | Economic Performance

The political-military crisis, the civil war and the division of the country after 2002 plunged Côte d'Ivoire into a severe economic crisis with negative growth rates. However, a sound structural base prevented the economy from collapsing altogether despite the disruption to infrastructure and the business environment. High cocoa prices and oil exploration in the Gulf of Guinea, sectors which remained largely untouched by the conflict, triggered economic growth even during the era of President Gbagbo. The year 2009 saw real growth in per capita income for the first time since 1998, and most macroeconomic indicators today show quite positive prospects. Growth rate stood at 8% in 2012, and has since then continuously and slightly decreased, but was still at 5.1% in 2017. In per capita terms, GDP per capita in PPP stood at a substantially increased \$3,953 in 2017, which is also above the regional average.

The debt situation has been relaxed, as a significant amount of external public debt was written off following the completion of the HIPC program in the 2000s. Public debt stood at 48.7% of GDP in 2017. The government announced a success in its efforts to bring down unemployment, and the official unemployment rate (2017) stood at 2.6% but should be treated with caution (mainly because of the relative importance of the informal sector).

Overall potential for further economic growth is perceived to be strong, for example by strengthening the tax base (15.2% of GDP in 2016) and further attracting FDI (continuously increasing since 2011). The further economic prospects, however, heavily depend on the government's ability to guarantee political stability.

Being a member of the CFA monetary union, inflation is traditionally low, with 0.7% in 2017.



12 | Sustainability

Ecologically compatible growth receives only sporadic consideration, and the country has only a rudimentary framework for environmental policy (notwithstanding the increased emphasis on sustainable development). The main environmental law dates back to 1996 and does not take into account the Sustainable Development Agenda. There is quite limited public awareness for environmental concerns as well. The country was ranked 139 out of 180 countries on the Environmental Performance Index 2018, with a score of 45.3.

The country still depends on commodity exports, but the fiscal squeeze passed on to producers for decades has led them to use extensive cultivation methods, and the stock of virgin forest has been nearly completely destroyed despite the existence of strict regulations restricting commercial logging and agricultural encroachment since the 1990s. In 2018, an initiative of producer associations and global cocoa industry created the “Initiative cacao et forêt,” which will use satellite pictures to discover cocoa production in protected forest areas. The Ivorian government also announced the strengthening of existing legal regulations.

In terms of educational infrastructure, Côte d'Ivoire has a very poor record. Since independence, the country has put more emphasis on importing skilled people than on developing its own training capacities. Expenditure on education was never low and averaged about 4.6% of GDP over the last decade and stood at 4.8% in 2015. Although the government has made basic education one of its top priorities since 2012, the quality of education continues to be rather poor, as shown by a very low overall literacy rate of 43.9%. The UN Education Index for Côte d'Ivoire stood at 0.424, revealing the many challenges that the country still faces in promoting universal quality education. Gender inequality in education remains substantial, shown by much lower literacy among women and lower enrollment rates in all sectors (see also in equal opportunity).

The state does not invest in research and development. The universities have been victims of the political-military crisis, and there is very little space and capacity for research.

Environmental
policy

3

'06 '20 10

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Education policy /
R&D

3

'06 '20 10

2

3

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Governance

I. Level of Difficulty

It is quite difficult to distinguish between constraints that are structural and those that are man-made and result from the political leadership's actions (especially as the same men have been governing the country for the last 30 years).

In 2011 the Ouattara government inherited an already impoverished country with low human development, a shrinking educated labor force, a highly polarized political process and violent social conflicts. The division of the country which lasted over eight years created a terrifically difficult governance legacy.

At the same time, Côte d'Ivoire had the most developed economic infrastructure in francophone West Africa before the civil war, and the fact that production in the cocoa sector increased in comparison to the pre-2002 period shows that the country is still benefiting from favorable climatic, geographical and structural conditions. The country also has only started to exploit its mineral resources such as oil and gas.

