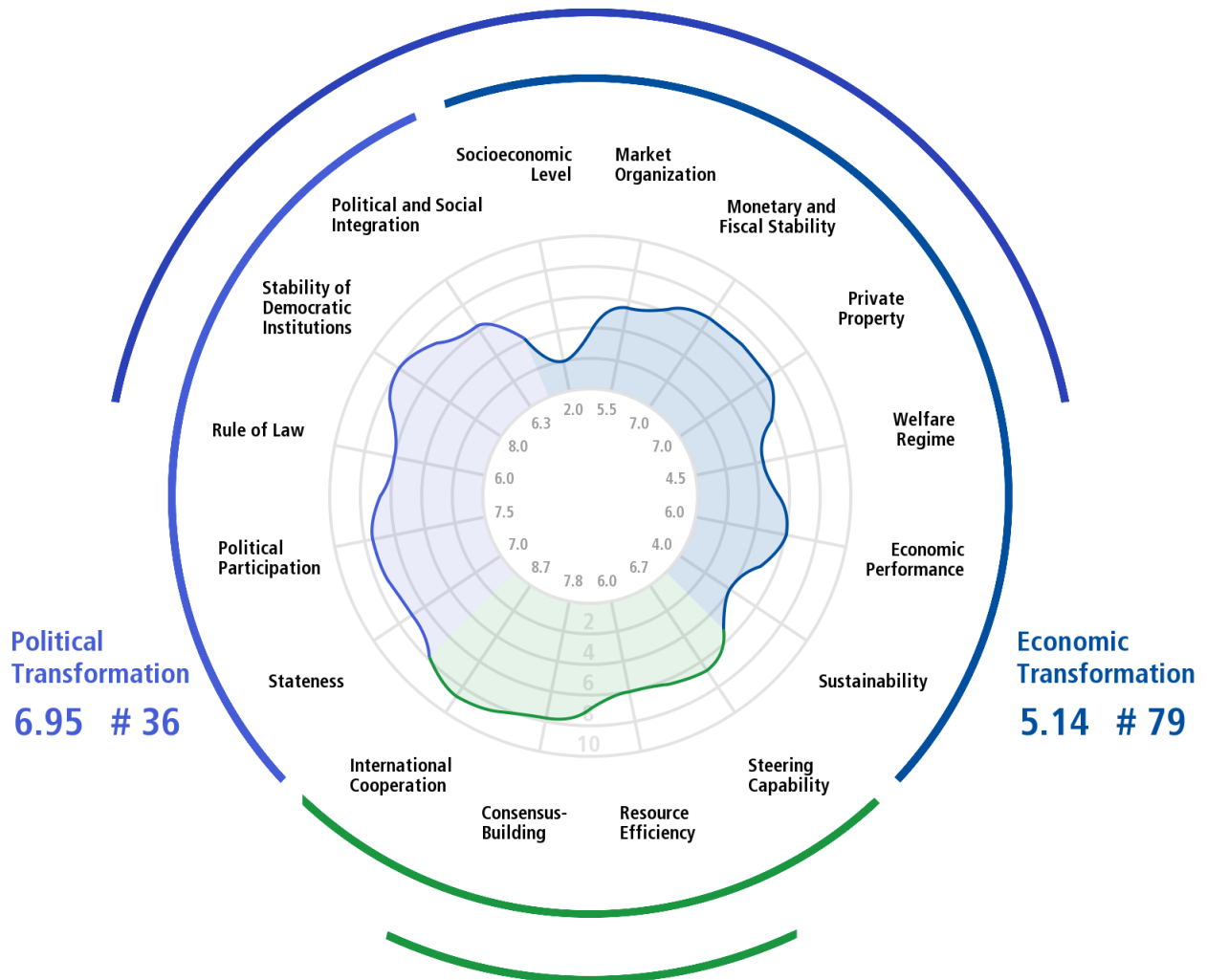


Senegal

Status Index

6.05 # 55

on 1-10 scale out of 137



Governance Index

6.68 # 12

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	15.9	HDI	0.514	GDP p.c., PPP \$	3776
Pop. growth ¹	% p.a.	2.8	HDI rank of 189	166	Gini Index	40.3
Life expectancy	years	67.4	UN Education Index	0.352	Poverty ³	% 67.5
Urban population	%	47.2	Gender inequality ²	0.523	Aid per capita \$	59.0

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

Macky Sall's government has enjoyed international political and financial support. In December 2018, Sall presented the second phase (2019 – 2023) of his development program, the Plan Sénégal Émergent (PSE), at the donor countries' advisory group in Paris and again received considerably more financial support than requested.

There is considerable optimism regarding the PSE. However, not all of the infrastructure projects are likely to generate sufficient revenue, employment, and socioeconomic development. While there are some prestige projects (a new basketball stadium and the revival of a national airline), most are strategically important, such as an airport, the industrial park in Diamniadio, the suburban train express regional (TER), the freeway, and the new bridge to Gambia, which will better connect the southern region of the Casamance with the rest of Senegal.

High population growth has exacerbated poverty and social inequality. Most observers agree that 7% GDP growth is required just to keep up with population growth. According to the IMF, GDP growth in 2017 reached 7.2%. The IMF estimate for 2018 is 6.2% and for 2019, 6.9%. Economic growth, however, has not translated into a reduction in inequality.

Recently, public debt increased as a direct consequence of the PSE. According to the World Bank, public debt reached 61.1% of GDP in 2017, higher than initially projected. The IMF warns of a continuous increase in the debt-to-GDP ratio. Fiscal discipline is needed to ensure continued economic and financial stability. Given current low interest rates and the goodwill that the Sall government enjoys from international donors, there is no immediate concern for the macroeconomic stability of the country.

In 2016, a constitutional referendum was held to reform the country's political structures. Some of these changes have been implemented (i.e., the "parrainage" to reduce the number of candidates in the presidential election), but the position of the opposition in the National Assembly has not been strengthened. Numerous other reforms are underway, but most remain far from completion.

Tensions between the Muslim majority and the Christian minority are rare and overall religious coexistence in Senegal is exemplary. Despite the constitutional separation of religion and state, the Sufi brotherhoods exert political influence. Politicians openly demonstrate their links to the brotherhoods and their leaders. The influence of conservative Muslim groups has increased in strength in recent years, partially because of external influence from Wahabi preachers who receive financial support from Saudi Arabia.

While there has been no armed conflict in the Casamance, there is no peace either. It appears that Macky Sall – who granted the region more autonomy in the course of a process of decentralization – treats the conflict primarily as an issue of development. As the future legal status of the Casamance remains a contentious issue, this approach may be an attempt to stunt the rebels' political ambitions in order to avoid additional concessions.

History and Characteristics of Transformation

Since its independence in 1960, Senegal has been a politically exemplary country in West Africa despite an initial period of one-party rule. The party of the country's first president, Leopold Senghor, which was renamed Parti Socialiste (Socialist Party or PS) in the 1970s, ruled the country for over 40 years. The beginning of the country's political transformation dates to 1976, when the one-party state authorized the existence of three political parties. The Parti Démocratique Sénégalais (Democratic Senegalese Party, PDS) became the main opposition party for the next 20 years. Senghor stepped down voluntarily in 1980 and the Senegalese party system was fully liberalized in 1981.

The macroeconomic situation deteriorated in the early 1990s. After a 50% devaluation of the regional currency, the CFA franc, in 1994, the macroeconomic situation improved, but living conditions of the average Senegalese worsened. Between 2000 and 2008, annual growth rates were around 5%, but this was insufficient to meet the needs of a growing and increasingly urban population in terms of income, food security, health and education. In 2000, Senegal was reclassified as a least developed country (LDC). Between 2009 and 2013, economic growth slowed significantly, averaging only 3.5% according to World Bank figures. While economic growth rates have risen significantly since, life for many Senegalese remains particularly difficult in times of high oil and food prices, as Senegal is highly dependent on energy and other imports.

Long-time opposition leader Abdoulaye Wade (PDS) won the 2000 presidential election in part because of the support of former PS faction leaders. Wade went through six prime ministers during his twelve years as president, removing them when they became too powerful. Macky Sall, prime minister from 2004 to 2007 was publicly humiliated, dismissed as president of the National Assembly and as the PDS's deputy secretary-general, and narrowly escaped judicial accusations of corruption. In 2008, he founded his own political party, the Alliance pour la République (Alliance for the Republic, APR), which then became part of a vast alliance, the "Benno Siggil Senegal," organized in opposition to the PDS and to Wade's intentions of setting up his son, Karim

Wade, as his successor. Following Wade's re-election in 2007, political conflict in Senegal became more pronounced. In December 2011, President Wade announced his candidacy for the presidential elections, defying a constitutional limit of two terms. The Constitutional Council, however, validated his candidacy in a controversial judgment the following month. In 2011, the various opposition forces united. Following a particularly tense run-up to the first round of elections, which featured violent riots, Macky Sall and Abdoulaye Wade reached the second ballot. The twelve opposition candidates from the first round supported Sall against Wade in the runoff election. Sall won the 2012 election by a vast majority and Wade immediately accepted his defeat.

Macky Sall came to office in April 2012. His first government took into consideration all relevant forces of the vast alliance against Wade, including citizen movements and groups. Since this peaceful handover of power, Senegal has restored its reputation as a model democracy and a country that respects its constitutional framework. Elections for the National Assembly in 2012 resulted in an even clearer defeat of the PDS, which was confirmed in the most recent parliamentary elections in July 2017. The governing coalition Benno Bokk Yakaar, led by independent prime minister Mahammed Dionne (in office since 2014), won 49.5% of the vote and now holds 125 of 165 seats, due to the mix of domestic seats accorded by plurality (90) and proportional representation (60). The weak opposition is led by the PDS (13 seats). The coalition of Khalifa Sall, the former mayor of Dakar and former member of the PS, has seven seats. Khalifa Sall is currently serving a five-year prison term for fraud and falsifying documents. The appellate court confirmed the ruling in October 2018, meaning he could not take his seat in the National Assembly. The parliamentary dominance of the governing coalition, however, cannot conceal the fact that Macky Sall's government has been significantly estranged from many interests in the Senegalese civil society.

Since taking office, Macky Sall's government has enjoyed broad international political and financial support. In December 2018, Sall presented the second phase (2019 – 2023) of his development program, the Plan Sénégal Émergent (PSE), at the donor countries' advisory group in Paris and again received considerably more financial support than anticipated and requested (\$14 billion instead of \$4.9 billion). At the same time, the World Bank demands land reforms and continuing reforms in the energy, agricultural and education sectors, as well as digitalization, in order to promote private sector economic development.

Senegal's positive international reputation and position notwithstanding, the real test for Sall's presidency will be his government's capacity to solve the country's economic and social problems, namely unemployment, precarious informal employment, and the high cost of living.

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 Senegalese state maintains its monopoly on the use of force. However, in the province of the Casamance – located south of the neighboring English-speaking country of The Gambia – the separatist Mouvement des Forces Démocratiques de la Casamance (MFDC) and other groups have been struggling for independence since 1982. For many years, the region suffered from violent clashes and very poor public and private infrastructure. Villagers in some areas left their homes and relocated to Dakar and other urban areas as well as to Guinea-Bissau in the south due to fighting and harassment on both sides of the conflict.

