

Guinea

Status Index (Democracy: 2.0 / Market economy: 1.6)		3.6	Management Index		1.7
System of government	Autocracy		Population	8.3 mill. (2002)	
Voter turnout	8.8 % (Parliamentary elections)		GDP p. c. (\$, PPP)	1,960	
Women in Parliament	19.3 %		Unemployment rate	> 30 %	
Population growth^a	2.7 %		HDI	0.425	
Largest ethnic minority	30 % ^b		UN Education Index	0.39	
			Gini Index	39.6 (1999)	
<p>Figures for 2002 if not otherwise indicated. a) Annual growth from 1975 to 2001. b) Peulh approx. 40%; Malinke approx. 30%; Soussou approx. 20%; rain forest peoples approx. 10%. Sources include official figures, estimates, UNDP, Human Development Report 2003.</p>					

1. Introduction

It is surprising that Guinea has not descended into the kind of chaos that plagued neighboring countries such as Guinea-Bissau, Sierra Leone and Côte d'Ivoire—or Liberia, where the chaos is even more ghastly. After all, the preconditions exist in Guinea as well for a civil war like that in Liberia. One can only guess at the reasons that a similar scenario has not come to pass in Guinea also, apart from the tide of refugees and spillover from the conflicts in Sierra Leone and Liberia. The following could account for why a civil war has not occurred in Guinea:

1. The country's almost immeasurable wealth of mineral resources—especially bauxite, the exploitation and marketing of which is generally left to companies from influential countries—means that these countries press for a certain amount of stability. This is particularly the case for France and Belgium (and hence the EU) and the United States of America, which want to avoid at all costs situations like those occurring in neighboring countries.

2. Despite all the totalitarian aspects of its First Republic (1958-1984) under Sékou Touré, Guinea, which was the only former French colony to speak out against a French-dominated *communauté*, achieved a respectable national identity, which has thus far never been seriously challenged by secessionist movements or warlordism.

3. Although it sounds contradictory, another factor is the “Guinea consciousness” of the diaspora. Out of approximately 7 million Guineans, more than 2 million live abroad (traditionally in neighboring African countries and in France, and

more recently in the United States and Canada as well); among this group countless interethnic family ties have arisen. Money and goods given by the diaspora to the remaining people are the reason that the populace, which lives in great poverty, can more or less survive. Numerous Guineans living abroad, who lobby in their new countries for better economic and political development in Guinea, intend to spend their twilight years in their homeland and are therefore interested in manageable conditions.

4. Of key importance, however, is the contradictory character of President Lansana Conté, who has had the country strictly under his control since 1984. This report's look into the interdependence of democracy and a market economy has determined that Conté has set up considerable roadblocks to democratization yet remains open and willing to implement a market economy, primarily for the benefit of foreign corporations. The little that has been achieved in the way of democratization was forced on Conté with considerable effort, and it is also threatened by intra-Guinean conflicts. In the spread and reinforcement of a market economy to the benefit of domestic entrepreneurs, Guinea has gotten stuck on many of the details and has come to depend on pressure from external actors to implement changes.

New presidential elections have been announced for December 2003. In all probability, the president, who is seriously ill with diabetes, will run again. In 2001, Conté saw to it that the possibility of a third term of office (which had been prohibited in the constitution of 1991) was approved by a disputed plebiscite. He has not groomed a "crown prince." All signs point to a bleak time following the election, regardless of whether Conté lives to experience election day or has to resign soon after the election.

2. History and characteristics of transformation

Except for a few sites on the coast, Guinea was considered to be interesting more because of its interior. That is where raw materials, such as peanuts and cotton, could be produced, as was also the case in nearby southern Mali. But this is also where the colonial rulers encountered fierce resistance from various peoples and movements. The two former slave territories of Liberia and Sierra Leone stood in the way of France's expansion from the coast, so that when the colonial borders were determined, Guinea's outline was more like that of a rough boomerang rather than the handkerchief shapes of the eastern states from Côte d'Ivoire to Nigeria. Despite its good agricultural areas, especially in the humid and tropical south, Guinea was not as attractive for the colonial economy, by any stretch of the imagination, as were the climatically similar areas of its eastern neighbors.

Guinea first began to attract more attention when bauxite and other mineral resources were discovered in the 1930s and, through France's foreign aid for its African colonies (FIDES), after 1945. Investments were made primarily in infrastructure because of the mining business, so that Guinea's national movement built much more upon the rapidly increasing working class than the infrastructure of Côte d'Ivoire did. In Côte d'Ivoire the *Rassemblement Démocratique Africain* (RDA), which dominated all of French West Africa, was ruled largely by powerful planter families. A union movement with tendencies toward socialism; the shining memory of the formerly powerful realms of western Sudan, such as Old Mali and Songhai; and the anticolonial resistance movement led by Samory Touré, an ancestor of Sékou Touré, created an explosive mixture in Guinea, with the result that on September 28, 1958, Guinea turned down French plans for a *Communauté Française*. With that, the first phase of the transformation was complete. France broke off all relations with Guinea, which declared independence on October 2, 1958.

A new age of transformation dawned, which was fed by an endless number of ideals, illusions and ideologies—the Cold War was on—and dedicated to the pursuit of a vision of development determined by communist role models. Guinea wanted to eliminate the deficiencies from the colonial period that certainly existed, particularly in infrastructure and basic needs; it also wanted to end the forced bilateralism with France and form the core of an African community with Ghana and Mali. It failed, however, to consider the insufficient socioeconomic conditions; the enormous ethnic, economic and regional discrepancies; and the almost irreversible dependence on pre-existing world-trade requirements.