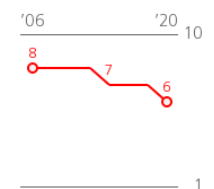
Traditions of civil society hardly exist and have weakened further over the course of the protracted civil conflict. The landscape of voluntary organizations is concentrated within the economic sector, in which independent planter associations have existed since colonial times. However, these activities generally lack a component of civic or public engagement.

The climate of intimidation and the militarization of public life since 1999 effectively crushed the potential for stronger civic participation in public life. Elements of civil society such as student unions themselves became drivers of polarization and confrontation. The lack of a serious reconciliation policy of the government has not helped to overcome the climate of mistrust and repression.

With the end of the war in 2011, the framework conditions for civil society activism improved. For instance, the pro-Gbagbo and Ivorité student association has lost influence. However, the number of active civic associations remains quite low.

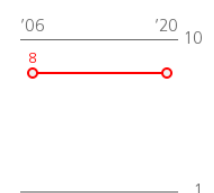
Structural constraints

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Civil society traditions

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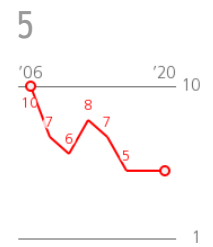
There are more than 50 different ethnic groups in Côte d'Ivoire. After years of social harmony and the promotion of migrant work by citizens of neighboring countries on the part of late President Houphouët-Boigny, successor governments have exploited ethnic resentments to their narrow political advantage.

Ultimately, the country plunged into a violent conflict with an overt ethnic dimension. Although open military conflict was halted in late 2004, violence between communities continued to occur, especially in the villages of the western cocoa belt. Following the electoral crisis and the establishment of two parallel governments in December 2010, the country entered a new phase of violence that ended only with the military occupation of Abidjan in April 2011 by rebels and international military forces. Renewed military attacks by FPI loyalists mainly in 2012 and in a more sporadic fashion until mid-2013 proved that the society is far from pacified.

While open violence has stopped (except for some isolated and local incidents in the west or northeast), Côte d'Ivoire remains a divided society where one segment of the population tried to use its political dominance to establish a populist-nationalistic regime based on the idea of citizenship restricted to southerners and Christians. When Gbagbo's regime was defeated, his party and supporters were imprisoned or fled to neighboring countries. Many have returned and are partly reincorporated into the political process, but the division of the political elite remains as marked as ever, as the new government makes no attempts to be more inclusive than their predecessors.

In the population, ethnic conflict is perceived to be less strong and there is no open political mobilization along ethnic lines.

Conflict intensity



II. Governance Performance

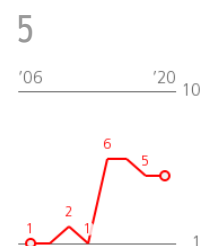
14 | Steering Capability

The Ouattara government has concentrated on economic reform and social policies (in theory) and a broader strategy, which represents a fair balance of promoting private investment, tackling the reorganization of key sectors, and focusing at the same time on long-neglected priorities of education and basic health services. Overall, the government has developed quite a coherent agenda with support from the international community. At the same time, it has failed to develop a more coherent strategy of reducing dependence on the export of few, mostly unprocessed, cash crops which directly leads to budgetary crisis in the case of strong fluctuation of world market prices (especially for cocoa).

With regard to the long-standing conflict issues which caused the political polarization and violent conflict, citizenship and land, two laws were drafted and

Question
Score

Prioritization



approved in 2013. This allowed several thousand second-generation immigrants to gain citizenship. The government also has a real interest in enforcing the 1998 land law and in formalizing land user claims. The constitutional reform, confirmed in a popular referendum in 2016, did not, however, reduce the winner-takes-all character of the political system, and was limited to defending and entrenching the interests of the president and the ruling party, and as such clearly dictated by short-term benefits rather than long-term strategic priorities.

The government has also apparently failed to restructure and modernize the security apparatus, a legacy of the many years of protracted conflict. Various mutinies over the last years, mostly initiated by former rebels now integrated into the army, revealed both ongoing conflicts within the army, as well as the capacity of soldiers to disrupt the political process and to question civilian supremacy.