Violence increased between 2010 and 2014, along with a spillover of banditry and drug-trafficking. Until recently, Senegal’s neighbors The Gambia and Guinea-Bissau offered safe haven to the rebels. In 2012, the government accepted mediation by the Italian Sant’Egidio association in Rome, a catholic lay organization. The talks are supported by the Vatican and several European countries. However, no solution has yet been found, in part because of fragmentation among the rebel groups. Talks frequently lapsed. In October 2018, a new round (“negotiations about future negotiations”) began in Rome. The small rebel groups continue to be split, however, and there has been little progress. While there has been no armed conflict since a unilateral cease-fire by the MFDC, there is no peace either. The Senegalese government has started to develop the infrastructure of the Casamance, the agricultural potential of which has been underdeveloped.

The leader of the military arm of the MFDC, Salif Sadio, is willing to negotiate directly with the state but it appears that Macky Sall – who had made the Casamance question a centerpiece of his 2012 campaign and then granted the region more autonomy in the course of a process of decentralization – appears to be treating the conflict primarily as an issue of underdevelopment. As the future legal status of the Casamance remains a contentious issue, Sall’s economic development approach may be an attempt to stunt the political ambitions of the rebels in order to avoid additional concessions.

Question
Score

Monopoly on the
use of force

7

'06 '20 10



1

In January 2018, a group of lumbermen were attacked in the Casamance and fourteen brutally murdered. The government temporarily deployed additional troops to the region, but while it is suspected that local inhabitants committed the attack in collusion with members of rebel families, the violence appeared to be part of “lumber mafia” infighting and not ordered by the rebel groups themselves. At the same time, it appears that the marginalized rebel groups have turned to banditry and participation in lumber trafficking to sustain themselves. So far, the government has been unable to fully regain control of this trafficking, which seems to be related to growing Chinese demand for lumber.

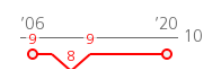
State control has traditionally been limited in Touba, the seat of the Mourides, one of the two major Muslim brotherhoods. Brotherhoods are a special form of the Sufism dominant in Senegal, constituting a link between Islam and older traditions and practices. Touba has its own militias to secure the peace and enjoys an (informal) autonomous status. Cities of importance for other brotherhoods, such as Kaolack, Ndiassane and Tivaoune for the Tidjane brotherhood, have not requested a similar status.

Frequently, clashes erupt between police and students. While these mostly concern students’ issues – delayed scholarship payments, housing, cafeteria food – occasionally they are political or politicized, for example as a consequence of the Constitutional Council’s denial of the candidacies of Khalifa Sall and Karim Wade. While the conflicts seem mostly ritualized – a few hours of throwing stones at the police, an attempt to block major roads with debris and, sometimes, burning tires, which the police usually contain quickly – the police’s practice of not generally entering university campuses does limit the state’s reach.

Senegal’s state structures are modeled on French colonial structures, which date back to the mid-nineteenth century. The country is proud of its status as the former seat of government of French West Africa and of the long-term political linkages of the “four municipalities” (i.e., Dakar, Rufisque, St. Louis and Gorée) to France. These entities were considered integral parts of France and, under certain conditions, its citizens were eligible to vote for and be elected to the French National Assembly. Among the French-speaking countries in West Africa, Senegal was most influenced by France, with the exception of the southern region of the Casamance, which came under French colonial rule relatively late, after a period under the control of the Portuguese. Senegal’s first president, Leopold Senghor, successfully laid the foundation for a Senegalese identity, which extended to most of the former colonial territory. Senghor was a member of both a religious and ethnic minority (a Catholic Serer), which assuaged the fears of smaller groups that they would be dominated by the largest group, the predominantly Muslim Wolof, who account for more than 40% of the Senegalese population. Interethnic tensions are not completely absent and there are complaints about ethnic favoritism, but these tensions and complaints are unrelated to the question of who qualifies as a Senegalese citizen.

State identity

9



1

Senegal is 95% Muslim. Clerics, whether Muslim or Catholic, are accorded high moral authority. Moral convictions and political decisions – for instance, on homosexuality or abortion – are closely related to religious faith and tradition; it would be politically risky for politicians to contradict these dogmas, i.e., to advocate openly for gay rights or abortion.

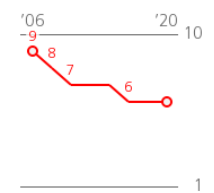
While former president, Leopold Senghor, a Catholic, successfully limited the role of religious faith in politics and enforced the French principle of “laïcité” – the notion of a secular state - Senegalese politicians have always had very close links to religious leaders. For instance, they have always relied on the various Muslim brotherhoods when reaching out to rural areas. In order to maintain these links and to obtain the support of the “marabouts” – the traditional intermediaries between believers and god in Sufi Islam – during electoral campaigns, the Senegalese state offers privileges and financial aid to the brotherhoods, especially to the Mourides. Thus, despite the constitutional separation of religion and state, the brotherhoods exert political influence that, to some extent, limits the legal provisions of “laïcité.”

Today, the major brotherhoods largely refrain from giving open endorsements to politicians, in contrast to the first decades of the Senegalese republic. It surprised many that the spokesperson of the Tidjane brotherhood publicly endorsed Macky Sall in September 2018. Politicians on the other hand openly demonstrate their links to the brotherhoods and their leaders. It may be no accident that the government’s reform agenda PSE includes funding to renovate or construct churches and mosques all over the country. President Sall belongs to the Mourides, although there is no hard evidence that this has been politically relevant, except for the recent opening of a freeway to Touba. However, Touba has developed into a major city and the same freeway connects Dakar to Thiès, another major city. Some observers have noticed that many infrastructure projects have been initiated in the region of Thiès, where the Tidjane are strong. Sall openly condemns an “excessive form of Islam” which, in his opinion, does not correspond to Senegal’s traditions and conception of Islam.

While the most conservative groups did not succeed in introducing a new Shariah-based family law for the Muslim segment of the population during Wade’s presidency, the influence of conservative Muslim groups has become increasingly stronger in recent years. This is partially due to external influence from Wahabi preachers, whose religious thinking hails from Saudi Arabia and other Arab countries and who receive financial support from these countries. For example, the movement Ibadou Rahmane, which has many followers among young people, criticizes the Sufi brotherhoods and especially the intermediary role of the marabouts, and is trying to drive a wedge between young people, men especially, and the Sufi Islam of their elders. Reforming legislation on family and matrimony has failed to pass due to the resistance of conservative religious groups.

No interference of religious dogmas

6



State administration extends to the whole country, with the debatable exception of Touba. However, the administration is less present in rural areas far from the capital. Health and education facilities (as well as other public services such as access to drinking water) are more abundant in coastal areas and become increasingly scarce the further east the location is. The functioning of the administration is at times deficient due to a lack of adequate (human) resources and poor infrastructure. Officeholders' lack of accountability creates additional problems.

Decentralization efforts have advanced in recent years. The decentralization process, which began in 1996, and the transfer of certain responsibilities to local authorities have, however, not yet improved the delivery of services to the population in rural areas. In general, the transfer of responsibilities has not entailed the adequate transfer of the necessary budgets to implement effective policies. There is still a lack of competence and training at the local level. A December 2013 reform law, acte III, was designed to further decentralize public administration and strengthen local authorities, but attracted criticism and is in the process of being redrafted. The process of decentralization has been furthered by the creation of the haut conseil des collectivités territoriales, which featured in the constitutional reform referendum in 2016.

Social services remain very limited. Their delivery is not guaranteed countrywide, nor to all segments of the population. The percentage of the population with access to water (79% in 2015) and sanitation (48%) remains limited.

2 | Political Participation

Elections in Senegal have long been considered free and fair. After a period of concern over President Wade's apparent dynastic aspirations, Senegal's democratic credentials were confirmed in 2012. Voters elected Macky Sall president for a seven-year term in an election deemed largely free and fair by domestic and international observers. Both parliamentary elections that have since taken place, in 2012 and 2017, as well as the constitutional referendum of 2016, were also considered free and fair by international observers.

At the same time, allegations regarding the quality of the electoral register have been frequent, mostly concerning the identification documents needed to vote (and the frequent delays in issuing these documents). Since 2005, Senegal has had a permanent electoral commission, commission électorale nationale autonome (CENA), the members of which are nominated by the president. While there are occasional protests against the president's nominations, other countries in the region are trying to emulate Senegal's example by establishing their own permanent electoral institutions.

Basic
administration

6

'06 '20 10

6

1

Free and fair
elections

7

'06 '20 10

9 8 7 8 7

1

The most controversial legislative implementation of the 2016 constitutional reform has been the so-called “parrainage,” an increase in the number of signatures required to appear on the presidential ballot. The government’s objective was to reduce the number of candidates. Indirectly, this may reduce the number of political parties, as most of the more than 300 parties are politically irrelevant and mostly serve as vehicles for their chairman’s ambitions. Proponents view this as strengthening the role of political parties. Opponents naturally dispute this. The first practical consequence of “parrainage” were fewer eligible presidential candidates in 2019. Of more than 100 self-proclaimed candidates, only 27 submitted signatures and only seven were eligible after the validation of the required signatures (this number included Khalifa Sall and Karim Wade, who were subsequently excluded due to their criminal convictions). While this development may be considered favorable to the sitting president, it may also result in an easier consolidation of opposition forces in a potential second round.

Significantly, the position of civil society actors was also diminished in the run-up to the 2019 presidential election. In November 2018, Lead Afrique Francophone, associated with the larger organization ENDA, lost its required registration. The organization suspects that this was to do with its role concerning the administration and bookkeeping for the citizens’ movement Y’en a marre, which had supported Macky Sall against Wade in 2012 but has since become critical of the president. Other organizations report being questioned by the police over their involvement with Y’en a marre. The latter organization has been active in the registration of first-time voters. Even though no specific political party was promoted during this registration drive, the government likely suspects that young voters – especially in urban centers – are critical of the current government, and might form a base for Ousmane Sonko, a former tax inspector running on an anti-corruption platform. It is unclear whether this development concerning civil society actors will be permanent after the presidential poll in February 2019.

The political system of Senegal, which is based on the French model, concentrates a great deal of power in the presidency. There are no strong veto powers in the National Assembly or in the courts. Officeholders are highly subordinate to the president, and in the past, prime ministers and ministers were frequently replaced.

Religious groups come closest to having veto powers. They are especially influential over matters of public morality. Today, however, the main Muslim brotherhoods refrain from intervening directly in politics and from issuing endorsements (“Ndigël”). Instead, they increasingly put forward their own candidates. However, in the religious city of Touba, a 2010 law providing for gender-balanced electoral slates was ignored without any legal consequences. The influence of religious groups may increase further, as politicians and the media continue to be careful not to voice criticism of the brotherhoods and the marabouts. Moreover, it may be no accident that the government’s reform agenda PSE includes funding to renovate or construct churches and mosques all over the country.

Effective power to govern

8



1

The army is apolitical, and army officers are well-trained, well-paid and loyal to the civilian command. Corruption among state administrators and high-level military officers became widespread under Wade, but the Sall government has taken strong symbolic action against corruption and bad governance, and the situation has improved marginally.

The right to assemble and to organize peaceful demonstrations is constitutionally guaranteed. However, before the 2016 constitutional reform referendum and in the run-up to the 2019 presidential election, the government impeded, limited or dissolved some opposition rallies, including rallies relating to the new “parrainage” law.

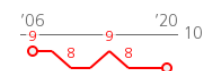
Senegalese civil society can assemble freely, with the notable exception of LGBTQ groups and HIV/AIDS support groups active in the gay community. Recent government action against partners of the civil society group, Y’en a marre, possibly in relation to efforts to register new voters, are indicative of some constraints affecting political groups in the run-up to the 2019 presidential election. However, these constraints may be a temporary.