The results ranged from contradictory to disastrous, despite some impressive measures and strong international commitments. They were contradictory in that the main source of export revenues, the bauxite mines, remained largely in the hands of the “class enemy” (even though attempts were made to play France off against the United States). They were disastrous especially because of compulsory measures in almost all areas of society. A system that had little relation to the realities of peasants' daily life was foisted upon the predominantly peasant populace. The inexperienced party bureaucracy and state administration implemented decisions dogmatically. Even the Peulh traders and herders, who ranged far outside the borders of Guinea and who still can be found mostly in the informal sector, were to undergo forced collectivization. The subsistence farmers, who traditionally organized their lives in close communities, were forced into a collective cash economy, without experiencing any improvements in their circumstances or income. It was no wonder, then, that a mass exodus of around one-fourth of the population began. The emigrants were absorbed primarily by ethnically related peoples in neighboring countries and—particularly for those with an education—in France.

Therefore it is not surprising that the unsettled regime resorted to increasingly harsh means of suppression, resulting in the desolate state of the country at the end of Sékou Touré's time of rule, in 1984. Sékou Touré's regime collapsed within a few days of his death in 1984. A military regime (*Comité Militaire de redressement national*, or CMRN), from which Colonel Lansana Conté emerged as head of state, took power. Since that time, the country has been trying to regain closer relations with France and the other OECD member states and has introduced some reforms to improve economic conditions. Against the resistance of the old party cadre (putsch attempts), whose members were also largely Malinke—the same ethnic group as Sékou Touré, while Conté is a Soussou—the centralized government bureaucracy was relaxed, and the involvement of the private sector was encouraged. Foreign companies and prominent emigrants were called upon to contribute to rebuilding the state and the economy. Both goals were met only to a limited degree.

A formal change took place in 1991 with a multiparty constitution that was to replace the CMRN bit by bit. This phase ended with Conté's election to the office of president in 1993. In addition, Conté—who had named himself a general in the meantime—and his party (*Parti de l'Unité et du Progrès*, or PUP) achieved a majority in Parliament in 1995 in a dubious election. A shadow hung over the presidential elections of 1998 because of the arrest of the most important opposition leader, Alpha Condé.

Because of the border disputes with Liberia and Sierra Leone, the next parliamentary elections did not take place until 2002. The opposition found the elections so controversial that some parties boycotted them. The PUP holds 85 of the 114 seats in Parliament. Toward the end of 2001 another election had already unsettled large segments of the population. In a referendum that was accompanied by intimidation and considered to be manipulated, more than 70 % of the populace supposedly voted in favor of a constitutional amendment that set the presidential term of office at seven years, starting with the next election and allowed the current president the opportunity to run for a third term (in late 2003).

One characteristic of Guinea's transformation path is the strong, almost authoritarian position of the president. The coalitions were not able to gain enough momentum to seriously challenge Conté. This was partly due to manipulation by the president and partly because of rivalries within the loose opposition coalitions. Conté has several aces up his sleeve. The fear among the populace and the external actors that the turbulence present in neighboring countries will spread made it possible for Conté to protect his power through domestic repression. Whenever certain conditions are not met, the consequences range from dunning to suspension of World Bank loans and portions of IMF loans—almost like a game of cat and mouse. Likewise, the government is only

somewhat reliable. Ministers resign or are replaced frequently; there is little continuity in government business.

This does not in any way promote trust in the centers of power and its subordinate offices. These offices have a limited willingness and ability to carry out reforms. Although they are managing without the totalitarian bureaucracy of the Sékou Touré era, the atmosphere needed to encourage citizens and possible investors to make changes or to invest hardly exists, in view of the many cases of corruption that are not consistently prosecuted or have been dropped. The donor community rightfully complains that not enough is being done in the fight against poverty, despite the country's designation as an HIPC (heavily indebted poor country) and despite the acceptance of the completion point.

State-owned enterprises have been deregulated, for the most part. Most of them were closed, some were partially privatized, and others were transferred without the necessary transparency to persons who were among the president's patrons. The formerly influential unions, which were closely associated with Sékou Touré's totalitarian government party, have largely become meaningless.

In agriculture, there are some hopeful signs with regard to the cultivation of the staple crop, rice. Thanks to the relaxing of purchasing and sales conditions, its production has increased by one-third; this is, however, not enough to make the country independent of imports. Alternative crops such as corn, millet and tubers would certainly also be cultivated if there were more incentives and education. But the generally bad state of transportation routes hinders full achievement of available potential. The Poverty Reduction Strategy Paper (PRSP), drafted in early 2002, is considered the baseline of Guinean transformation policy and was received positively by international financial institutions.

3. Examination of criteria for democracy and a market economy

3.1 Democracy

In the period under study, there were several national elections. In the presidential election of 1998, the local elections of 2000, the disputed referendum of 2001 and the parliamentary elections of 2002, President Conté (or his party, the PUP) won every time. Because of obvious interference with the elections and false votes, the positive approaches to democratization from previous years seem to be questionable once again. The same goes for preparations for the probable re-election of the president, provided for by the above-mentioned referendum that allows Conté to run again.

