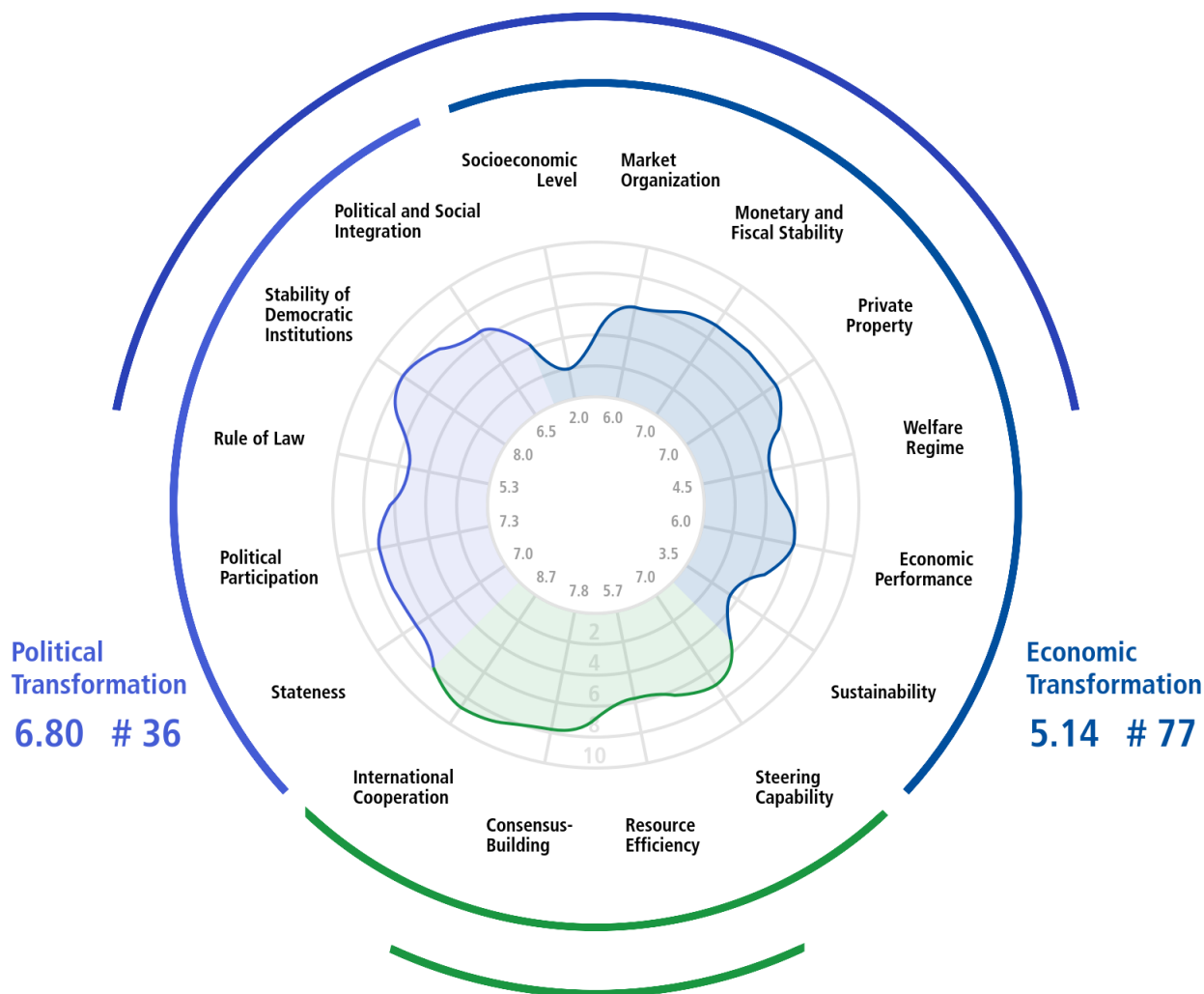


# Senegal

## Status Index

**5.97 # 53**

on 1-10 scale out of 137



**Political Transformation**  
**6.80 # 36**

**Economic Transformation**  
**5.14 # 77**

## Governance Index

**6.71 # 12**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. 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	<b>16.7</b>	HDI	<b>0.512</b>	GDP p.c., PPP \$	<b>3481</b>
Pop. growth <sup>1</sup>	% p.a.	<b>2.7</b>	HDI rank of 189	<b>168</b>	Gini Index	<b>40.3</b>
Life expectancy	years	<b>67.9</b>	UN Education Index	<b>0.345</b>	Poverty <sup>3</sup>	% <b>68.4</b>
Urban population	%	<b>48.1</b>	Gender inequality <sup>2</sup>	<b>0.533</b>	Aid per capita \$	<b>88.6</b>