Freedom of expression is traditionally guaranteed and respected. Print media and radio stations are numerous and represent diverse interests and opinions. Since 2000, private media (newspapers, radio and TV stations, and digital media) have freely covered the electoral process and have played a significant role in communicating polling station results. However, an increasing number of media outlets belong to, or are very close to, individual politicians, clearly impeding their neutrality. A conflict of interest was apparent in the selection of a mayor of the governing party to head the public TV station RTS, just prior to the presidential election of 2019.

While the overall situation of the media has improved considerably since Sall’s election in 2012, several recent legal developments have called into question this generally positive picture. In 2016 anti-terrorism and cyber-crime laws were passed which were criticized by Amnesty International Senegal and the Ligue Sénégalaise des Droits de l’Homme (LSDH) for being so vague and broad that freedom of expression was threatened. Moreover, the new press code of June 2017, which was designed to limit the forming of media monopolies and to strengthen measures of media self-regulation, failed to decriminalize press offenses. The media have had less leeway since its adoption and the new law has clearly had a partially repressive effect. It constrains freedom of expression by permitting the government to close down media outlets; permits the government to limit access to internet sites and social media; and prohibits community radio from expressing political views or even covering politics (including elections). This development has affected the behavior of journalists and encouraged self-censorship by those who are afraid of being prosecuted. In 2017, several people were arrested for social media posts that the government deemed offensive. A journalist and cartoonist were arrested with three others for “publishing pictures which offend public morality” after sharing a cartoon about President Sall in a WhatsApp group.

Association /
assembly rights

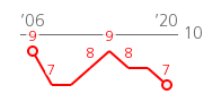
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1

Freedom of
expression

7



1

3 | Rule of Law

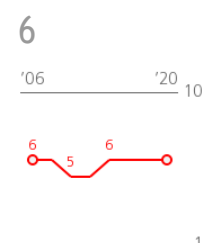
While President Sall grants more power to the prime minister than his predecessor, the balance of power nevertheless remains in favor of the president and his office, on the basis of the French model. The legislative branch continues to be weak, as does the opposition, led by a fractured PDS. Although a system of checks and balances is constitutionally provided for, arguably strengthened by the recent constitutional reforms, it is not yet properly functional. A political willingness of the executive to encourage the separation of powers exists, but in practice, neither the National Assembly nor the judiciary acts as an effective counterbalance to the executive. It remains to be seen whether the constitutional changes in the 2016 referendum will improve the situation. Some changes have been implemented, but there has been no progress regarding the strengthening of the role of the opposition leader.

The Senegalese judiciary is built on the French model. Its professional reputation is relatively good. It does not, however, function completely independently of the government, particularly in cases concerning politicians or economic interests. The independence of the judiciary has been questioned because the government makes appointments (e.g., the members of the Supreme Court and the Constitutional Council). Often, pretrial detentions are extended arbitrarily. Corruption remains a problem. In addition, complicated, long and expensive procedures often lead the courts to defer decisions to traditional means of conflict resolution, particularly – but not exclusively – in more remote rural areas. Senegalese citizens, especially the poor, often revert to traditional forms of settling civilian disputes because of deficiencies in the legal system, as well as for cultural reasons.

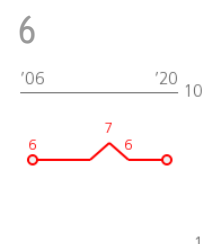
The Sall government reactivated a special court, CREI (cour de répression contre l'enrichissement illicite), designed to fight illegal enrichment and corruption in government. Corrupt officeholders at the lower levels of the administration rarely attract public attention and petty corruption is a fact of daily life. Leading members of Wade's administration have been investigated for corruption and illegal enrichment (fewer than the special state attorney had wanted; he was dismissed after trying to extend his probe to the PDS leadership). The investigations and trials are meant to fulfill the public's desire to see the previous government's widespread corruption punished, but they have been controversial, in particular with regard to former President Wade's son Karim. Some segments of the public strongly suspect that political motives were at play in the trial and conviction of former Dakar mayor, Khalifa Sall, widely considered a potential challenger to Macky Sall in the 2019 election.

There has also been a controversy concerning Aliou Sall, the president's younger brother, a businessman active in the energy sector and mayor of Guédiawaye. While the president denies any impropriety regarding his brother's involvement in the

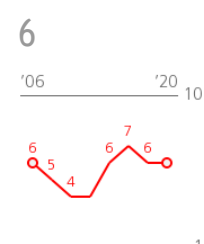
Separation of powers



Independent judiciary



Prosecution of office abuse



exploitation of recently discovered offshore oil reserves, the government will need to prove that it takes seriously cases of corruption in its own ranks. A first step was the publication of the contracts regarding the exploitation, which are now being debated in the National Assembly.

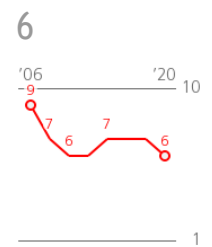
Civil rights are generally respected in Senegal. The violation of civil rights is subject to criminal punishment, including practices such as female circumcision, which remains widespread, especially in rural areas. Reported abuses by state agents are frequently not investigated and remain unpunished, as is the case for human rights violations in the conflict-ridden region of Casamance.

After students protested the late payment of their scholarships and demanded free meals in St. Louis in 2018, one student was killed by police. Violent clashes erupted at other universities. Scholarships were subsequently increased but delayed payment remains a problem and no officer has yet been tried for the killing.

Equality before the law and equal access to justice and due process under the rule of law are enshrined in national legislation. In practice, however, these rights suffer from social, economic and cultural restrictions. For example, there is a widespread perception that homosexuality is “un-Islamic” or “against god’s will” (as the Catholic minority shares the prejudice). Homosexuals’ civil rights are limited. They are denied the right to officially organize and may be subjected to legal prosecution.

Senegal has ratified the United Nations convention on the rights of the child, but child labor is still common. Boys are by tradition frequently put into the custody of a Quran teacher where they are often exposed to violence and forced to beg in the streets. In 2014, the national anti-trafficking unit exposed more than 1,000 Daaras (Quran schools) and 54,000 talibés (Quran learners) in the region of Dakar. Following a media outcry, in June 2016 President Sall ordered that all street children should be placed in transit centers and returned to their parents. In July 2017, a report by Human Rights Watch and Senegalese human rights groups assessed the first year of the government’s program to reduce forced begging; it found that several hundred children taken from these schools had been returned to their families, but that over 1,000 were returned to their schools and potential abuses were not investigated. Sall called on the council of ministers to accelerate the passage of a law to regulate the Daaras, some of which are simply exploitative businesses under the guise of religious instruction.

Civil rights

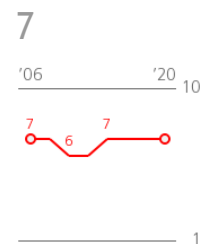


4 | Stability of Democratic Institutions

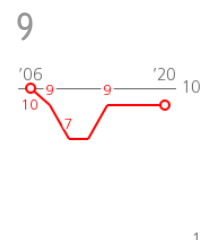
Democratic institutions have existed in Senegal for a long time. The country ranks 10th overall in the Mo Ibrahim Foundation's index of African governance (with a score of 63.3), but there are several obstacles an improved performance. First, since the opposition's boycott of the 2007 parliamentary elections, the National Assembly has stopped serving as the key forum for political debate. While some reforms have been passed, it has not yet regained its institutional role. Fortunately, the media and civil society associations play an active role in stimulating and facilitating public debate. Second, while decentralized government institutions, from the regional to the community level (conseils départementaux, communalisation universelle/intégrale), have been strengthened recently, they still lack competence as well as sufficient financial resources. Third, at the level of the nation-state, fiscal mismanagement limits the government's effectiveness in planning and implementing policy. Opposition parties, civil society and interest groups criticize the deteriorating state of democratic institutions. It remains to be seen whether the recent constitutional reforms in the 2016 referendum, some of which have not yet been implemented, will significantly improve the situation.

In general, the country's democratic institutions are respected by all relevant actors. The constitutional referendum of 2016 and the most recent national elections in 2017 have reconfirmed the credibility of Senegal's democratic institutions and enhanced the overall commitment to the democratic process. Outside of Touba, the Mourides brotherhood's holy city, there is no substantial exercise of political power by actors other than elected leaders. Religious leaders generally respect the predominance of state institutions and the democratic process, as do the military and civic associations. However, especially in rural areas, the direct influence of marabouts is discernible. Local mayors and municipal councilors are frequently chosen personally by the local marabout. He then dictates what decisions he expects from them. This informal dual power structure is not disguised in any way – everyone is aware of where power actually lies. Nothing followed from former president, Abdoulaye Wade's statement in an interview in 2014, in which he stated that he could overthrow Macky Sall with a simple call to his followers to take to the streets. Wade has once again announced that he will return to Senegal before the 2019 election (from which his son Karim was excluded) but few expect a serious threat to the country's democratic institutions. There have been isolated calls for a boycott of the election, but this seems unlikely.

Performance of democratic institutions



Commitment to democratic institutions



5 | Political and Social Integration

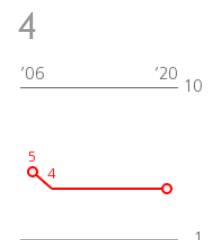
Until 2000, Senegal used to have a dominant party system with a hegemony of the Socialist Party (PS). Post-2000, the Senegalese party system has been characterized by a high degree of fragmentation and volatility at the fringes. There are no profound ideological differences between parties. Disputes over party platforms are not the focus of political debate. Rather, personal disputes often lead parties to split apart. Since its electoral defeat in 2012, Wade's Parti Démocratique Sénégalais (Democratic Senegalese Party, PDS) has suffered from splits and a lack of political leadership. Some former PDS leaders dismissed by Wade, such as Macky Sall and Idrissa Seck, have formed new political parties under their own personal leadership.

Apart from the PDS and its spin-off, the Convergence Démocratique "Bokk Guiss Guiss," there is no significant parliamentary opposition at present. All the main parties that opposed former President Wade have formed an alliance around Macky Sall. There is a tendency to move toward the center of power, i.e., the presidency. So far only Idrissa Seck, former prime minister and former leading PDS member, has taken his Rewmi party out of the governing coalition (in 2013). Given this situation, the PDS is currently unable to offer a strong opposition. However, a new post-Wade leadership might change this.

After the controversial increase of required signatures in order to run for president ("parrainage"), an opposition platform named C25 (named after the 25 opposition candidates, including Idrissa Seck and the former tax inspector Ousmane Sonko) was formed but ultimately could not find sufficient common ground. One obvious difficulty was the decision regarding a joint candidate for the 2019 presidential election. At the end of 2018, the opposition movement Front de Résistance Nationale (FRN), consisting largely of young people, organized rallies protesting the "parrainage," the lack of transparency of the electoral process, and the exclusion of Karim Wade and Khalifa Sall. In the run-up to the 2019 presidential election, coalition-building took place on many fronts, both on the part of the president and his party (APR), and on the part of his main challengers. "Idy 2019" allegedly unites most of the excluded candidates around the candidacy of Idrissa Seck.