3.1.1 Political regime

(1) *Stateness*: Although at least two of the largest ethnic groups in Guinea, the Malinke and the Peulh, have both their origins and the majority of their people outside Guinea, and although the peoples of the south are more focused on Sierra Leone and Liberia because of long-standing trade relationships, Guinea's coherence as a state is not at risk. The civil wars in these two neighboring countries had such an influence in Guinea that in previous years security and supply issues led to chaotic circumstances. As many as 600,000 refugees from Liberia and Sierra Leone have sporadically strained the country's social and economic structure considerably; counted in this figure are also Guineans who had to take flight within their own country as a result of violent action, particularly that in 2000.

At that time, almost half of the small Guinean army (approximately 9,700 troops, many of them conscripts) was embroiled in conflicts in Guinea and Liberia, and presumably also in Sierra Leone. The opposition, especially Alpha Condé, assumes that Conté himself took an active role in the struggles so as to support Ahmad Tejan Kabbah, who later became Sierra Leone's president, in Sierra Leone against the Revolutionary United Front (RUF) and to support the ULIMO rebel group against Charles Taylor in Liberia.

The tense situation made it possible in Guinean domestic politics to operate with near-martial law, so that dissident activities could nearly be put on par with treason. In connection with this, it is considered especially problematic that the local tensions with refugees, among whom were also rebels and criminals, were played up demagogically, sometimes leading to pogrom-like assaults. All of this leads to the conclusion that, although the state functions as an administrative entity, deep inside it is decayed and inspires little trust.

(2) *Political participation*: Guinea has been a multiparty state since the constitution of 1991 came into effect. However, in actuality the ruling party, the PUP, exercises power, even though several wings cannot be ignored. The most important opposition parties joined forces in a protest coalition prior to the election, partly because a neutral election commission was not set up. The coalition is called *Front républicain pour l'alternance démocratique* (FRAD). Despite all the criticism regarding the manifestations of the political system and the weakness of most parties, it is clear that the people do have the will and opportunity to take part in public matters. This is true not only in urban areas, but also in rural areas, especially those in Fouta Djallon and in the surrounding savanna regions where relatively strong communities, some of which are based on religion, have existed for centuries.

The populace regulates its affairs to a large degree by consulting with leaders who are elected or who have inherited their positions, or by means of councils. It cannot be fully determined to what extent this behavior on the part of the populace was promoted by decentralization after 1984/1991 (four major regions and Conakry). The chiefs and councils of elders hold a definite place in the social order, and they cannot be circumvented as disseminators and representatives of public opinion in local development questions.

On the national level, structured political participation exists only in rudimentary form. Here patronage relationships play an important role. The more than 40 political parties can hardly bring about any noteworthy political decisions, unless there were to be another serious abuse of authority, a case of corruption, or a grave event—e.g., crime or natural disasters. Nonetheless, the state leadership's populist sensibility cannot be underestimated; through it, it has been possible again and again to react to certain incidents. In doing so, the media (including the *La Lance* newspaper and the *Lynx*, which emulates the *Canard Enchaîné*), which have won themselves some rights, played a significant role as well.

The activities of expatriate Guineans should also be added to these more informal elements of political participation. Via correspondence, visits or declarations from their innumerable clubs in other countries, and friendships with politicians and NGOs in those same countries, expatriate Guineans take up grievances and irregularities and, one way or another, force action to be taken. Finally, it must be mentioned that the Internet is increasingly important in this process.

(3) *Rule of law*: The judicial system is formally independent. However, if one agrees with the viewpoint that a division of powers is largely lacking, then the rule of law and the judicial branch are unsatisfactory. Certainly the education of the personnel and the equipping of the courts suffer from considerable deficiencies. In numerous cases, the president or the ministries have put pressure on judges, attorneys and district attorneys' offices, which resulted in foreign defenders being consulted for the (propaganda) trial, as in the case of Alpha Condé. In this particular trial, the federal prosecutors could not pursue investigations of human-rights violations (specifically, accusations of torture), because the justice minister refused to give permission. Another example shows that the rule of law is rudimentary: In October 2000 numerous armed house-searches took place in Conakry; they were unconstitutionally authorized by the Department of the Interior, with the objective of locating hidden caches of weapons.

A particular infraction against the rule of law is the roadblocks erected at Conté's behest because of the rebel attacks on Guinea in fall 2000; however, these were

removed in April 2003. Some of them were administered by militias and awakened terrible memories of the First Republic.

3.2 Market economy

The primary work of converting the planned economy was largely concluded in about 1995. Starting then, although there were interruptions created by putsch attempts and mutinies and also the lingering of bureaucratic structures from the First Republic, the main concern was creating better market-economy tools. It looked like 1998 was shaping up to be an auspicious year: In June, the United Nations Industrial Development Organization (UNIDO), in conjunction with the *Office de Promotion des Investissements Privés* (OPIP) and the *Centre de Promotion et de Développements Miniers* (CPDM), issued invitations to a conference. Participation from Asian and northern countries was substantial, but the negotiations, which predominantly had to do with mineral resources, did not yield many new results.

It would appear that a market economy is taking place primarily in the area of minerals—aside from a few successes in rice cultivation—thereby cementing the structures from colonial times. Appeals for investment to expatriate Guineans have not produced any great impact. The groups primarily involved in trade and other services, especially the Peulh, do not appear to be prepared to get involved in this state-fostered field either. It is safe to say that concerns regarding developments in neighboring countries inhibit major investment activities for potential medium-sized and smaller companies.