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. 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

President Macky Sall won a second five-year term in the presidential elections of February 2019. Sall was able to carry the first round of the elections in which there was a high voter turnout and which were unanimously considered free and fair by national and international observers. He now is at the apex of his power as he not only governs with a strong mandate, but also has a large parliamentary majority.

The president has used the opportunity to consolidate his power. He abolished the office of the prime minister and attempted to install a “fast track” government that would avoid unnecessary administrative delays. With the arrival of the second wave of the COVID-19 pandemic in late 2020, Sall reviewed the law on states of emergency, inserting provisions that would grant him increased power during natural disasters and medical emergencies.

The second phase of his Plan Sénégal Emergent (PSE), the development strategy that aims to transform Senegal into an emerging economy by 2035, began in 2019. With high growth rates in recent years, a slow but steady increase in foreign direct investment and the conclusion of some key policy projects – such as the opening of the special economic zone in Diamniadio near Dakar – Sall has received national and international praise as a successful African leader.

However, some of his policies have failed to provide results or have been criticized for excluding large segments of the population. The universal health coverage program kickstarted in 2013 is on the brink of failure. Sall’s focus on foreign direct investments largely ignores the needs of Senegal’s massive informal sector. The Political Dialogue, an inclusive forum meant to tackle the open questions of the polity, has so far failed to provide substantial results.

Senegal was among the first sub-Saharan African countries to register cases of COVID-19, and has been praised for its swift, transparent, effective crisis management. The government used its scarce resources to establish testing and treatment facilities throughout the country. Emergency aid measures for poor households and protective measures for (formal) employment and (formal) enterprises were quickly established. Senegal was able to weather the first wave with an official death toll below 500, with its medical facilities never facing critical capacity overload.

However, some measures such as the nightly curfew and restrictions on free movement were met with resistance by urban youth and informal sector workers, as these were hit hardest by the loss of economic opportunities. The economic toll, particularly for the most vulnerable members of society, has been massive. Many Senegalese attribute the rise of irregular emigration to the Canary Islands to a lack of opportunities, particularly for urban youth. Months of education lost due to the closing of schools will also hamper progress in a country with a literacy rate of about 50%.

The government has reviewed its implementation strategy of the PSE and now aims for a stronger autarky in food production and in key industrial sectors such as pharmaceuticals. At the time of writing, the second COVID-19 wave was enveloping the country and the government had responded with light measures, limited to Dakar and Thiès. However, as discipline fails and some members of the population become frustrated with what they see as increasingly aloof communications from the president, the effects will certainly be different from those in 2020.

## 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, Léopold Senghor, which was renamed Parti Socialiste (Socialist Party, PS) in the 1970s, ruled the country for over 40 years. In 1976, 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 first peaceful transition of power occurred in 2000 when longtime opposition leader Abdoulaye Wade (PDS) won the presidential election – in part because of the support of former PS faction leaders. Wade embraced anti-colonial and anti-imperialist rhetoric but did not fundamentally alter the country's course, which relies on a broad consensus of societal actors. He was a shrewd power politician, who would remove prime ministers 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 prosecution for corruption. In 2008, he founded his own political party, the Alliance for the Republic (APR). When in December 2011, Wade announced his candidacy for a third term in office, constitutionally controversial but validated by the country's constitutional

council, a wave of protest ensued. In the 2012 elections, Macky Sall emerged as newly elected president in the second round. Wade immediately accepted defeat, and a second peaceful transition of power occurred.