In most cases, Senegalese political parties do not have specific social roots within society. The majority of the approximately 300 political parties are insignificant, have almost no programmatic foundation and are nothing more than electoral movements formed around a prominent personality. This is exacerbated by an electoral system, which allows for coalitions of parties to compete for 60 of the 150 seats in the National Assembly. The "parrainage" enacted after the constitutional referendum of 2016 only affects the presidential election and will do nothing to reduce the number of parties in general.

Party system



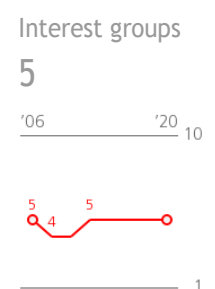
At the level of national politics, there are currently only three political parties with a nationwide organizational infrastructure: the PDS of former president, Abdoulaye Wade, the PS and the APR of President Sall. Other political parties play no significant role and their existence contributes to the weakening and discrediting of political parties within Senegal's political system. While there is a constitutional ban on religious parties, three seats of the National Assembly are held by the newly emerged de facto Islamic party, Parti de l'unité et du rassemblement (PUR).

The network of interest groups in Senegal is relatively small and concentrated in urban areas (where more than 40% of the population resides), especially in greater Dakar. While there are rural community organizations, rural representation has been more difficult to achieve and often relies on personal connections with political leaders. However, decentralization efforts have recently strengthened the position of administrations and local politicians in rural areas, meaning this situation might change.

As it is generally difficult to organize activity around issues rather than personalities in Senegal, interest groups generally do not play the role of mediator between private and public interests. Due to Senegal's dependency on foreign donations and credit, foreign interests have sometimes been able to use their leverage to influence economic policy. Beyond the pursuit of narrow interests, associational life is rich by the standards of sub-Saharan Africa. For example, there are numerous highly active NGOs.

The Senegalese trade unions are organized along the lines of the French model, which has led to substantial political and organizational fragmentation. While they are relatively active, their real impact remains rather insignificant as they represent only a fraction of the working population. One reason for this is that the formal sector of the Senegalese economy, where unions are traditionally strong, is very small and shrinking. There are only approximately 500,000 employees in the public and private sectors combined). The Senegalese unions have only just started to be active in the far larger informal economy, which accounts for approximately 95% of the economy. There is significant self-organization in the informal economy. However, it is unclear whether these organizations will align themselves closely with trade unions or whether they will function primarily as organizations of small business, or both. In 2018, the confédération générale des travailleurs de l'économie informelle au Sénégal (CGTIS), a confederation of informal economy organizations, was recognized as the official trade union federation for the informally employed by the ministry of the interior.

Occasionally, trade union leaders play an important role in moments of national crisis. A recent decision to introduce a 10% threshold for elections to nominate federations for the tripartite social dialog may lead to consolidation and greater organizational unity among the trade unions, which would increase their influence.



The outcome of the 2012 elections and the peaceful handover of power to President Macky Sall considerably reinforced the acceptance of democratic procedures. However, some public dissatisfaction was evident because of Sall’s subsequent decision not to shorten his term after the 2016 referendum on constitutional reforms. The last round of Afrobarometer surveys in 2017/2018 found strong but somewhat declining support for democratic institutions and a high degree of consent to democratic norms and procedures. 82% of Senegalese respondents preferred democracy to any other kind of government (in 2013 this figure was 87%). 81% of all respondents rejected military rule. Across sub-Saharan Africa, decreasing demand for democracy is sobering, but Senegal ranks very highly in a comparative perspective, despite the small decline since the last round of surveys. 58% of Senegalese respondents express demand for democracy, compared to 66% in 2013.

Senegal’s rare position in Africa as a country without coups d’état, three peaceful political changes achieved through democratic elections since independence, and the relatively high rate of participation in presidential elections (51. % and 55.0% for the two rounds in 2012) also demonstrate the secure position of democracy in Senegalese society.

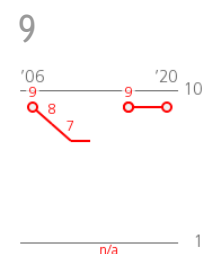
Beyond urban areas, there is a fairly high level of trust among the Senegalese, although this may not always cut evenly across ethnic and other identity lines. Grassroots organizations, such as savings groups (“tontines”), hometown associations and religious groups centered on a religious leader (marabout) are numerous and important for matters of self-help and solidarity within Senegalese communities. Civilian leaders not affiliated with political parties have gained support among the better-educated urban youth.

II. Economic Transformation

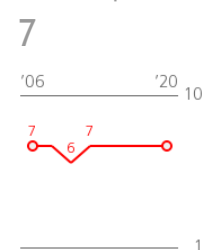
6 | Level of Socioeconomic Development

Senegal’s economic development significantly lags behind its political development. In 2000, the UN reclassified Senegal as a least-developed country. The Human Development Index of 2017 ranked Senegal 164th out of 189 countries, with an HDI score that had slightly increased from 0.499 in 2016 to 0.505 by 2017. According to the Human Development Index, 58.4% of those employed between 2003 to 2012 are considered “working poor” with an income of \$2 or less a day. Increases to the legal minimum wage in 2018 and 2019, to XOF 57,858 (approximately \$103 per month) only affect formally employed workers, of whom there are few.

Approval of democracy

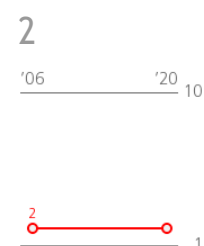


Social capital



Question Score

Socioeconomic barriers



Senegal's electricity coverage of 64.5% is over 20% higher than the sub-Saharan African average, and its rate of access to safe water is 92%. Access to basic services and infrastructure in the poorest regions, however, has not been sufficiently increased, leading to uneven development.

High population growth has exacerbated poverty and social inequality. Most observers agree that 7% GDP growth is needed just to keep up with population growth. According to the IMF, GDP growth in 2017 in Senegal reached 7.2% (the World Bank calculated GDP growth at 6.8%). The IMF estimate for 2018 is 6.2% and its prediction for 2019 is 6.9%. Income inequality remains a serious issue, as economic growth has not translated into reduced inequality.

Urbanization, at a rate of 46.7% in 2017 (World Bank), is a major ongoing trend. Migration from rural areas to the region of Dakar, where nearly a quarter of the country's population is concentrated, and emigration to foreign countries has drastically increased. This migration is due to the increasing challenge of peanut farming and other agricultural work. The mostly arid Sahelian area of Senegal is extremely vulnerable to the effects of climate change and soil deterioration. In addition, the general neglect of state infrastructure in rural areas, in particular educational and health care facilities, accelerates migration to urban centers. Poverty is endemic in rural areas.

Population centers, with the exception of the Mourides capital of Touba, are all located in the densely populated coastal areas, particularly in the urban conglomeration of Dakar. Yet urban centers offer little opportunity for those who migrate there. While slums and shantytowns are not on the scale of those in other African countries, social exclusion and marginalization due to poverty are strikingly visible. Despite some limited success stories in the service, banking, building and telecommunications sectors, the formal economy is unable to provide sufficient employment. In fact, the rate of formal employment continues to decrease and is now fewer than 500,000 employees (in the public and private sectors combined). Every year, 200,000 to 300,000 young people join the labor market, which is incapable of absorbing them, resulting in a large informal economy. New jobs might be created in the agricultural sector as Senegal's government attempts to become independent from rice imports. By 2018, however, despite significantly increased production to more than 1 million tons, the goal of 1.6 million tons was yet to be met.

While Senegal outperforms countries in West and Central Africa on the gender inequality index, its low value of 0.515 (2017), with a rank of 124 out of 160, indicates that gender remains a critical factor affecting access to education and life opportunities.

Economic indicators		2015	2016	2017	2018
GDP	\$ M	17767.7	19027.4	21081.7	24129.6
GDP growth	%	6.4	6.4	7.1	6.8
Inflation (CPI)	%	0.1	0.8	1.3	0.5
Unemployment	%	6.8	6.6	6.4	6.5
Foreign direct investment	% of GDP	2.3	2.5	2.8	2.6
Export growth	%	9.4	4.1	8.1	7.2
Import growth	%	7.7	6.7	8.5	10.6
Current account balance	\$ M	-944.6	-795.1	-1522.5	-
Public debt	% of GDP	44.5	47.5	61.2	61.6
External debt	\$ M	5903.2	6687.8	8895.8	12485.0
Total debt service	\$ M	377.5	398.2	593.4	829.4
Net lending/borrowing	% of GDP	-3.8	-	-	-
Tax revenue	% of GDP	15.8	-	-	-
Government consumption	% of GDP	14.3	14.0	14.0	13.6
Public education spending	% of GDP	5.5	5.1	4.8	-
Public health spending	% of GDP	1.7	1.9	-	-
R&D expenditure	% of GDP	0.8	-	-	-
Military expenditure	% of GDP	1.6	2.1	1.9	1.9

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.

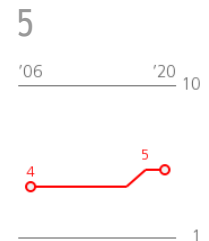
7 | Organization of the Market and Competition

While the institutional framework for a market economy is rudimentary in Senegal, economic freedom is largely guaranteed. The freedom to establish a business is legally provided for, but hampered by poorly functioning public institutions and corruption. This is one reason why the informal economy creates far more jobs than the formal economy and has become key to the survival of most Senegalese. Rules are not uniformly applied, which creates insecurity for market actors. In the 2018 Heritage Foundation's Index of Economic Freedom, Senegal ranks 126 out of 178 countries and 21 out of 47 countries in sub-Saharan Africa, falling 15 and three places from 2016, respectively. Low scores concerning trade freedom and property rights outweigh improvements in fiscal health and labor freedom. The World Bank's Doing Business report of 2018 differs in its assessment of property rights: "Senegal decreased property registration times by streamlining the interactions between different departments at the property registry." According to its 2019 report, establishing a business in the country is not overly difficult, with relatively high costs of 32.0% of GNI per capita, but with just four procedures and six days required, ranking Senegal 64 out of 190 in the sub-index starting a business.

The Sall government has launched a number of initiatives to improve public procurement processes and budget transparency as well as to reduce corruption (e.g., by pushing for disclosure of the personal economic status of anyone in government responsible for more than one billion CFA francs). However, there have been critiques of alleged direct government awards (without tenders). Some observers argue that Macky Sall has jeopardized his good reputation in the fight against corruption by removing the president of the anti-corruption office (l'office national de lutte contre la fraude et la corruption) in 2016. Ousmane Sonko, a tax inspector who before his removal had investigated the president's brother for the alleged fraud of €137 million, will be a challenger to Sall in the 2019 presidential election.

The World Bank's July 2018 report "Senegal: Better Markets for All through Competition Policy" holds that complex regulatory procedures would affect the cost of doing business and firms' ability to invest. Senegal's regulatory system can be difficult to navigate, the report states, "and this difficulty benefits incumbents." According to the World Bank, the requirements for existing businesses or startups and legislation and regulations were not systematically available online, and startups would struggle to ensure that they are in possession of all required licenses and permits, creating uncertainty for businesses and potentially preventing new market entrants. In other sectors, such as postal services (basic letter services, parcel services, courier services), air transport, telecoms, railway infrastructure, and water collection, treatment and supply, the World Bank states that the number of competitors allowed to enter the market has been restricted by regulation. Therefore, the organization of market competition remains very weak in Senegal. Moreover, explicit trade barriers,

Market
organization



such as tariffs and other import restrictions, are in place for products such as rice, sugar, wheat, and vegetable oils. These can raise consumer prices significantly and lower opportunities for market entry.