3.2.1 Level of socioeconomic development

The state of the Guinean economy was analyzed in 1998 on the occasion of a joint mission of the IMF and the World Bank. This analysis established that the situation has normalized since the turmoil of 1996, a fact that was rewarded by an agreement with the World Bank; there have, however, been some delays in the payments. This style—critical examinations, dunning letters, delayed payments, but a positive stance by and large—continues to characterize the relationships between Guinea and international financial institutions. The growth rates of between 4.7 % and 4.9 %—which, up until 2001, could be traced back largely to mining revenues—were rated as relatively good.

In early 2002 Guinea published its long-demanded Poverty Reduction Strategy Paper (PRSP), which the financial institutions in Washington, D.C., hailed as an exemplary document. However, these same institutions also emphasized that

implementation, not rhetoric, is what's important. The PRSP is based on some overly optimistic goals, which has limited its credibility from the start. For example, the paper anticipates economic growth of 5.2 % in the period from 2002 to 2004, but in the first year, the rate was only 3.7 %.

In a July 2002 evaluation of the PRSP, the World Bank confirmed that it considers the paper to be a "good foundation for a concessional loan," whereupon the IMF concluded its May 2001 review regarding fulfillment of the stipulations in the Poverty Reduction and Growth Facility (PRGF). In August the IMF decided to grant an additional PRGF payment in the amount of \$17 million. This benevolence of the donor community is not fully understandable, because the implementation of economic reform measures—not to mention political ones—still continues to exhibit substantial holes, and short-term corrective measures are being preferred over long-term ones. Thus, the public hand delayed payments to national suppliers in order to keep the budget deficit and the inflation rate low, but this resulted in slower growth in the private sector.

The economic development is assessed completely differently by the populace than it is by the Bretton Woods Institutions (BWI). The BWI were prepared, in the economic evaluation of October 2000, to resume the previously discontinued collaboration as part of the Poverty Reduction and Growth Facility. They based this decision on improvements they had observed in both the macroeconomic data and the structural reforms that were introduced, as well as the advances in the computerization of the state-expenditure management.

Most social development indicators point downward. Pressure is growing because of a decline in value abetted by progressive impoverishment and high unemployment. The small private sector hardly provides any jobs for poorly educated people, and two-thirds of the populace is estimated to be working in the informal sector. As before, the exodus is playing a major role. An example of this is the fatal attempt of two youths to stow away in the landing gear of a Belgian airplane, which caused a sensation around the world.

The plight of education remains wretched; however, considerable efforts have been undertaken with the help of donors to reduce the illiteracy rate of 75 %. The unions have not made any effort to improve social conditions or the vocational-training situation. As former side organizations of Sékou Touré's PDG, workers' associations continue to be paralyzed. Women continue to be discriminated against. In contrast with Mali and Benin, no particular actions to change social and economic conditions in Guinea stand out, apart from some small victories in the fight against female-genital mutilation.

3.2.2 Market structures and competition

The almost totalitarian regimentation pressure from the era of the First Republic has been loosened; this applies especially to the large foreign companies in the mining sector. Here the Guinean government's share has been reduced and additional shares have been tendered for privatization purposes. Guinea is the world's largest producer of bauxite and would like to increase production by 6 % or 20 %, to 18.6 million tons. 80 % of that is for export. In addition to the export of raw bauxite, Guinea wants to cooperate with Russia in the production of aluminum, amounting to \$2.5 billion (240,000 tons).

Gold plays an increasing role. The South African company AngloGold and the Norwegian company Goldfields de Guinée were awarded gold-mining concessions. However, licensing the electricity supply to a French-Canadian consortium seems to have been a failure. Following the consortium's collapse, a newly founded Guinean company took over the power sector. Thus far, the privatization of large state-owned enterprises has been neither well defined nor very successful. Either (1) they are too dilapidated or (2) their range of products is not competitive or simply cannot be managed.

Possible small and medium-sized businesses arising from deregulation must fight bureaucratic interference with their decision-making, which can be traced back to the country's inconvertible currency (the Guinean franc), among other things. Without allocations from the central bank, even as a lump sum, hardly any supplies can be procured from abroad. Even if a company does manage to secure goods, cash or credit from abroad (CFA zone, EU and dollar zone), they are always at risk for investigations whose findings frequently must be mitigated with bribes.

3.2.3 Stability of currency and prices

The Guinean franc is an inconvertible currency. The exchange rate is controlled by the central bank, although transfer conditions have been deregulated since 1999. For many years the devaluation rate averaged 12 %. With the introduction of foreign-currency sales in 1999, the exchange rate swiftly declined (30 % in 2000; 12 % in 2001). Since then, however, there have been no major fluctuations in the currency, which has varied by about 2 %. The banking system, which largely follows the French model, exhibited considerable flaws for a long time. Numerous Guineans prefer to stockpile cash rather than to deal with the banks' circuitous procedures. Those who can, take refuge in the CFA zone or make major payments directly in euros or dollars. The restructuring of the banking system, begun in the mid-1990s, has been concluded. Presently the banking sector is largely controlled by foreign banks. They have shown themselves to be incapable, however, of meeting the private sector's development needs. A consequence of

the general insecurity is that interest rates are extraordinarily high and therefore hamper investment.