Senegal's macroeconomic situation deteriorated in the early 1990s. After a 50% devaluation of the regional currency, the CFA franc, and a structural adjustment program, in 1994, inflation was kept low and growth picked up, but living conditions barely improved. Between 2000 and 2008, annual growth rates were around 5% - relatively high compared to many economies of the subregion, but insufficient to meet the needs of a growing, increasingly urban population. Between 2009 and 2013, economic growth slowed, averaging only 3.5%, according to World Bank figures. From 2014 on, the services sector, investments and exports picked up and growth usually averaged above 6%. This is one of the highest growth rates on the continent.

In the last ten years, the country has risen to lower middle-income status, according to the World Bank. The government made massive investments in the country's infrastructure, including a new airport, a highway to the capital, a satellite town outside Dakar (to decongest the peninsula), offshore oil and gas production, and stadiums. Senegal has embarked on a decidedly investment-friendly course, embedded in regional and global cooperation. The Sall government has been able to mobilize international support and greatly improved relations not only with international financial institutions, such as the World Bank and the IMF, but has also been a regular guest at G20 summits. Sall has entered the Compact with Africa and follow-up initiatives such as the Partnership for Reform with the German government. However, immense structural challenges, such as low formal employment, little in the way of manufacturing, high inequality and unemployment and a vast informal sector remain.

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 monopoly of force largely remains with the Senegalese state. 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 (MDFC) and other groups have been struggling for independence in the geographically isolated region since 1982, with violence escalating during the 1990s and the 2010s. The region remains in a state of “neither war, nor peace.” The rebels have been significantly weakened and factionalized, but remain deeply involved in the region’s shadow economy, particularly in the illegal trade in rosewood. The ouster of Gambia’s longtime President Yahya Jammeh in 2017 has deprived them of a longtime ally.

State control is 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 peace and enjoys (informal) autonomous status. It is a special economic zone and a cornerstone of Senegal’s shadow economy (fake medication, smuggling and money-laundering).

There is a general tendency for religious leaders and presidential candidates to support youth groups that can be used for violence. Violent electoral clashes happened in 2019, albeit on a much lower scale than in many West African countries. In December 2020, the Senegalese police discovered an illegal prison run by adherents to a religious leader, sparking discussions about the state of the government’s monopoly on the use of force.

Question  
Score

Monopoly on the  
use of force

7

'06 '22 10

8

7

1

Senegalese citizens widely accept Senegal as a nation-state. Senegal's first president, Léopold Sédar Senghor, strongly emphasized the laic, social and democratic character of the country, which remains constitutionally enshrined. Senghor, a member of both a religious and ethnic minority (a Catholic Serer), 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 population. This broad consensus has remained stable, as various religious and ethnic groups accept the authority of the Senegalese state. State authorities are keen to quell any separatist notions, and the formation of political parties on ethnic or religious grounds is not permitted. There are no pronounced, systematic exclusions on racial, ethnic or religious grounds. 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.

Senegal's state structures are modeled on French colonial structures, which date back to the mid-nineteenth century. Among the French-speaking countries in West Africa, Senegal was most influenced by France, with the exception of the southern and geographically isolated region of the Casamance, which came under French colonial rule relatively late, after a period of Portuguese control.

Secularism is a constitutional principle in Senegal. Religious authorities, however, exert significant influence. While the Sufi brotherhoods have largely refrained from endorsing presidential candidates since the late 1980s, their leaders frequently issue statements that reach into the sphere of civil liberties, such as strong condemnations of homosexuality. The spiritual leader of the Mourides, Khalif Mbacké, was able to act as the main mediator of the "reconciliation" between President Macky Sall and his predecessor, Abdoulaye Wade, that was publicly staged in September 2019. The reconciliation was followed by the release from prison of Dakar's former major, Khalifa Sall, and the return to Senegal of Wade's son Karim. Both have served prison terms for corrupt practices.

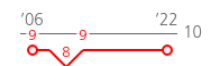
The brotherhoods view themselves as largely beyond criticism and attempt to impede the free press if journalists come close to their centers of power. When a newspaper reported a religious leader's illness with COVID-19, the leader's adherents vandalized the newspaper's offices. During the pandemic, the government was reluctant to impose a strict lockdown on mosques, relying on the brotherhoods' cooperation.