The government has managed to implement most of its reform agenda, tackling reorganization of key sectors, and setting a priority on large infrastructure projects (roads, electricity), education and health. Other, more structurally oriented reforms regarding the reorganization of the security apparatus, judicial reform, or decentralization have been much less thoroughly implemented (or not even seriously initiated), both due to the technical complexity of the issues, but also to the political resistance of key actors within government.

Security sector reform is an example where implementation has been difficult, exemplified by mutinies described above.

With the exception of the key political themes such as security reform or reconciliation, it would be difficult to clearly identify reform drivers and status quo defenders within the executive. The broader economic reform agenda has no clear opponents within the cabinet.

The very notion of policy learning assumes a relatively strong coherence to policy-making, a condition, which generally seems to have been restricted to the management of macroeconomic policies. However, in this area, the finance minister has established good relations with international financial institutions, particularly through the improvement of national fiscal management.

The reform of the cocoa, cotton, and cashew sectors, ongoing since 2011, is perhaps a more direct example of policy learning, as evaluation of prior reforms has led to a reassessment of the state's role in managing the cocoa market and price regulation.

In other sectors, governmental action continues to be more a matter of seamanship than of navigation – that is, of staying afloat rather than going somewhere, to use terms coined by Jackson and Rosberg. The state still lacks institutionalized mechanisms for facilitating innovation in policy-making. The field of reconciliation after the civil war in 2011 shows that policy learning is limited.

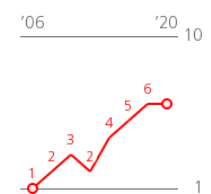
Implementation

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Policy learning

6



15 | Resource Efficiency

It is difficult to assess the efficiency in using available resources, partly because the availability of human resources, which was high by regional standards, has shrunk over the last decades as a result of the political troubles until 2011. As a result, the government faces problems identifying qualified personnel to join the public service. The government conducted a general census of public servants in 2012 and initiated a new and more comprehensive management system for the public service. At the same time, it is criticized for non-merit based recruitment. Among top governmental officials, there is relatively little turnover.

Budget policies have further improved, as highlighted by the IMF, and there is more transparency. After the dramatic fall of cocoa prices in 2016, the government showed some flexibility in suspending export taxes for the cocoa sector. This led to an increase budgetary deficit, but relieved at least partly a sector on which roughly one-third of the workforce depends. The government was admitted in 2013 to the Extractive Industries Transparency Initiative (EITI) process and has now been reporting on a regular basis.

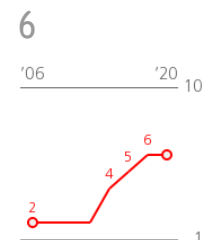
Decentralization is not a priority of the current government, but the country has a very weak tradition of decentralized governance. This is not only a challenge in terms of increasing demand-driven local governance, but also with regard to the development of a more coherent strategy of economic development and transformation. So far, 80% of economic activity takes place in Abidjan, and the government does not make efficient use of the economic potential outside the capital.

Looking at the various administrative reforms which ended the high fragmentation in various policy sectors the government has apparently managed to adopt a more centralized style of policy coordination which might also reflect the strong personalization within the presidential system of Ouattara and his growing capacity to marginalize competing networks.

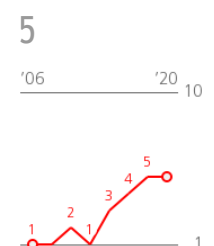
Some major challenges in terms of managing competing objectives, however, remain. These do not result from conflict between different departments but rather reflect the continuing influence of veto actors in the security sector.

The government has set all its priorities on economic recovery assuming that this will increase legitimacy, mitigate land conflicts and make people forget the legacy of ethnic polarization and violence. At the same time, the neglect of more substantial reforms in the security sector and the apparent lack of interest in a more comprehensive understanding of transitional justice puts the economic recovery and the gains in terms of human development at permanent risk.

Efficient use of assets



Policy coordination



The severe economic downturn during the many years of political-military conflict led to higher levels of generalized corruption (i.e., petty and bureaucratic) and venality at all levels of public administration, especially in the case of judicial proceedings, contract awards, and customs and tax issues. The highly publicized corruption-related arrests of top managers within the cocoa sector or of public officials in the context of the toxic waste scandal certainly did not result from any systematic anti-corruption policies. In some of these cases the state was even unable to present sufficient evidence, and the accused had to be released without charge.