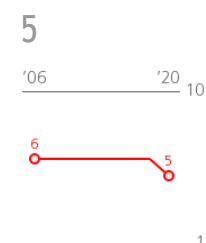
Given the small size of the formal Senegalese economy, monopolies and quasi-monopolies are easily established, though they are not actively fostered by the state. A large number of state monopolies (e.g., peanut marketing) were dissolved. This has not necessarily resulted in improvements for producers or consumers, as market regulation and oversight remain insufficient. Reforms are underway but problems persist, in part because of difficulties in finding investors for some sectors, especially in the case of the electricity company, notorious for posting annual losses. The energy sector in general struggles to find willing investors. The government had intended to further privatize the semi-private water supply company SDE. 25% of shares would be made available to Senegalese private investors. For the rest, the company Suez won the competition (with some share of the company controlled by the Senegalese state), but SDE has announced that it will challenge the process.

In order to help the struggling energy sector to recover, Macky Sall's economic development plan (Plan Sénégal Émergent) envisions reductions in energy production costs, increases in capacity (two new power stations were added in Taiba Ndiaye and Cap des Biches, and the recently launched Taiba Ndiaye wind project will generate an additional 158 megawatts), improved stability of supply and lower prices. As yet however, customer complaints about arbitrary invoicing, power cuts, and poor service are still widespread. Senegal's antitrust framework is not functional. The World Bank's July 2018 report "Senegal: Better Markets for All through Competition Policy" holds that the national competition commission (NCC) lost national enforcement powers to the West African Economic and Monetary Union Commission (WAEMU) in 2003, when WAEMU competition law came into force. According to World Bank experts, this means that the NCC may only conduct preliminary investigations and market analyses subject to the WAEMU commission's instructions. They further note that the WAEMU commission has limited resources to complete investigations and has as a result not issued rulings on competition, which limit the effectiveness of competition law enforcement in Senegal.

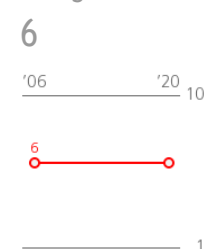
Senegal's is relatively open to external trade. The simple average MFN applied tariff was 12.2% in 2017. A number of decisions (e.g., those regarding tariff reductions) are made by the West African Economic and Monetary Union (WAEMU) and are increasingly discussed within the larger ECOWAS region. During the negotiations of a regional economic partnership agreement (the EPA, a free trade and development agreement) between ECOWAS, Mauritania and the European Union, Macky Sall had to consider the strong reservations of the Senegalese population.

In Senegal, a Sahelian country with few natural resources, many strongly oppose EU conditions. Critics fear that market openings will result in a loss of state revenue,

Competition policy



Liberalization of foreign trade



even though the vulnerable agricultural sector was excluded from the agreement, which represented a veritable success for the West African negotiators. The West African EPA was concluded in July 2014, providing for a phase-in period of 20 years for a 75% reduction in tariffs. Since 1 October 2016, the EPA has been provisionally applied, despite Nigeria not yet signing it. In the face of growing public and civil society skepticism, the Senegalese National Assembly is yet to schedule a ratification vote. The EPA also awaits ratification in several other ECOWAS countries.

Senegal is trying to diversify its economic and trade partnerships, for example by entering into several trade agreements with China. In fact, China has risen to be the country's second most important commercial partner, after France. On the micro level, small businesses trying to engage internationally continue to suffer from administrative impediments and corruption.

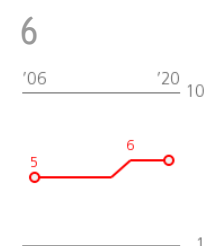
The banking sector is diversified and operates stably under the auspices of a strong supranational regional bank (i.e., the Central Bank of West African States, BCEAO). Foreign banks dominate the banking system. As the sector is largely detached from global financial flows, the global financial crisis did not have a significant direct effect on the Senegalese market. Access to loans remains a problem, particularly for small entrepreneurs. The microfinance sector has developed during the past fifteen years. Several new banks have been launched. According to the IMF, non-performing loans comprised 18.8% in December 2015, down from 23% in June 2015. The latest World Bank figure measuring the ratio of bank capital to assets was 9.8% (2014). However, while Moody's rated Senegal as the only sub-Saharan African country with a "positive" outlook in 2016, it was reduced to "stable" in April 2017. Still, Senegal has one of the lowest sovereign bonds spread in the region.

8 | Monetary and fiscal stability

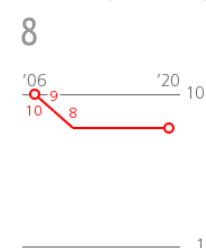
Currency policy is determined by the supranational BCEAO and characterized by prudent policies. The West African CFA franc is guaranteed by the French treasury and thus pegged to the euro. There are academic and political debates on the pros and cons of this arrangement, but inflation rates have been very moderate, and they have usually met euro stability pact criteria. Recently, Senegal, an oil importing country, has profited from lower energy costs, and inflation has been low. According to the IMF and the World Bank, inflation has remained low in 2017 (at 1.3%) and was lower still in April 2018 (1.1%). However, inflation is projected to increase to 2.3% in 2019 due to higher prices for oil and other natural resources.

Subsidies for food and other basic commodities, introduced by the Wade government, put additional stress on the tight national budget, despite international financial support. In the spring of 2014, the Sall government legislatively lowered rents across the board and in December 2014 lowered hydrocarbon prices, but these short-term measures did not effectively lower the high cost of living.

Banking system



Monetary stability

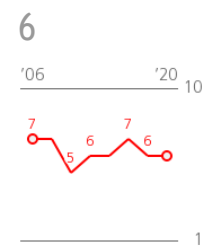


Recently, public debt has increased as a consequence of the government's investments in policy and infrastructure. According to the World Bank, public debt reached 61.1% of GDP in 2017, higher than initially projected, because of a shift toward external debts (Senegal issued eurobonds worth \$1.2 billion in 2017 and \$2.2 billion in 2018, in part to buy back 40% of a relatively expensive 2011 eurobond). Previously, a downward trend in the debt-to-GDP ratio had been predicted, but now the IMF warns of a continuous increase of the ratio, despite relatively favorable terms for external debt. For 2018, the projection is 64.5%, with external debt representing nearly 48.0% of GDP. Fiscal discipline is needed to ensure continued economic and financial stability.

Observers are concerned about the high ratio of debt service to revenues, which remains a potential source of vulnerability for Senegal. Some question whether the investments made by the government will generate sufficient revenue through the creation of employment and value-added production. Still, given current low interest rates and the goodwill that the Sall government enjoys from international donors because of its reform agenda and its foreign policy, there is no immediate concern for the macroeconomic stability of the country. As Senegal is heavily dependent on aid, international monitoring institutions maintain their control in order to ensure that Senegal complies with international rules. Budgetary discipline is practiced through the "réserve de précaution," i.e., conditions set by the finance ministry for actual expenditures, agreed upon by the ministries.

At the same time, the Senegalese government has run persistent budget deficits. According to the IMF, the 2018 budget deficit target was revised up from 2.7% to 3.5% of GDP. In fact, the IMF estimates that without measures to compensate for the additional fiscal challenges the 2018 fiscal deficit will reach 5.5% of GDP. Additional fiscal challenges include Senegal's unmet 2017 liabilities; wage increases in the education and health sectors; a higher interest bill, in part due to the repurchase of the 2011 eurobond; higher security-related spending; and the accelerated implementation of high-profile projects ahead of the elections, including the train express regional (TER), and the newly-created national airline company Air Sénégal. Another factor is the relative appreciation of the dollar vis-à-vis the CFA franc and sustained high global oil prices, causing a need for increased government support of SENELEC, the electricity company. In light of the growing service costs on external debt, the IMF predicts that debt service will grow to over 30% of receipts in the period between 2016 and 2036. The ratio of debt service to revenues remains high and a potential source of vulnerability. Volatile energy costs, increasing interest rates, the security situation, and gifts during elections constitute risks for budgetary and macroeconomic stability. However, the IMF deems the risk of unsustainable debt in Senegal as low.

Fiscal stability



9 | Private Property

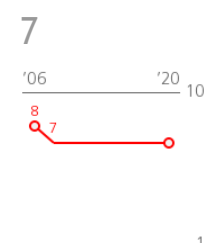
Property rights are guaranteed and usually respected in urban areas. Recently, Senegal has made it easier to transfer property by eliminating the required authorization from the tax authority. According to the World Bank's "Doing Business" report, Senegal decreased property registration times by streamlining the interactions between different departments at the property registry. In rural areas, however, property rights are often unprotected. Here, land registration procedures are insecure and slow. The administration of property title and land registration procedures is uneven outside of urban areas, as land titles in rural areas are still based on traditional rules, and the legal defense of property rights is unsatisfactory due to shortcomings in the judiciary. Since Senegal lacks commercial courts staffed by trained judges, decisions can be arbitrary and inconsistent. Regarding intellectual property rights, enforcement is weak to nonexistent, despite an adequate legal and regulatory framework.

Rights of private enterprise are generally well protected, and Senegal ranks high among African countries regarding transparency and accountability of government decisions. However, corruption and arbitrary government action remain a problem. Private small enterprises in the informal economy, in subsistence and peanut farming are the backbone of the economy and provide employment for a large segment of the population. Agricultural property in rural areas is still dominated by the inherited traditional and colonial systems leading to a prevalence of small individual farms, which has hindered the modernization of agriculture (although there are also positive aspects to this, such as a diversification of agricultural production). Under these conditions, the partial dissolution and neglect of the state's peanut marketing mechanisms have heavily contributed to the disintegration of Senegal's key agricultural sector and the loss of livelihoods in many rural communities.

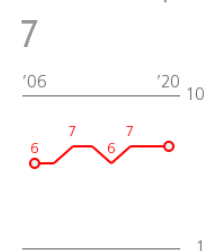
The government has tried to encourage more private enterprise through its Plan Sénégal Émergent (PSE) and other programs, but with limited success. The official commitment to develop private enterprise is high, but in practice, Senegal's macroeconomic reality does not encourage significant private investment, with the exception of the real estate and construction sectors. This is partly due to infrastructure problems (electricity, water, roads), but also to the slowness of public administration and corruption, which discourages many private investors. The PSE seeks to tackle several infrastructure problems, including the construction of new roads, completion of a new airport, fishing facilities, rural electrification, and the Dakar express regional rail project, TER. These projects have experienced delays however, due to a lack of planning and feasibility studies.

In the World Bank's Doing Business Report for 2018, Senegal was explicitly commended for its current reforms and reform projects and was moved up from rank

Property rights



Private enterprise



153 in 2016 to rank 140 out of 190 countries. Senegal participates in the compact with Africa initiative of the G20, which seeks to promote private investment.

Former public companies such as Sonatel have been mostly privatized during the last decade and larger companies are now open to foreign investment. The government had intended to further privatize the semi-private water supply company SDE at the end of 2018. But SDE has announced it will challenge this process. The scarcity of capital in Senegal has led to a high dependency on foreign direct investment (FDI), which according to the IMF has “remained low relative to other developing countries.” The World Bank puts FDI for 2017 at 3.3%. The resulting problems, most notably regarding electricity and water infrastructure, negatively affect many small businesses even though some improvements in the energy supply have been made.