Brotherhood-led media outlets are springing up in the country. While the focus is on religious and spiritual subjects, this could develop into a power source.

How this religious power would be translated into votes is open to speculation. The strongly religious Parti de l'Unité et de Rassemblement (PUR) of Issa Sall, which represented one of Senegal's small brotherhoods, performed below expectations in the 2019 presidential elections with only 4.07% of votes cast in the candidate's favor.

#### State identity

9



1

#### No interference of religious dogmas

6



1

There are also doubts about the influence of the brotherhoods on young Senegalese. Koranic schools, many of which are largely outside their control and target street children, preach a conservative brand of Islam that could endanger the peaceful coexistence of religions in Senegal. Brotherhoods are widely seen as an effective shield against radical Islam.

State administration extends to the whole country. However, the administration is less present in rural areas far from the capital. Health and education facilities (as well as other public services) 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.

The decentralization process, which began in 1996 and the transfer of certain responsibilities to local authorities has not included the adequate transfer of the necessary budgets to implement effective policies, as local authorities are not fully financially autonomous. Senegal underperforms in tax capture and tries to offset this by attracting private money (e.g., through public-private partnerships), but this often leads to diminished services for poor households.

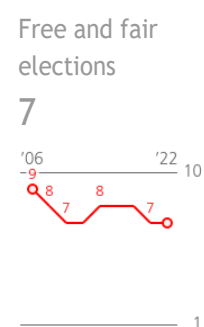
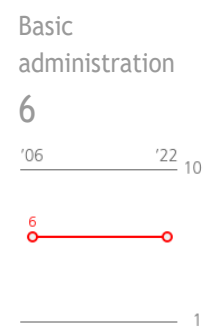
Social services remain limited. Their delivery is not guaranteed countrywide, nor to all segments of the population. This is particularly true with regards to health and education. Attempts to establish a system of universal health coverage since 2013 have been largely unsuccessful, due to policy flaws and financing gaps. However, treatment of COVID-19 was covered by the state and Senegal quickly established countrywide testing and treatment facilities.

During the pandemic, UNICEF reported an interruption in health services not related to COVID-19 such as immunizations and tuberculosis treatment, as well as in administrative services such as civil registrations. Education was interrupted for several months during the COVID-19 pandemic but resumed in late 2020.

## 2 | Political Participation

Elections in Senegal have long been considered free and fair. The country has undergone two peaceful transfers of presidential power (in 2000 and 2014). President Wade's third-term ambitions were highly contested but ultimately allowed by the Constitutional Council. He was, however, thwarted at the polls. Rumors about Macky Sall's third-term ambitions seem premature, but the topic may become heated in the coming years as Wade has paved the way for a possible third term.

The presidential elections of 2019 were deemed free and fair by domestic and international observers. Calls for a boycott by former President Wade did not resonate with the population and were largely seen as an emotional response to his son Karim





being excluded as a candidate. Parliamentary elections, in 2012 and 2017, and constitutional referendums, in 2016, have also largely been considered free and fair. There are incidents of electoral violence, but on a far lesser scale than in many other countries in the subregion.

Allegations regarding the quality of the electoral register have been frequent. An audit of the register is ongoing, but this has led to delays in holding local elections initially scheduled for June 2019. While it is widely acknowledged that the register needs overhauling, the government has been criticized for acting slowly on this.

Senegal has a permanent electoral commission, the Commission Electorale Nationale Autonome (CENA), members of which are nominated by the president. CENA is often criticized for delays in its working process. The opposition questions its impartiality.

Political party formation is allowed, but the minister of the interior has considerable power over the registration process. Parties are constitutionally prevented from referring to racial, ethnic, religious, linguistic, gender or regional identities for fear of separatism. However, the Parti de l'Unité et de Rassemblement (PUR), which is largely seen as a religious party, was allowed to form. The 2016 constitutional reform sought to limit the number of candidates running for office by introducing the "parrainage," an increase in the number of signatures required to appear on the presidential ballot. Despite protests against the parrainage, the presidential elections in 2019 have proved it rather successful.

The political system of Senegal 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 government officials are frequently replaced by the president without public or parliamentary debate.