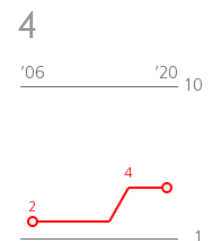
Initially, it seemed as if the fight against corruption featured more prominently on the agenda of the Ouattara government. The president, previously the only person obliged by law to declare his interests and assets, forced his ministers to sign an anti-corruption oath, but was soon accused of hiring his own close family members to top positions in the government. In 2014, a presidential decree extended the declaration of assets to all top politicians at national level (including MPs) as well as district governors and mayors and top managers of public companies and institutions. While approximately 4,600 people were concerned, it remains unclear what might be the consequences of such declarations in the absence of any public transparency and control about any property changes during the tenure of public officials. As the declarations remain confidential, watchdog organizations indicated, this might only increase accountability of these individuals to the president.

A National Plan on Good Governance and the Fight Against Corruption was launched in 2013 together with a new institution, the High Authority for Good Governance (HABG, operating since 2014). The government also created a Special Tribunal for the Fight Against Corruption. For this purpose, the president of the HABG appointed four judges in 2015, but so far, the tribunal has not indicted anybody, and there are no representatives of civil society within HABG. As the president of HABG is appointed by President Ouattara, it is unclear how the institution could check the office of the president. The additional institutions meant to oversee the utilization of public funds (Inspecteur General des Finances, Cour des Comptes) are understaffed and thus not effective in preventing abuse and corruption. Since 2011, an independent newspaper (L'éléphant dechainé) dedicated to investigative journalism, has continuously revealed malpractice involving previous and current ministers, but in most cases, this did not lead to legal or political sanctions (the last major example was a fraudulent scheme for importing of luxury cars in May 2018).

By law, political parties are supposed to report their finances annually to the Cour des Comptes, but the reports' publication (as provided by the law) is not enforced. According to this 2004 law, political parties cannot accept donations from foreign sources and the use of public resources for electoral campaign is prohibited.

The effectiveness of Ouattara's anti-corruption policies and institutions remains to be seen. The HABG is involved in official investigations and publishes annual reports about its activities in the field of prevention, awareness-raising and investigation. It

Anti-corruption
policy



is, however, not a judicial body, which could effectively sanction corrupt practices. So far there is practically no judicial action with regard to corruption. While, according to Afrobarometer data, two-thirds of the population think the government would need to do much more, it remains unclear whether the government really considers the fight against corruption a top priority.

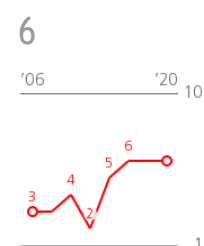
16 | Consensus-Building

The current political leadership aims at democratic and economic transformation, but this agenda does not reflect a broad political consensus. The Gbagbo government was certainly not anti-democratic in its ideology; however, much of the Ivoirité (nationalism/the concept was first used by Henri Konan Bédié in 1995) debate started from the conflict between different notions of democracy – that is, a narrow and exclusionary notion based on descent, the rights of autochthonous Ivoirians and the majoritarian principle, versus a more tolerant and inclusionary notion of citizenship. The positions of at least part of the FPI and Gbagbo loyalists is still based on this narrow understanding, driven by the idea that Ouattara is not Ivoirian and the state has thus been captured by foreigners. This position is also supported by some PDCI supporters. The Ouattara side, however, after having come to power, has now largely continued the legacy of interpreting democracy in purely majoritarian terms, although not based on ethnicity. The Ouattara regime is using the concept of *rattrapage ethnique* (ethnic catch-up/ethnic favoritism) which is not very democratic. Whether democracy, even in its narrow version, is truly accepted by all elite actors, will be tested in the next elections in 2020.