3.2.4 Private property

For the majority of the populace, private property is a risky business. Although they can purchase property, to do so they must deal with state supervision *and* traditional conventions that vary by ethnic group. This is as great a disadvantage for commercial enterprises as it is for the realm of housing. Poorer Guineans, in particular, have to anticipate, as in the Conakry case, that they could become the victims of violent eviction and demolition campaigns. On the other hand, the traditional perception of community property alleviates the over-exploitation of rights of abode and building. The degree to which the expropriations of the Sékou Touré era continue to have an effect cannot be determined exactly. It can be assumed, however, that the state has a certain sense of continuity here, even though it also wants to create reliable rights for founding companies.

3.2.5 Welfare regime

The social-insurance system established under the First Republic with overzealous adherence to the planned economy has collapsed. Only employees in the civil service and in large complexes dependent on foreign countries have modest retirement and accident insurance. Everything else must be managed by the individual though a network of family, clan or other relationships, where fear regarding the possible loss of social security and—where it exists—property plays a role. The help of fellow citizens living in the diaspora is indispensable here. The previously mentioned loss in value is reflected especially in the social arena such that efforts to quickly secure money and security open the floodgates on corruption.

If we also consider the social infrastructure in the education and health sectors, we see that these areas are in disarray as well, despite foreign aid (the PRSP). The society's dichotomy is clear: Those who have the necessary means send their relatives abroad for education or medical treatment, or they send them to private schools or clinics. That is how people with a certain amount of power take care of their needs, which is why they do not stand up for the interests of society as a whole. The less powerful lack the means for political pressure to enforce even those measures that are a part of the internationally stipulated poverty-fighting strategy.

3.2.6 Strength of the economy

Since the early 1990s, Guinea's economy has clearly shown considerable growth in the most-important export sectors. If progress is made on agreements—especially those with the Russian company RusAl in the bauxite sector and in the development and promotion of new metals, such as rutile—the resulting income could stimulate the national economy. The same applies to the energy sector, in which investments in hydroelectric power stations are currently being implemented, which ought to eliminate the power shortage, at least in city centers.

However, the potential economic performance can be utilized only if the political climate and system change and if small and medium-sized enterprises are encouraged more. A real-life example would be if women's groups who want to cooperatively institute a fonio (a type of grain) huller are (1) not exploited by being forced to pay bribes in the first place and (2) are not intimidated by regimentation at every turn.

3.2.7 Sustainability

Little can be seen of social and environmental sustainability, whereby future generations could have a higher standard of living with more personal freedom. The existing educational institutions have regressed from those of the First Republic, even though this sector was subject to intense indoctrination. The bulk of young people have very few opportunities to obtain qualifications with which they could face economic, environmental and sociocultural changes. A life in the informal sector or as a low-wage worker in agriculture or in mineral mining and processing is preordained. Those who reach a higher level due to family prosperity or other support find their opportunities mostly in the service sector for external actors.

When a country such as Guinea depends so greatly on mineral production for bringing foreign currency into the country, and when considerable growth is expected in this sector, then we must fear that the environment will suffer extraordinary, long-term damage. Environmental-rehabilitation measures are hardly in evidence. Any protests in civil society are handled repressively, as in other totalitarian states. The environment is threatened by more than just mining and energy generation. In two areas, equally disastrous developments are becoming apparent. Environmentally sustainable growth takes place only occasionally, with very little institutional anchoring and even less support from the political will of the state bureaucracy.

The state of environmental awareness and management is not completely hopeless. Traditional taboos, religious notions in all communities (“preservation

of creation”) and the rational understanding that “it can’t go on like this” could come together as they have in other West African countries (Ghana, Benin, Nigeria). Expatriate Guineans, who frequently are environmentally aware, are an indispensable help in this matter.

Furthermore, a socially and environmentally responsible government would have to appeal to the foreign companies to follow the environmental norms that are in effect in their home countries and are at least mentioned in the international agreements.

4. Trend

(1) *Democracy*: The opportunities to make efficient and lasting use of the democratic rights that have been painstakingly wrung from the presidential system since 1991 could not be exercised fully in the period under review. National and local elections were prepared, carried out and analyzed in an atmosphere of intimidation and open fraud, so that in the end the votes and seats that were counted are in no way representative. And there was no neutral election commission. The opposition groups, which at times numbered 45, were so at odds with each other because of side skirmishes and strong ethnic and personal rivalries that they could not build up a counter-figure against the head of state.

The possibility of exerting influence through parliamentary channels was low. A relatively independent and fair parliamentary president, El-Hadj Biro Diallo—who, according to the constitution, would take over official functions for the president if the president were to die or become incapacitated—was replaced in late 2002 by a man who is loyal to the president, Aboubacar Somparé. This move effectively muzzled the Parliament. Diallo, although a member of the ruling party, had called upon the president in some of his last speeches to stop trying to blame others for Guinea’s backwardness and decline, but rather to question his own responsibility, because practically all the executive, legislative and judicial powers were in his hands. If a leading politician can say something like that, then he is most certainly mirroring the people’s deep dissatisfaction. There is no sign of democratic consolidation in Guinea at present.