Religious groups come closest to having veto powers. They are especially influential over matters of public morality but are also known to have economic interests. Any attempt to liberalize Senegal's extremely restrictive legislation on homosexuality or abortion would undoubtedly be met with resistance from religious elites. It is unlikely that the central government would move to change this, as political and religious elites generally benefit from each other.

The army is apolitical and army officers are well-trained, well-paid and loyal to the civilian command. The Sall government has taken symbolic action against corruption and bad governance but has difficulty demonstrating a hard stance against corruption within its own ranks.

Effective power to govern

8



1

The right to assemble and to organize peaceful demonstrations is constitutionally guaranteed and protests are frequent, especially in Dakar. However, some demonstrations are banned on seemingly arbitrary grounds, often on short notice. Demonstrations were banned during the state of emergency during the COVID-19 pandemic, while religious gatherings were still allowed. The state of emergency and the consequent ban on demonstrating was renewed several times and still in place on January 31, 2021.

Senegalese civil society can assemble freely, with the notable exception of LGBTQ groups and HIV/AIDS support groups active in the gay community. Trade unions can assemble freely.

Freedom of expression is guaranteed. Print media and radio stations are numerous and represent diverse interests and opinions. However, an increasing number of media outlets belong to, or are close to, individual politicians or religious leaders, clearly impeding their neutrality.

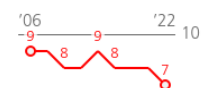
Some legal developments cast doubts on the government’s commitment to freedom of the press. The press code of 2017, which was designed to limit the forming of media monopolies and strengthen measures of media self-regulation, failed to decriminalize press offenses. The media have had less leeway since its adoption and the new law has clearly had a partially repressive effect. This has affected the behavior of journalists and encouraged self-censorship by those who are afraid of being prosecuted, particularly since the decrees that could limit the law’s effects were only signed in January 2021.

Journalists are occasionally threatened or arrested for reports or social media posts the government deems offensive. In August 2020, the editorial offices of a newspaper were vandalized by religious zealots after the newspaper reported that the zealots’ leader had been hospitalized with COVID-19.

Freedom of information is constitutionally guaranteed but granted in an arbitrary manner. A freedom of information law is in the making after increasing calls for one from stakeholders.

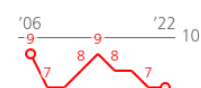
Association / assembly rights

7



Freedom of expression

7



### 3 | Rule of Law

The Senegalese presidency possesses immense power. The legislative branch continues to be weak, as does the opposition. This became especially true after the inclusion of the second strongest contender for the presidency in 2019, Idrissa Seck, and his Rewmi Party in government in November 2020. Although a system of checks and balances is constitutionally provided for, it is not fully realized. Neither the National Assembly, which has no means to contravene the executive's power, nor the judiciary, which frequently fails to prove its independence from the government, acts as an effective counterbalance. Attempts to strengthen the role of the opposition leader have largely been unsuccessful, as have attempts to change the nomination system for judges, who are highly dependent on the presidency.

The president declared a state of emergency during the COVID-19 crisis. This followed existing procedures, was time-bound and subject to review by parliament.

The Senegalese judiciary is built on the French model. While Senegal's judges have a reputation for being well trained, their independence is arguably constrained by the executive, particularly in cases concerning politicians. Corruption remains a major problem, as does underfunding and understaffing of the judiciary.

Careers depend largely on the presidency. President Sall has backpedaled on promises to change this. The case of Souleymane Teliko, the president of the Senegalese Judges' Union, illustrates the executive's authority. After having criticized judicial procedures in the trial of Khalifa Sall, Dakar's former mayor, the Conseil supérieur de la magistrature (CSM, high judicial council) reprimanded Teliko in November 2020. The CSM is headed by the president of the republic and the minister of justice, and makes decisions regarding judicial appointments.

Complicated, expensive procedures often lead the courts to defer decisions to traditional means of conflict resolution, particularly in more rural areas.