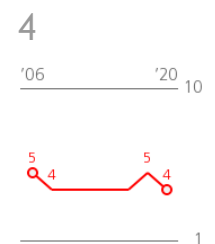
10 | Welfare Regime

The welfare regime is basic and covers only employees in the formal sector. This means the vast majority of Senegalese are not covered. As a result, most people have no health care or pension coverage. Public health expenditures represented 2.4% of GDP in 2014 (World Bank). In 2013, the government introduced basic health care protection for employees in the informal sector, *couverture maladie universelle* (CMU), which was modeled after the Brazilian *bolsa familia* program and includes conditions for eligibility (the registration, schooling, and vaccination of children for example). The initiative was designed to cover up to 95% of the Senegalese population by 2017 but it is still being rolled out and currently suffers from funding and administrative problems. The same challenges apply to a program to provide a minimum pension for people without any other old age protection, *minimum vieillesse*.

In the absence of social welfare programs, extended family networks serve as the only viable safety nets. In this context, international migration is widespread and remittances are a livelihood strategy for many families. At the same time, the huge social pressure on financially successful family members creates difficult conditions for individual economic advancement and personal development. Family social networks suffer from this stress and their traditional supporting role is threatened.

The absence of a state welfare system leaves space for a religiously funded welfare substitute, either by the traditional Senegalese Muslim brotherhoods or funded by Wahhabi movements of the Arabian Peninsula. These are often combined with religious influence and therefore are slowly altering the face of traditional open-minded and tolerant Senegalese Islam.

Social safety nets



Women are de jure equal to men, with a few exceptions in family legislation (e.g., no authority over children without written consent from the husband). In urban areas, gender equality has improved considerably in recent years. A provision on gender equality was introduced into the constitution in December 2007 despite generating considerable controversy when it was debated in the public sphere. While so far largely symbolic, the rate of female police officers, for example, has increased. In 2010, the low percentage of women in parliament and the National Assembly triggered the introduction of a 50% quota system concerning party slates for elections. This quota was successfully tested during the 2012 elections for the National Assembly and the 2014 local elections. Traditional and cultural restraints on women's options persist though. For example, literacy among men remains significantly higher than among women (68.5% versus 43.8%) according to the World Bank's latest figures (2015). The ratio of female to male enrollment is equal for primary and secondary education (1.1 and 1.0 respectively) but far fewer women receive tertiary education (the ratio was 0.6 in 2016). In 2017, women comprised 41.4% of the labor force.

Religious and ethnic groups are not treated in a systematically different manner. Muslim brotherhoods like the Mourides offer social and economic promotion through their widespread networks. As homosexuality remains illegal, homosexuals must hide their sexual orientation.

While ECOWAS nationals have the right to work in Senegal, their rights as employees are often not respected and trade unions do not take these concerns seriously. Within society, non-Senegalese Africans often face condescension.

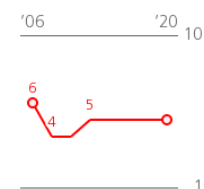
11 | Economic Performance

Economic growth rates between 2014 and 2017 have averaged 6.2%, after a period of slower growth (averaging 3.5% in the five years between 2009 and 2013) according to World Bank/IMF figures. The IMF estimates a growth rate of 6.2% for 2018.

Senegal is a positive outlier, achieving a rate of growth that is significantly higher than the sub-Saharan Africa average. The majority of observers agree that Senegal requires at least 7.0% GDP growth to keep up with its high annual population growth (2.8% in 2017, according to the World Bank). Senegal's socioeconomic and human development remains at very low level, and there has been little visible success in terms of creating employment. GDP per capita was \$2.71 in 2017, a 3.8% increase from 2015. GDP per capita growth increased from -1.2% in 2011 to 3.8% in 2017. Inflation (CPI) was 1.3% in 2017. Foreign direct investment remains low at 3.3% of GDP (2017) according to the World Bank, and remittances continue to be an important economic factor.

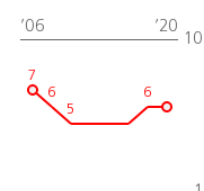
Equal opportunity

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Output strength

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There have been economic improvements, especially in agriculture and in the tourism industry. The latter has profited from the scrapping of visa requirements for EU citizens and from the opening of a new international airport in the country. There is also a visible increase in construction, both in the private sector (albeit with questionable profitability in light of the level of vacancies in commercial and residential buildings) and in the public sector: Another new section of freeway was opened in late 2018, connecting Dakar with Thiès and Touba. A new residential and business area is under development in Diamniadio, outside of Dakar, but is far from completion. In December 2018, Senegal signed a millennium challenge corporation compact with the United States. This project, totaling a volume of \$600 million (to which Senegal contributes \$50 million) is designed to modernize and strengthen Senegal's energy sector in order to increase economic growth and reduce poverty through improved access to electricity.

Senegal's trade balance is negative and experiences volatility due to fluctuations in energy prices (imports) and in harvests (exports). In 2018, the trade deficit widened to XOF 235.6 billion. It is projected to increase further as a result of imports related to the government's investment strategy. According to the IMF, the current account deficit grew to 7.3% of GDP in 2017 due to increasing oil prices. The current account deficit is expected to widen again in 2018.

High population growth and the long-term effects of the struggle between separatists and the military in the fertile province of Casamance have resulted in a dependency on imported rice and other basic food products. The Sall government had wanted to achieve independence from rice imports by 2017, but that goal remains unmet despite considerable progress in the amount of domestic rice production. Another problem is subsidized agricultural products from the European Union that make their way to local markets, undercutting local products such as onions, and making the development of local value chains difficult (e.g., milk). The government sometimes reacts with seasonal import freezes.

Data on employment and unemployment are unreliable due to the large informal economy. Formal employment shrunk by 1.5% between 2015 and 2016 and amounts to fewer than 500,000 employees in the public and private sectors combined. However, estimates assume very high levels of unemployment and underemployment. In 2015, the ILO estimated unemployment to be 10.4%, the highest percentage in the previous 26 years. The most recent ILO estimate, for 2017, is 9.5%.

12 | Sustainability

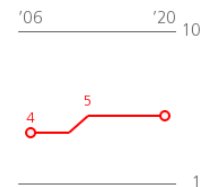
In 2012, the Sall government increased the power and capacities of the minister of environment. Since then, it has to some extent considered environmental concerns in its policy-making. The country's environmental regulations are better than those of neighboring countries but their implementation remains poor. Senegal ranked 126th out of 180 countries on the environmental performance index in 2017, outperforming many other West African countries. However, the environmental ministry has been unable to play a transformative role due to a lack of adequate financial resources, poor performance, and the precedence of investments in infrastructure.

Senegal signed International agreements providing a national legal framework for environmental protection. The fragile environmental balance in Sahelian Senegal ensures a comparatively high level of public awareness of environmental issues, though this is still confined to a relatively small urban elite. However, there is no deeply ingrained awareness among the public of the environment or the conservation of nature. Uncontrolled garbage disposal and burning is widespread, air pollution in urban areas is a critical issue, and coastal erosion as well as a drastic diminution of marine biodiversity constitute major problems. Forecasts predict longer droughts due to climate change. Given the high level of poverty in Senegal and weak economic growth, environmental concerns are often secondary to concerns about the economy. There is little governmental concern over how to raise environmental awareness among the population or over how to deliver environmental education in schools. On the positive side, the previously omnipresent plastic bags have been prohibited, although this is enforced inconsistently.

The government is seeking to promote renewable energy and is developing a national legal framework to do so. However, there has been insufficient political will to overcome entrenched interests. A solar power station in Bokhol was opened recently. The main reason for developing renewable energy has not been environmental concern but rather the desire to lower Senegal's dependency on fuel imports. Still, the share of renewable energy (hydro and solar) was 21% in 2018, meeting the government's aspirations. A new objective was set (30%) in 2019. Currently, offshore oil and gas exploration are being pursued. An offshore gas field on the Senegal-Mauritania border is expected to begin exploitation in 2020/21, after an agreement was signed in 2018. Plans for the construction of a coal-fired plant were widely welcomed.

Environmental
policy

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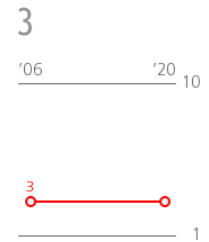
Senegal's education sector, which is based on the French system, has long been neglected. Grossly inadequate resources and administrative neglect led to a deterioration in standards, and Senegal fell below the average for sub-Saharan countries. Senegal's score on the U.N. Education Index improved from 0.278 in 2007 to 0.368 in 2017. Almost none of the ambitious goals outlined in the Dakar action framework at the 2000 World Education Forum have been achieved. Even primary school enrollment rate has stagnated at 83.1%, after improving significantly year-on-year. The dropout rate in recent years has remained high, especially for girls. Generally, huge gender disparities persist. Literacy among men remains significantly higher than among women (68.5% versus 43.8%) according to the World Bank's latest available figures for 2015.

The current situation is a major source of public dissatisfaction and continues to draw fire from critics in civil society, as Senegal was traditionally renowned for its relatively good educational infrastructure and high standards. Investment in the education sector has increased in recent years and now represents 7.1% of GNI, according to the latest available World Bank figures (2015). Research and development, however, is severely underfunded (0.5% of GNI in 2010, World Bank), despite a handful of centers of excellence in research, mostly in Dakar. The system of public schools suffers from widespread neglect. Teachers' salaries are low and payment of salaries, even in urban centers, is frequently delayed. In recent years, university teachers have complained about the negative impact of conservative religious student associations on campuses.

Strikes at schools and universities are frequent and often threaten the validation of the academic year. In general, academic years are validated at the last minute but, as the academic programs have been taught under severe time pressure, students' performances are generally poor. In reaction to proposed reforms and financial problems, violent clashes frequently erupt between students and the police, sometimes resulting in the death of students, as in 2014 and again in 2018. The government has started to realize that in addition to building more dormitories and new universities, investment in vocational training is necessary, as the universities are overburdened and graduates are often ill-equipped to meet the demands of the economy. For the most part, vocational training remains informal, as young boys are often placed into the care of an experienced, self-employed craftsman. This practice lends itself to the exploitation of cheap labor and does not generally result in the assessment of skills and competence gained.

Macky Sall had promised in his first presidential campaign to make education a priority issue. The construction of dormitories at the University of Dakar (UCAD) is partially completed. Moreover, new public universities are under construction in Diambiadio and in Kaolack (University of Sine-Saloum), and the latter is scheduled to open in February 2019. It remains to be seen whether these efforts will significantly improve the situation, given the continued pressure caused by high population growth.

Education policy /
R&D



Governance

I. Level of Difficulty

Senegal faces a large number of structural challenges, in particular very high levels of poverty with a relatively high population growth rate (2.8%, according to the World Bank). With the exception of a coastal strip facing the Atlantic Ocean and the southern province of Casamance, with its subtropical climate, the country is situated in the Sahel and comprises predominantly arid or semi-arid climate zones. It has suffered from heavy soil deterioration and has already been negatively impacted by climate change. The country has few natural resources other than phosphate and rich fishing grounds, which have both seen significant deterioration over the last few decades. Despite some efforts by the EU and United States to contain “illegal, unreported and unregulated (IUU) fishing,” Senegalese waters are often exploited by foreign fishing vessels in disregard of international law. As a consequence, the traditional fishing fleet of Senegal has suffered tremendously and fish have become an expensive product.