(2) *Market economy*: In many respects the economy’s basic framework has improved—for example, for financial management. Macroeconomic opportunities for revenue have increased to the benefit of foreign companies for several reasons, among them the fact that the shares of the Guinean government were reduced. The frequency of negotiations and numerous visits from foreign investors show that brisk interest exists here. Economic growth and social development as a whole are unsteady and tending toward regression. Thus the latest developments are

contradicting the PRSP's optimistic prognosis from 2001/2002. The following are having a negative effect:

- the head of state's obvious passivity regarding many reform questions
- French-American differences of opinion on global (Middle Eastern) and African issues
- another outbreak of unrest in Liberia

The more favorable macroeconomic data are juxtaposed with not-so-positive domestic economic and social development. Regardless of whether the economy is regulated by the state or continues to be deregulated even more, the state continues to be the deciding authority when it comes to transformation. And this present state, which is generally seen as the servant of external actors, is not very trusted. Market economy, which already exists in a rudimentary form in the lively informal sector, which the people need to survive, is regarded as a regulatory measure that must be introduced from the outside.

Table: Development of macroeconomic fundamentals

	1998	1999	2000	2001	2002
Growth in GDP in %	4.5	3.3	4.5	4.3	3.7
Exports in million \$	709.2	754.5	820.0	754.0	800.0
Imports in million \$	571.8	580.1	634.0	552.0	600.0
Inflation in %	5.1	4.6	7.7	6.1	6.0
Per capita income in \$	570	530	490	450	397
Budget deficit in % of GDP	-6	-5.8	-6.3	-5.3	-
Current account balance in million \$	-227.0	-217.0	-225.0	-195.0	-

5. Transformation management

5.1 Level of difficulty

In the reporting period, Guinea, more than any other neighboring country, was pulled into the civil wars in Sierra Leone and Liberia. As the intensity of the extremely brutal conflicts fluctuated, so did the number of refugees and the number of soldiers pushing into Guinean territory. Major portions of the state's logistics, security forces and political activities were tied up by this. Residents of Guinea suffered great economic, psychological and environmental harm. The head of state, Lansana Conté, could be certain that as the lesser evil in light of the

events in neighboring countries, he had the goodwill of the leading industrialized countries and of Nigeria, the top regional power. Because of this situation, and thanks to deft integration of foreign investors in the expanding mining sector, he had the necessary leeway to safeguard his power.

5.2 Reliable pursuit of goals

Since Conté came to power in 1984, Guinea's economic policy has been closely bound to the IMF's guidelines, the guarantee of stable currency balance, and promotion of market economics and private initiative. It is due in particular to this course, whose main focus was the divestiture of mining operations and energy sources, that Guinea has an inflow of foreign currency that is at least somewhat consistent. As for the creation of small and medium-sized enterprises in Guinean hands, there is much less single-mindedness here than there is in regard to the interests of external actors.

The verdict on the sincerity of combining a viable democracy with market economics is much less favorable. Head of state Lansana Conté, who came to power as the result of a putsch, made an effort to legitimize his rule democratically only under pressure from external sources. Making steps in that direction was like pulling teeth; the opposition and the international institutions pressed for good governance without striking an even halfway-positive balance. It sounds almost macabre, but democratic development in Guinea will probably not be possible until Conté has died as a result of his illness. Maybe then the democratic structures, which exist in theory but not in practice, can have an effect. It is also conceivable, however, that the military will devise an interim solution.

5.3 Effective use of resources

Sékou Touré once asserted that 70 % of traders were enemies of the revolution. It would hardly have been possible to express his alienation from his own people more awkwardly. But even Lansana Conté appears not to recognize what considerable humanitarian resources the Guinean people have among them. Otherwise he probably would not have kept certain ethnic groups at bay to such an extent when it came to participation in designing policy and the economy, and he would have followed another course in dealing with expatriate Guineans, who in many cases are extremely capable and successful. The public services provided by the political system are by no means sufficient to alleviate the people's passive mistrust and resistance. The extreme pervasiveness of corruption, whose containment often fails due to the half-heartedness of the leading government bodies, is having a crippling effect. General dissatisfaction and the daily fight for

survival have created an atmosphere of disaffection from the government and resignation.

Aside from endeavors in the minerals sector and in the promotion of hydropower as the basis for electrification, physical resources—for example, in agriculture—are not as well used as they might be. The fact that Guinea, a country with such good soil and a relatively low population, must import foodstuffs shows that there is still much left to do, even almost 20 years after turning away from dictatorship. The encouragement, in the form of micro loans, of rice cultivation, fruit for export and alternative foodstuffs could offer a ray of hope.

5.4 Governance capability

Not much can be expected of the organizational capability of Conté's administration in its current state, as far as social and economic conditions are concerned, especially with regard to measures to increase purchasing power. In spite of, or because of, Conté's probable victory in the election, the organizational capacity is in a tailspin. The capacity to use revenues earned from exports, tax revenues and international donated funds to improve considerably the social and physical infrastructure must be questioned. The organizational capability of the various opposition politicians, if they were to come to power, is largely unknown. The present system does not allow individuals to test out their organizational intentions via decentralized institutions, so that following a transfer of power they tend to fall back on their patrons—who are often selected based on ethnicity, rather than on tangible proof of performance.