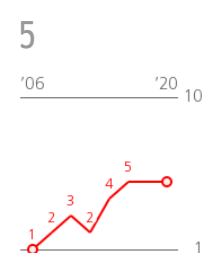
The Gbagbo government was not anti-market in its policies but stood for a more protectionist ideology. The Ouattara government is considered to be a staunch defender of a liberal economy, but its actions thus far have been quite mainstream and have strengthened state intervention, for example in the cocoa sector, the large infrastructure investment projects, or the strong promotion of public health and basic public education. The current opposition has not been vocal on economic policies, and there is quite a large consensus on economic development and the strategies to move forward.

Although democracy as a long-term objective is not contested and the Ouattara government has shown at least a partial reform agenda, there are still a number of actors in Côte d'Ivoire which challenge the supremacy of elected officeholders. It still remains unclear to what extent military actors accept civilian supremacy. Some armed units of the national army left the barracks in November 2014, and again in January 2017, and blocked streets to force the government to accept their corporatist demands. The January 2017 episode occurred in the context of a government reshuffle and has been interpreted as a warning to the political elite to interrupt political decision-making. Another mutiny took place in January 2018. In May of the

Consensus on goals



Anti-democratic actors



same year, the government tried to settle the conflict by reducing the number of troops.

The FPI as one of the main (and only) opposition parties has been paralyzed by power struggles between two opposing wings over the last years. Those leaders that returned to Côte d'Ivoire or were allowed to leave prison have reintegrated into the political process and run in elections, although without success. A group around former President Gbagbo continues to deny President Ouattara's legitimacy and has boycotted elections. This group has no veto power, but hampers the building of a broader political consensus.

Both the former Gbagbo government and the present Ouattara government have done little to depolarize existing cleavages. Côte d'Ivoire comes close to a textbook example of the violent politicization of ethnicity.

Between 2001 and 2006, people were harassed or killed due to ethnic and linguistic affiliation by death squads that were tolerated or even armed by the government. The subsequent drop in levels of killings and ethnic violence was primarily related to the massive international military presence in the country, rather than to any change in the political management by Ivorian actors. The political-military division of the country, although formally ended in 2009, was a physical manifestation of sociocultural cleavages.

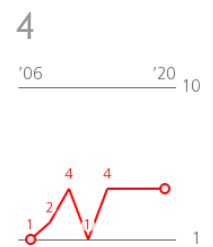
The post-electoral crisis of late 2010 and early 2011 saw a new wave of ethnically motivated killings, with both sides (and their allied militias) involved.

The current administration of President Ouattara cannot be accused of systematically fueling ethnic tensions. However, it has done little if anything to depolarize cleavages. Ethnic catch-up practiced by Ouattara's regime may contribute to polarize ethnic cleavages. Ethnic cleavages remain salient in most parts of the country. The electoral cycle 2015 to 2016 has been quite peaceful and did not lead to a new outbreak of violence, but few local observers think the government is concerned with a broader societal consensus.

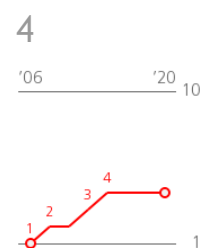
The already quite limited participation by civil society in the political process was weakened by the many years of political polarization, territorial partition and violent warfare.

Civil society actors did become more strongly involved in some sectors, such as the electoral process, especially in the function of electoral observation. However, they have been unable to fight the growing political polarization or find a role in the fight against corruption. With the exception of trade unions, the current government, if not directly pushed from outside (as in the case of the accreditation of the National Human Rights Commission), does not proactively involve civil society actors.

Cleavage /
conflict
management



Civil society
participation



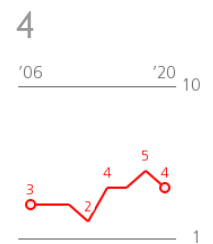
Soon after his accession to power, President Ouattara government created a National Reconciliation Commission chaired by former PDCI Prime Minister Charles Konan Banny. However, this commission lacked an autonomous budget and sufficient resources to accomplish its role; moreover, all decisions and sanctions ultimately had to be made by the president of the republic. The commission ended its work in December 2014 among much criticism from the public. It organized the hearing of several thousand witnesses and victims across the national territory, but even the hearings in Abidjan remained closed to the public. A fund was established to provide financial restitution to victims, but the press was quick to point out that the work of the commission had consumed more money than what was eventually made available to the victims.