Energy is another structural constraint. Despite recent discoveries of offshore oil and natural gas shared with Mauritania, as well as the availability of sustainable energy resources (hydro, wind and solar energy), Senegal will remain dependent on oil imports for the foreseeable future. Exploiting energy resources, traditional or sustainable, requires investment, a reliable legal framework and relatively high levels of formal training. These are all areas in which Senegal is currently experiencing significant deficiencies. International prices for oil and gas strongly affect the potential impact of the recent discoveries. The deep offshore oil field is expected to start producing around 2021/22 and is estimated to last 25 years. The annual output is estimated to generate around 3.8% of GDP. Even combined with the projected output of the Greater Tortue Ahmeyim ultra-deep offshore gas field shared with Mauritania, which is expected to last 30 years after a projected start of operation in 2022 and may generate up to 4.8% of GDP annually, Senegal is unlikely to avoid the “resource curse” that has haunted other African countries.

Senegalese infrastructure remains largely insufficient, not only in the area of energy supply. Some efforts have been made to improve transportation infrastructure, such as the extension of the country’s only freeway and the ongoing construction of a commuter train in the Dakar region (TER), but such capital-intensive activities face

Structural
constraints

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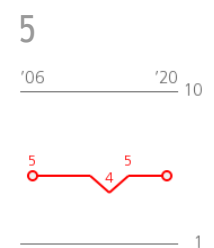
severe constraints. Efforts to exploit Dakar's favorable geographic position and transform it into a regional service center have made some progress, but it remains to be seen whether the Plan Sénégal Émergent (PSE) can live up to its promise of creating growth and employment.

On a positive note, HIV/AIDS has had only a limited impact on the Senegalese population due to early education policies. There were no negative public health effects from the Ebola epidemic in West Africa.

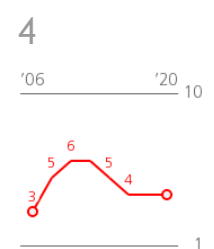
By African standards, Senegalese civil society has a relatively rich tradition and history. Social engagement in urban communities has been valued since colonial times, and in rural areas, community activities have likewise been highly valued, for example in the systems of Muslim brotherhoods. However, many community groups and NGOs suffer from a lack of resources. As NGOs often rely excessively on international donor funding, as in all other poor Sahelian countries, their credibility in the eyes of the government and parts of the population may be undermined. Some civil society organizations, which played a vital role in defeating President Wade in 2012 and in the subsequent peaceful transition of power, have been co-opted into the government of President Sall, but others have now resumed their role as government critics. In the run-up to the 2019 presidential elections civil society was subject to a number of restrictions, including deregistration, but it was unclear whether this was due to the government's apparent nervousness regarding the election or whether this development marked a worrisome permanent shift.

In general, there are no pronounced ethnic or religious conflicts in Senegal. However, concerns over a predominance of the Wolof ethnic group have been nurtured by some in the Diola (Jola) group, dominant in the southern region of Casamance. The Casamance problem remains difficult to resolve, even though the links between the rebels and the neighboring countries of Guinea-Bissau and The Gambia have been significantly weakened after the long-time Gambian dictator Yahya Jammeh was deposed in early 2017. The current Gambian president, Adama Barrow, is interested in developing good relations with Senegal, as is the president of Guinea-Bissau, José Mario Vaz. Mediation between the Casamance rebels and the Senegalese government, organized by the Italian Sant'Egidio association, has been intermittent since 2012 and are complicated by the fragmentation of the rebel factions. The talks are supported by the Vatican and several European countries. There has been a cease-fire since 2014, and since early 2016, there have been positive signs indicating an end of the fragmentation. Senegalese organizations, some of which have a mandate from the government, are undertaking efforts to reach out to the rebels. The future legal status of the Casamance remains the most contentious issue, and the government seems unwilling to go beyond the greater autonomy the Casamance has already been granted in the course of the decentralization process. Instead, the government has begun to build up the infrastructure of the Casamance, presumably to remove some of the causes of the conflict.

Civil society traditions



Conflict intensity



While social conflicts have de-escalated considerably in urban areas since the peaceful change of government in April 2012, they could easily flare up if the government does not succeed in its reform efforts. In 2014, and again in 2018, violent clashes between students and the police demonstrated the potential for conflict over the serious crisis in the education system. Frequent clashes continue to occur over monetary issues (scholarships) and housing problems and are occasionally politicized. The situation is exacerbated by high youth unemployment and a sense of marginalization among some groups. The spontaneous character of these protests means that they will be much harder to settle than social conflicts in the past, which were channeled by interest groups (e.g., Muslim networks in the rural areas and trade unions in urban centers).

Tensions between the Muslim majority and the Christian minority are rare and overall religious coexistence in Senegal is exemplary. Demonstrations against the Charlie Hebdo cover showing a caricature of the Prophet Muhammad were peaceful, in contrast to many other Muslim countries. Still, radicalization among – mostly young and male – Muslims, initially “imported” by Wahabi and Salafist movements, might be a source of serious conflicts in the future.

II. Governance Performance

14 | Steering Capability

Senegal’s political leadership is committed to the constitutional order, the democratic system, and a market economy. The current government sets coherent strategic priorities with its Plan Sénégal Émergent (PSE). Poverty reduction has been a central objective of Senegal’s policy measures. After the political change in 2012, the national strategy for economic and social development 2013 to 2017 (SNDES) replaced Senegal’s first poverty reduction strategy (document de stratégie et de réduction de la pauvreté) from 2002. So far, however, this strategy has not been updated.

As Senegal has proven to be an anchor of stability within a region riddled with deep political crises, foreign governments, donors and donor agencies continue their funding commitments for the development plan PSE. The PSE is primarily based on evidence-based strategic planning, but some of its high-profile infrastructure projects are most likely undertaken with electoral considerations in mind (e.g., the extension of the freeway to the Mourides’ holy city of Touba).

Question
Score

Prioritization

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While Sall's government has garnered goodwill for its efforts to reduce poverty levels over the long term, ineffective implementation is as obvious in Senegal as elsewhere in Africa. Plans are announced, but timetables for delivery are rarely observed. Moreover, the necessary structural changes require strong political will over the long term, and in a fragmented political landscape such as Senegal's, considerable coalition-building skills are necessary to garner national support for reforms with long-term effects. Additionally, reforms need strong external political and financial support. In a highly aid dependent country like Senegal, the government must shoulder the additional burden of managing expectations and sustaining support from external donors.

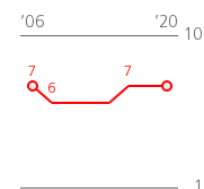
The Sall government has significantly improved Senegal's cooperation with donors, as is demonstrated by the continuous and strong support for the PSE. Senegal's tax authorities have been able to increase receipts, but overall the capacity for effectively implementing reforms and policies remains weak. For example, progress in restructuring Senegal's energy infrastructure has been slow, in part because of entrenched interests in industry and government. The constitutional reforms of 2016, while generally commendable, did nothing to address the problem of low implementation capacity.

President Sall's governing coalition continues to pursue its reform agenda. Many ministries now have a medium-term expenditure framework and make efforts to evaluate their performance. The finance ministry has established a "réserve de précaution" in the budgeting process, meaning final expenditures depend on meeting a set of criteria in order to incentivize reforms and due diligence. The government's development plan (PSE) draws primarily on evidence-based strategic planning.

At the same time, a powerful presidency limits institutional settings and incentives for policy learning, consensus-building and compromise. Thus, the burden of organizing policy learning rest almost exclusively with the president and his staff. The constitutional reforms of 2016 will do little to ameliorate this situation as they do not strengthen the prime minister's office, and the strengthening of the opposition leader in the National Assembly has still not been implemented.

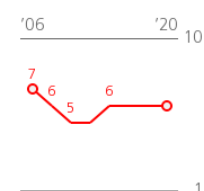
Implementation

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Policy learning

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15 | Resource Efficiency

Despite a 2014 cabinet reshuffle after experiencing significant losses in local elections, the Sall government has not been hampered by personal rivalries between the president and prime minister, as had been the case in the previous government. The partial reshuffling of the government after the 2017 parliamentary elections appeared to have been routine. Macky Sall also fulfilled his electoral promise to reduce the size of government, abolishing a multitude of parallel state structures, and abolishing the Senate, essentially replacing it with a less powerful *haut conseil des collectivités territoriales*, which has only an advisory role. At the level of the national executive, the use of resources appears to be more efficient than under the Wade administration. However, the government is still excessively large, in part due to the numerous politicians of Sall's coalition who need to be co-opted. The apparent increase of budgetary discipline has to be weighed against the financial burden of the increased level of debt-financed state investments.

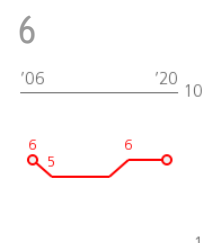
Efforts to decentralize government institutions and policy have advanced in recent years, pursuant to the reform legislation called “acte III de la décentralisation.” The future of regional institutions, however, is uncertain because of unresolved administrative and budgetary issues.

Regarding the overall budget, resources are insufficiently monitored and are not managed as effectively and efficiently as they could be, even though some ministries use a medium-term expenditure framework. While the abolition of parallel government structures within the president's office and the strengthening of the role and power of the regular portfolio ministries should lead to increased effectiveness and efficiency, the final decision on key political questions still rests with the president. The Sall government has displayed the capacity to create a more coordinated system and to find solutions for conflicting objectives, but the traditional centralization of power in the presidency hampers the resolution of basic problems.

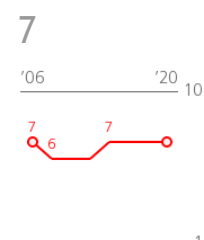
Macky Sall has delivered on his 2012 campaign promises to curb corruption and to investigate corrupt politicians from Wade's government. Anti-corruption policies have been enforced. Sall has disclosed his own personal financial situation, as has the president of the National Assembly.

A special court has been reinvigorated to deal with illegal enrichment and corruption. The investigations and trials are supposed to meet the public's desire to see the previous government's widespread corruption punished, but they have been controversial. Most prominently, Karim Wade, the son of the former president and a minister in the latter's government, was imprisoned between March 2013 and June 2016, and then pardoned by President Sall. While his trial for embezzlement of public funds was an important symbol in the fight against government corruption, the reversal of the burden of proof – Karim Wade had to demonstrate the legality of his

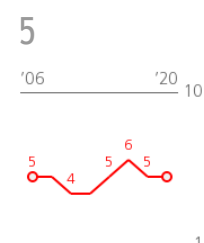
Efficient use of assets



Policy coordination



Anti-corruption policy



wealth – was legally questionable and interpreted by many as an example of the common filing of charges of corruption against political rivals. Segments of the public also strongly suspect that political motives were at play in the trial and conviction of the former Dakar mayor, Khalifa Sall, widely considered a potential challenger to Macky Sall in the 2019 election. The controversial dismissal of the tax inspector Ousmane Sonko in August of 2016 has not helped alleviate these suspicions. Sonko had for months pointed out “anomalies” in the government’s budget (e.g., the alleged distribution of Karim Wade’s riches among the friends of the president). Both Sonko and Abdoul Mbaye, the former prime minister (who wrote a public letter to Macky Sall questioning the oil exploitation license given to Petro-Tim, a company linked to the president’s brother), have political ambitions. Sonko is challenging Macky Sall in the 2019 presidential election and continues to criticize the government (he chronicled the aforementioned scandal in a book released in January 2018). He has won support among the population. He believes Senegal’s assets from the oil and gas discoveries have already been sold off and he demands action be taken against the president’s brother. In fact, Sonko is one of the few Senegalese opposition politicians who proposes concrete policies and actions.