5.5 Consensus-building

It cannot be expected that a president who is characterized as resistant to criticism would be open to other political opinions for anything other than tactical reasons. Nevertheless there is general agreement that it is necessary to make market economics the key to the transformation. Opinions diverge strongly on the question of type and degree of democracy. Because political calculation is always behind any decision to award loans, grants and permits, in many cases decisions are not made matter-of-factly and based on the principles of advancing democracy and the market economy, but rather based on the interests of the patron in question. Judging by the government's speeches and directives, consensus is seen more as a gesture of submission, rather than as the intention to invite the parties to have their say.

This could be another significant reason for the populace's discomfort with the government. The government's way of making decisions conflicts diametrically

with the traditional public debate that goes on in local and regional communities, which are characterized by a council-based structure. The principle of consensus-building rather than majority or individual decisions is deeply anchored in all ethnic groups. The Parliament is dominated by the ruling party, the PUP, and is rarely asked to explore important projects. Also, the antagonism between the party representatives and the government—and also among the party representatives—gives the impression that the few public appearances in Parliament are more for self-promotion than for joint decision-making. The PUP itself is an unknown variable in this equation. It is well known that out of necessity there are major conflicts regarding measures and directives in this coalition. According to the leader principle, it is ultimately Conté alone who decides on the final solution, but again and again he compensates internal opponents with some boon or other, unless they are excluded entirely or used as pawns. In this case Conté also exercises control over actors with veto power who demonstrate too much resistance to the obligations his government enters into.

Power is exercised in whatever way necessary when it comes to key situations of conflict. In the cases of the various putsch attempts and mutinies, the measures range from a death sentence, to a pardon, to rehabilitation. Sékou Touré's time of rule has been criticized less and less in recent years, finally leading to the pointed reevaluation of the former dictator's widow and family (1998). The sentence of persecuted opposition leader Alpha Condé was in fact lifted under international pressure, but when it comes to domestic policy he is largely muzzled due to the fact that amnesty has not been granted.

In all conflicts, consensus-building and reconciliation were undertaken without the use of formal democratic institutions; in fact, the judiciary in particular was hindered considerably in its attempts to reach a just compromise.

5.6 International cooperation

Guinea has never managed to shed its image as the outsider in francophone Africa. Its rapprochement with France in the 1990s could not completely do away with mutual distrust and insinuations. Even the fact that more than 80,000 Guineans earn their living in France does not change this. Quite the contrary: Depending on the political mood, they are berated for being turncoats or agents of earlier colonial power, or they are wooed as potential investors or facilitators.

Another constant in Guinea's foreign relations is its relationship to the United States of America. Even back in Sékou Touré's time of rule, American bauxite interests proved to be an anchor for the always-ailing economy. Up until recent times, it was the United States that generally went to bat for Guinea on such matters as granting of loans or special drawing rights with the IMF, so that it was

recently stated that Guinea is the America's most important partner in francophone West Africa. West Africa is strategically important for the United States, more so since September 11, 2001, and not least because of the existing or supposed oil reserves in the Gulf of Guinea, which the America wants to use to cover up to 25 % of its oil needs in a few years. In addition, the United States has a considerable interest in a moderately Islamic Guinea as a factor for stability in a region that is rocked by crises and whose conflicts could add a new dimension to the international-terrorism situation.

Given Guinea's subliminal aversion to France, the United States can also assume that many Guineans have a positive stance toward it. Close cooperation with international institutions was a definite factor during the entire reporting period. It is only through these institutions that the powers that be in Guinea hope to get the necessary means to clean up the economy. The market-economy transformation was pushed for their benefit, and not always due to great insight; however, related democratization and the promotion of nonlucrative sectors such as education and health were met with resistance and stalling.

It is questionable whether the international donor community is still willing to tolerate Conté's authoritarian rule in the long term. The outcome of the crises in Liberia and Côte d'Ivoire will probably play a major role here. It is significant that Alpha Condé was allowed to speak and give numerous interviews at the British Labor Party's conference in fall 2001 in Brighton, England. In some measure as a trade-off (or did Condé participate in expectation of his possible presidency?), a high-level Guinean economic delegation visited London and opened a consulate.

It is fundamentally true that Guinea is working with international donors in many ways, but external help is not being used consistently to improve political and socioeconomic conditions. This fact is a key point of criticism among the opposition, both within Guinea and outside of it, and among NGOs and other organizations. The charge is unmistakable that the donors' funds are used for purposes many times removed from the original ones or they disappear into the thicket of corruption.

Guinea is occasionally described as isolated or even ghettoized, but is actively making an effort to get involved in international cooperation. Since late 2002 this has been emphasized by its two-year membership in the UN Security Council, as part of which Guinea sees itself as a spokesperson for African countries in the Iraq crisis. It was therefore put and remains under a good deal of pressure from the United States and France. As the only francophone country in West Africa that does not belong to the CFA zone, Guinea is extremely keen to cooperate with regional and subregional organizations. These include the African Union and the ECOWAS (Economic Community of West African States—known as CEDEAO

in French). Such organizations also include currently suspended attempts to create a West African monetary zone (WAMZ), the Mano River Union (MRO), and two other organizations—the OMVG (*Organisation pour la Mise en Valeur du Fleuve Gambie*) and the OMVS (*Organisation pour la Mise en Valeur du Fleuve Sénégal*). It can be assumed without hesitation that these organizations serve to add to the president's prestige and hold on power and also correspond to the desire of most Guineans to communicate smoothly with their ethnic and linguistic relatives across the border.