In 2015, two newly created or revamped governmental bodies, the National Commission for the Reconciliation and Compensation of Victims (CONARIV) and the National Program for Social Cohesion, launched processes to identify victims of past violence and begin providing reparations. But the work of these institutions has at times suffered from blurred roles and responsibilities and a lack of communication between the two. The compensation process was completed in 2017, but victims complained about the small sums made available and the governments' assumption to have successfully completed "reconciliation."

Reconciliation at the national level was not helped by the legal action taken against former President Laurent Gbagbo and former militia leader Charles Blé Goudé at the International Criminal Court in The Hague. In Abidjan, 80 former FPI politicians, including Simone Gbagbo, the former president's wife, were condemned for war crimes and imprisoned for up to 20 years, but all were then pardoned by the president in August 2018. While many FPI cadres were condemned, not a single former rebel leader has faced legal sanctions.

The general perception in Côte d'Ivoire is that the Ouattara government lacked serious commitment, and the idea of national reconciliation has thus already been severely compromised. Its reconciliation policy consisted in severely punishing the "former enemies" because of massive human rights violations and to then pardon them, to the protest of many human rights defenders in Côte d'Ivoire.

Reconciliation



17 | International Cooperation

Relations with donors, strained since the late 1990s, have strongly improved since Ouattara took over the presidency. In the past, donor funds had been suspended for prolonged periods of time owing to concerns about corruption and political instability. However, relations with international financial institutions have been formally resumed since 2011, and the country's HIPC program was completed in 2012.

International funding contributes toward reaching the objectives set by the government in the National Development Strategy (PND 2016-2020), although donor inputs are not specified there. As Côte d'Ivoire aspires to become an "emerging economy" by 2020, the National Development Strategy does not rely heavily on concessional development loans. The government clearly prioritized good relations to Western donor organizations (and delivered better economic governance), while other emerging donors had little relevance.

The current president is well aware that international assistance was essential in securing his access to office, and that the country's stability will depend on the government's capacity to regain international trust and reputation. This does not exclude the possibility of inconsistent policy-making or cases of rent-seeking within the administration

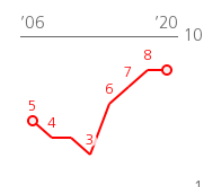
President Ouattara (as well as former Prime Minister Daniel Kablan Duncan, now vice-president) is considered a credible and reliable partner by the international community, but the same is not necessarily true for all members of his government and administration. Some of the ministers are former rebel commanders. International trust in the economic reform program is certainly much greater than in the capacity of the government to further democratize the political system or to strive for reconciliation and consensus.

The country's relationship with France – a key actor in its international relations – has gone through various stages. The former colonial power remains Côte d'Ivoire's main trading partner, foreign investor and bilateral donor, and maintains a permanent military base in Abidjan. The French community has shrunk from more than 20,000 to around 8,000 people, but French – controlled business still accounts for a considerable share of the country's tax base. The current government is in good terms with France, and given the instability in the region, and the demise of long-term French ally Blaise Compaoré in Burkina Faso, Côte d'Ivoire's strategic importance for Western powers and France is likely to increase even more.

In terms of international legal obligations, the government has made some effort to comply with the requirements of reporting to the various human rights protocols which the country had signed and ratified in the past (and by end of 2018 had fulfilled

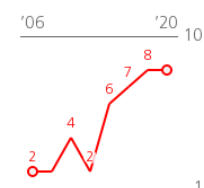
Effective use of support

8



Credibility

8



all requirements). It has ratified the new WTO Trade Facilitation Agreement (was never actively involved in dispute settlement). In 2017, Côte d'Ivoire accepted a decision by the International Tribunal for the Law of the Sea to award a disputed maritime area where gas reserves are explored to neighboring Ghana.

Côte d'Ivoire was the only African country acceding to the Rome Statute after 2010 (in 2013), but the ICC obviously had huge importance for the country, as former President Gbagbo and his militia leader Blé Goudé faced trial in the Hague.