The media have proven their capability to investigate and report on these developments regarding illegal enrichment and corruption. However, Senegalese public opinion, like in other African countries (but to a lesser extent) tends to accept corruption and abuse of power as something “normal” among those in power.

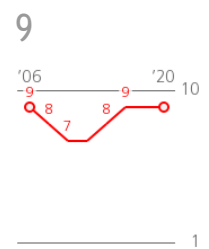
Despite modest reforms of public procurement procedures, accountability and audit mechanisms remain weak and have raised many concerns. There are still many direct awards of tenders, in spite of existing regulation.

16 | Consensus-Building

All relevant actors in Senegal are committed to the principles of democracy and to the goal of building a successful market-based economy. In general, ideology plays less of a role in political disputes than personality. In fact, the actions of political parties often run counter to their supposed ideological positions.

General support for a market democracy is pragmatic rather than ideological. For example, when the Socialist Party was in power, it implemented a privatization and liberalization policy under pressure from the Bretton Woods institutions. Likewise, President Wade’s nominally liberal party did not shy away from state intervention when it was deemed to be politically advantageous or necessary (as in the case of the failed privatization of the electricity company). Macky Sall’s APR, nominally a liberal party, is pursuing policies that could be characterized as social democratic.

Consensus on goals



The government is clearly committed to democracy and (to a lesser extent perhaps) a market-based economy. Anti-democratic veto players do not currently pose a threat. Senegal has never experienced a military coup d'état, and the military, potentially an anti-democratic actor, continue to be firmly under civilian control. At the same time, the Muslim brotherhoods and other more conservative religious forces have been successfully held in check, in part by legal action, at least outside of the Mourides' holy city of Touba. As the government struggles to provide credible solutions to the country's major socioeconomic problems however, the possibility remains that the military and/or religious groups could try to present themselves as better equipped to govern the country. While this danger is not pronounced at the moment, the ongoing crisis in neighboring Mali and the spread of extremist Islam are a threat to the stability of the entire region. New conservative Muslim organizations sponsored by gulf states are increasing in size and may be more difficult to marginalize in Senegalese politics than traditional groups have been.

Generally, Senegal's political leadership prevents cleavages from widening. Senegalese governments have a long tradition of co-opting opposition figures into the government, which prevents the alienation of many politicians. This is a tool to keep opponents at bay and ultimately from political power – within the legal limits of an electoral democracy. In keeping with this tradition, Macky Sall's government is trying to formulate and follow an inclusive and participatory policy toward political opponents and potential challengers. So far, the governing coalition has held together. Only Idrissa Seck has formally left it. However, Khalifa Sall's split from the PS also can be interpreted as a departure from the coalition. None of the parties of the coalition is planning to run a candidate against Macky Sall in 2019.

Muslims (95% of the population) and Christians (4%) peacefully coexist and President Sall is pursuing an inclusive and peaceful approach. The intensity of the conflict in the Casamance region has been reduced by the efforts of the Sall government to initiate preliminary peace talks and to invest in the Casamance's economic development.

Although the participation of civil society in the governance of the country is still somewhat limited, the 2012 election and the 2016 referendum have strengthened the role of civil society organizations in Senegal. President Macky Sall generally has a more inclusive governance style than his predecessor and maintains strong political and personal relations with civil society leaders and representatives of the media. He is generally supportive of their activities and integrates civil society organizations and their leaders into his policy-making. In May 2016, Sall held a "national dialog" with the opposition, civil society, and religious organizations. While the event was not actually a dialog but rather a series of presentations, it did pave the way for the release and subsequent exile of Karim Wade. However, there has not been any meaningful follow-up to the dialog.

Anti-democratic actors

9



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Cleavage / conflict management

8



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Civil society participation

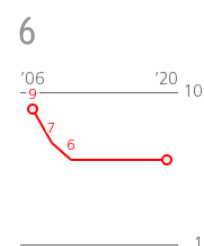
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Serious human rights abuses were reported during past periods of conflict in the Casamance (which is now experiencing a low level of conflict intensity). Despite new initiatives of mediation, the government has not yet taken decisive or convincing action to reappraise the past and to address the crimes committed by the rebels as well as the Senegalese army. A reconciliation effort must be undertaken as part of any future peace agreement, something the renewed peace talks may be working toward.

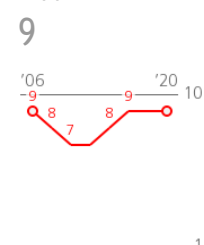
Reconciliation



17 | International Cooperation

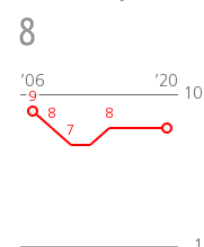
Generally, the government makes effective use of international assistance. Under the presidency of Macky Sall, tensions with the IMF and other international donors over political priorities and Senegal's questionable auditing and public procurement procedures have largely subsided. An obstacle to the success of foreign aid remains the multitude of intervening actors and the lack of coordination between them. Sall has been able to generate significantly more international donor support for his Plan Sénégal Émergent than anticipated. Additional funds from the EU for the energy sector have been approved, but the necessary reforms in Senegal have stalled. Senegal is set to benefit both from the G20's compact with Africa and from the United States millennium challenge corporation compact program, both of which will support the energy sector. Sall's visit to China has generated substantial investment commitments from Senegal's second most important economic partner (behind the EU). Senegal continues to be regarded as a regional actor that is politically important to Chinese interests in the West African region. In contrast, financial support from Arab countries, which was developed by the Wade government, has faded considerably as Sall has politically moved closer to the West.

Effective use of support



Senegal continues to be a reliable partner within the international community. Senegal's support of the French and international intervention in neighboring Mali, and generally positive relations with France since Sall's inauguration, have certainly contributed to improved donor confidence. More than 4,000 Senegalese troops and police currently serve in United Nations missions, including in neighboring Mali (out of 115 countries, Senegal ranks 14th in contributions). President Sall engages in partnerships with industrialized countries in the Americas, Asia and Europe and with countries across the African continent. At the same time, while Macky Sall has publicly stated that there is no reason for any Senegalese citizen to seek asylum, it should be noted that the Senegalese government continues to stall on negotiations with the EU concerning a readmission agreement for migrants (European migration compact for Africa), perhaps fearing a negative effect on remittances and public opposition.

Credibility



Senegal is one of the strongest African supporters of the Rome Statute and the International Criminal Court. Between 2014 and 2017, Senegal's then-minister of

justice, Sidiki Kaba, served as president of the assembly of state parties and sought to resolve African critiques of the ICC and the UN while continuing to advocate for the principle of international criminal justice.

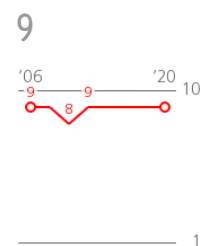
Questions have been raised about the reliability and credibility of Senegal's economic strategy. Infrastructure projects sometimes do not proceed past the planning phase or experience long delays, but recently a toll-funded highway from central Dakar to Diamniadio was opened and extended to Touba via Thiès. Moreover, the new international airport on the outskirts of Dakar has opened and is already boosting the tourism industry significantly. A new bridge to Gambia was opened, ameliorating the difficult situation of transporting goods to and from the Casamance. Still, several projects await completion (e.g., the TER suburban train and some of the industrial parks in Diamniadio), while others seem to be less about the generation of employment than grandeur (e.g., the new basketball stadium).

President Sall has significantly improved Senegal's relationship with foreign partners. Traditionally, international links are particularly strong with France and the EU, despite occasional harsh political rhetoric (e.g., in terms of the regional economic partnership agreements or French military bases in Senegal). Since 2012, Senegal's foreign policy has been characterized by the intensification and improvement of relations with France and the United States in the context of the political crisis in Mali, the western Sahel region, and The Gambia. Consequently, Sall has been able to generate more than sufficient funds for his Plan Sénégal Émergent. Nonetheless, international trust in Senegal's public finances has been undermined by a lack of action in response to critical audits.

Senegal is a member of the most important regional organizations, such as ECOWAS and the monetary union of West African states. The political instability and weakness of governance in the West African region are of permanent concern for the Senegalese government. Senegal has maintained its position as an important anchor of stability in the region, intervening diplomatically and militarily to stabilize weak neighboring countries. Senegalese troops, who are ranked well compared to other African military forces, have regularly participated in United Nations peacekeeping missions throughout Africa and beyond (more than 4,000 troops currently operate in seven countries). In West Africa, Macky Sall has increasingly assumed a leading role (e.g., in Mali). In the past, Dakar served as one of the logistical centers during the Ebola crisis and opened a humanitarian air corridor toward the affected countries. President Macky Sall was also instrumental in organizing the ultimately peaceful transition of power in The Gambia to Adama Barrow in early 2017.

Currently, bilateral relations with Mauritania are of utmost concern to Senegal, as there are conflicts over fishing rights. Fishing in Senegal suffered as a result, leading to a significant slowdown of growth in this sector (from 7.1% in 2017 to 1.9% in 2018). In contrast, the two countries signed an agreement on the joint exploitation for offshore gas.

Regional cooperation



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Strategic Outlook

Both in terms of its political and its economic development, Senegal is at a decisive point in its history. President Macky Sall promised fundamental reforms during his campaign and initiated a phase of political, economic and social transformation. However, despite the constitutional reforms of 2016, the consolidation of Senegalese democracy is still incomplete. In the run-up to the presidential election in 2019, the government demonstrated a growing intolerance of critical voices. After Sall's re-election in February 2019, he must prove his desire and capability for implementing his reform agenda and demonstrate whether or not he is willing to accept a free civil society and media as well as democratic accountability.

Regarding Senegal's economic and human development, the central challenge for the government is to find a solution to the high rate of youth unemployment, underemployment and precarious self-employment. Apart from the need for sustained high economic growth, the educational sector requires broad structural reforms and significant investment. All levels of education require attention, but special focus needs to be directed to vocational training programs as university graduates have difficulty finding work and are not trained for the economic needs of Senegal.

Senegal's current positive international reputation and position likely ensures that international partners will continue to prioritize cooperation with Senegal in order to reward its reform efforts and the positive role the Sall government has played in international relations (its absence from the G5 effort to fight Islamist terrorism in the region notwithstanding). International partners will also want to demonstrate their willingness to further assist a country, which is in a decisive transformative phase. A potential long-term problem for the Senegalese development strategy is the issue of its rising structural debt. While Senegal has been able to moderately improve its tax collection, the partially debt-financed investments of its development plan must pay off, before rising interest rates and the potential fallout from political developments in North America and Europe worsen the donor and credit situation. Observers note that even if only a fraction of the ambitious Plan Sénégal Émergent (PSE) can be completed, Senegal will have made considerable progress. This optimism notwithstanding, not all of the PSE infrastructure projects are likely to lead to sufficient increases in revenue and employment to meet the high expectations of the population.

Senegal faces severe ecological challenges, many of which have global origins and cannot be solved at a local level. The same is true for international developments such as the rise of Islamist terrorism.

Progress in the agricultural sector is highly dependent on rain patterns. The progress seen in the tourism industry – which has experienced a significant revival – may be jeopardized by terrorist attacks, and any efforts at industrialization – as well as economic development in general – depend on the volatile cost of energy, which may be ameliorated by the exploitation of Senegal's own oil and gas resources.