6. Overall evaluation

Despite the unreliable and hardly usable statistics regarding the starting conditions, current status and evolution achieved in the transformation, as well as the actors' achievements, this report arrives at the following evaluations:

(1) *Originating conditions*: Guinea's originating conditions for democratic and market-economy reform remain unfavorable. As a result of colonial rule and the dictatorship between 1958 and 1984, the state still intervenes in civil society with too much regulation. This has to do both with the centralized administrative structure and with the autocratic state leadership's intention of maintaining power and influence. These issues threaten the steps taken toward democratization. Undemocratic behavior, such as the frequent defiance of the division of powers, is often justified by instability in the border regions of the countries to the east and to the south. This instability ties up considerable resources and, especially, unsettles the people living in the affected regions socially, psychologically and economically. The crucial questions are (1) how long the head of state can continue carrying out government business in ways that are often contradictory, obstinate or lethargic and (2) whether a successor can open up new vistas without massive conflict.

(2) *Current status and evolution*: Guinea's political elite grew up with the dictator Sékou Touré, and it learned its trade under extreme political ideologies and totalitarian mechanisms for staying in power. Given these facts, the changes that have occurred since 1984 in the economy—that is, away from the planned economy and toward the creation of a private sector—are remarkable. Despite all the government's failures, with pressure from external actors and the persistent efforts of both parliamentary and extra-parliamentary opposition—and even certain wings of the ruling party, the PUP—repeated attempts were made to press ahead with a democratic and market-economy transformation.

Success has been noted in macroeconomic structures, especially in the mineral sector. Guinea has a lot of catching up to do when it comes to promoting small and medium-sized domestic enterprises, however. Satisfying this need is not

possible without increasing people's trust in the government, which trust hinges on democratization, but democratization is exactly what's missing. The majority of the populace participates only marginally in the political decision-making process. If the evolution were to be likened to driving, we could say that traffic is moving very slowly. While the market economy snakes past several stop signs, the vehicle of democracy is stuck in a traffic jam. It remains to be seen whether the evolution bottleneck will open up now that the presidential elections in 2003 have taken place.

(3) *Management*: The evaluation of managerial achievement leans more toward negative than positive. Some success can be seen on a macroeconomic level. If social and environment-friendly standards, which are currently merely rhetorical, could be taken into account in the export-oriented economy and in the infrastructure, the people's damaged trust in the basic democratic framework, which trust exists in principle, could be repaired. This requires more organizational intent and willingness to engage in dialogue on behalf of the government than is currently the case.

7. Outlook

Guinea's outlook does not seem very favorable at the moment. Head of state Conté will soon be retiring from the political stage and will leave behind a vacuum. Neither in the PUP nor within the opposition group FRAD is there a candidate who is prepared for an office that includes an extreme expansion of power following the dubious referendum of 2001. The current president was also able to garner some power by pointing to the disastrous events in the neighboring civil-war-riven countries, thereby getting more (begrudging) compliance with his wishes than he would have received in a more peaceful environment.

Conditions in neighboring countries are also quite significant for the manifestation and development of opposition parties. Almost all political groups are defined by ethnicity and thus linked with the people living across the borders. Therefore the court's accusation that the most important opposition politician, Alpha Condé, sought alliances in the neighboring countries during the height of his conflict with Conté ought not to remain completely unnoticed. By the same token, it should not be dismissed that Conté himself from time to time, and occasionally in defiance of the responsibilities of Economic Community Monitoring Group (ECOMOG), supported massive encroachment on Liberia and Sierra Leone (and some time earlier on Guinea-Bissau) for domestic-policy reasons.

It could well be that after Conté's death or retirement a member of the armed forces (under discussion is General Kerfala Camara), who is secretly supported by

some politicians and many people in the country, would take power and strive for an improvement in living conditions in an authoritarian fashion. Experience up until this point with the state and the political rights that were tenaciously wrested from it are very unsatisfactory to the overwhelming majority of the populace. The perception of governmental power and economic management as being colored by patronage and ethnicity has embittered members of the other, disadvantaged ethnicities, while the government's choices have not inspired any trust within members of the head of state's ethnic group either. Individuals either feel that they have gotten a raw deal when it comes to improvement of basic needs or that they are not benefiting enough from the few drops of free-market development. This has not contributed to the improvement of living conditions to the degree that domestic protagonists from abroad have demanded. The interdependence of market economics and democracy will be met with doubt until the state stops intervening in ways that hinder and regulate progress, rather than promoting it.

Even though more than 60 % of Guinea's population is under the age of 18 and therefore was not born until the Sékou Touré regime had ended, and even though the readmitted successor party can really only be seen as a splinter group, some illusionary visions of a better past and future do exist. Thus is there a general willingness to accept a strong man following Lansana Conté's rule, and that may also be where the hope for a revival of a regional union is coming from.

The key to a better future is this: As soon as the conflicts in the neighboring countries of Côte d'Ivoire and, in particular, Liberia have ended peacefully, reactivation and strengthening of the existing regional associations (such as ECOWAS, Mano, and/or Gambia Union, Senegal Union, or the West African Monetary Zone, which is in the planning stages) could provide some promising new perspectives, as did the SADC (South African Development Community) in southern Africa. That way, the peoples dissected by the colonial and state borders, such as the Peulh or Malinke, who have ties to several states in West Africa, would be able to deal with the "territory" of Guinea in a more relaxed fashion.