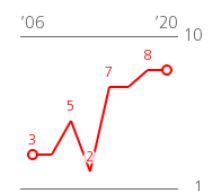
Regional arrangements such as the Union Economique et Monétaire Ouest Africaine (UEMOA) and the Economic Community of West African States (ECOWAS) play a prominent role in Ivorian politics. Both regional organizations were quite influential in bringing the Gbagbo government down, and Gbagbo's nationalist policies had worried leaders in the Sahel countries with large emigrant communities in Côte d'Ivoire (though his anti-French stance won him friends in neighboring Ghana). After the 2010 elections, regional actors were heavily involved in helping to find a solution to the election and succession crisis. While ECOWAS had little military leverage, its diplomatic action against Gbagbo decisively legitimated the international military action against his government.

ECOWAS welcomed Ouattara's victory, even naming him ECOWAS chairman in his first year of office. Since that time, Ouattara has tried to play an active and constructive role in regional politics and to have good relationships with all neighboring countries. Ouattara was instrumental in pushing for ECOWAS military intervention in Mali. In 2018, a minister of Ouattara's government became chairman of the ECOWAS Commission.

Relations with Ghana and Liberia were temporarily strained due to the apparently tolerated presence of former top FPI officials in these countries and the continued influx of militias (in the case of Liberia), but since 2014 bilateral relations have greatly improved with both neighbors.

Regional cooperation

8



Strategic Outlook

Over the last two years prospects for a peaceful transformation toward democracy and a functioning market economy in Côte d'Ivoire have not further improved. The Ouattara government earned credibility within the international community, but lacked the domestic legitimacy needed, and possibly also commitment, to initiate more sustainable management of the country's various structural conflicts. Strong economic growth was as much the result of efficient and technocratic policy-making that had full backing by the president and the international community, as it was a reflection of the misery from which the country was emerging in 2010. There is very little structural transformation of the economy, which is still heavily dependent on the resilience of the cocoa and other agricultural export sectors. Poverty and low human development remain widespread, and sustainable development will require major and continued investment in education, a stronger emphasis on local governance, and a better and more sustainable use of the agricultural and mineral resources.

Further economic growth and the strengthening of the foundations of a market economy crucially depend on political stability and the continued trust of international investors. Political transformation has largely stalled over the last years. The president, based on a technocratic government and a large presidential majority in parliament, has ruled without significant veto players. Any hopes for a more consensual style of policy-making, with more substantial inclusion of the opposition or civil society actors, and some strengthening of accountability mechanisms, were disappointed. As the 2020 elections are approaching, and Ouattara himself is barred from standing again, former President Bédié and his PDCI have left the ruling coalition in August 2018, and the FPI will reemerge much more powerful following the acquittal of former President Gbagbo. The country is back to the same political scenario which has plagued it since the mid-1990s. The security apparatus has not been tamed, and even the main elite actors have remained unchanged, meaning a cast of figures who have shown little sympathy toward deescalating conflicts or a development-oriented mode of governance for over more than two decades.

Back in 2010-11, external actors imposed a political solution which might have reflected the majority of preferences within the country, but this was achieved only by force and through the assistance of outsiders. As a new electoral cycle starts and without a UN mission as "referee," it is uncertain whether the political elites can organize an open political competition without use of violence, and whether this time societal actors will be better able to insist on a less polarized and a more peaceful electoral contest. The international community should use its influence to further support sound economic management, but also insist on credible and inclusive institutions to manage the elections and support all political forces who might block open intervention by military actors in the political competition. It should continue to strengthen societal actors, many of which support democratization, and transparent and enlightened form of governance.

Without a stable and legitimate government emerging from the 2020 elections, any hopes for further growth, social development and economic transformation are futile. Côte d'Ivoire had no

experience with democratic institutions, and the contested elections of 2010 and post-electoral violence have not helped in transforming the country's citizens into committed democrats. Paul Collier has cited Côte d'Ivoire as a prime example of how democratization will fail in such unfavorable circumstances. Recent developments might yet prove him wrong, but the final verdict remains very much open.