Allegations of corruption in the government are widespread: The president's brother, Alioune Sall, a businessman and politician, was at the center of a scandal involving the granting of oil licenses and a well-paid consultancy contract with the exploitation company, PetroTim (he was acquitted in January 2021). Sall's brother-in-law, Minister of Transport Mansour Faye, was accused of corrupt practices while serving as mayor of the city of Saint Louis and has publicly displayed disdain for the National Office Against Fraud and Corruption (OFNAC), confirming doubts about the accountability of those close to the president. There have also been allegations of disrespect of tender rules pertaining to transportation of food aid during the COVID-19 crisis.

While the Sall government reactivated the special Court de Repression contre l'Enrichissement Illicite (CREI), designed to fight illegal enrichment and corruption in government, this court does not target members of the current government and administration. The only notable case that led to prosecution was that of Karim Wade,

Separation of powers

6

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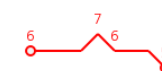


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Independent judiciary

5

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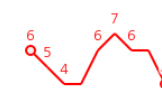


1

Prosecution of office abuse

4

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1

the son of former President Wade. Afterwards, the CREI's reputation as an apolitical institution was tarnished. 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 in the 2019 election.

The media reports on budgetary debates and corruption allegations in a timely manner. Senegal's civil society frequently stages public protests and uses opportunities to voice concern about government corruption but has trouble gaining access to relevant government documents. Corrupt officeholders at low administrative levels rarely attract public attention. Petty corruption is a fact of daily life.

Civil rights are generally respected in Senegal. The violation of civil rights is in theory subject to criminal punishment. Reported abuses by state agents are frequently not investigated and remain unpunished, as is the case for human rights abuses in the conflict-ridden region of Casamance.

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. LGBTQ persons are criminalized and frequently jailed. Homosexuality is viewed as an "act against nature." Abortion is banned under any circumstances. Women are frequently jailed for having abortions, even if they have been raped.

Pretrial detentions are often arbitrarily extended. Prisons are overpopulated and suffer from abhorrent sanitary conditions.

Senegal has ratified the United Nations convention on the rights of the child, but child labor is common. Boys are by tradition frequently placed in the custody of a Quran teacher, where they are often exposed to violence, sexual abuse and forced to beg on the streets. In April 2019, a child was found beaten to death by his Quran teacher. In November of that same year, pictures of boys who were chained in a Quranic school surfaced, leading to widespread outrage among the urban population. Six people were arrested, but later freed on parole.

The state of emergency during the coronavirus pandemic restricted freedom of movement. A curfew led to widespread anger among urban youth and workers in the informal sector, who were often unable to work.

Civil rights



#### 4 | Stability of Democratic Institutions

Democratic institutions have existed in Senegal for a long time. They are, however, in a constant state of flux. A Senate was established in 1999, but abolished in 2001, re-established in 2007 but abolished again in 2012. The post of the prime minister has suffered a similar fate; its recent abolishment after the 2019 election was met with criticism as this had not been one of Macky Sall's campaign promises. However, the overall stability of democratic mechanisms remains strong with a vibrant civil society, some space for critical thought in the media and occasional lively debates in the National Assembly. The country is ranked ninth overall in the Mo Ibrahim Foundation's Index of African Governance (2019, with an overall score of 63.2). Problems remain, mainly due to the high concentration of power in the presidency. Attempts to create strong regional entities during decentralization have largely been unsuccessful. Debates about changing the status of cities, particularly Dakar – a stronghold of the opposition and potential political hotbed – by having the capital be led by an appointed caretaker instead of an elected mayor, have cast doubt on the government's willingness to cede substantial power.

The country's democratic institutions are respected by all relevant actors. The presidential elections of 2019 had a large turnout (66.3%). Calls for a boycott, and even burning voter IDs, by former President Wade were largely ignored. While the president and religious leaders or traditional authorities are trusted to a large degree, parliament, political parties and trade unions enjoy rather low levels of trust. There is no general questioning of the elected civilian leadership outside of Touba, but it is hard to deny that patronage systems exist and exert influence without electoral legitimacy. However, the country's ability to forge a broad national consensus and peacefully resolve conflicts remains remarkable. The executive has proved willing to uphold its commitment to democracy during the state of emergency.

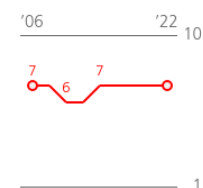
#### 5 | Political and Social Integration

Until 2000, Senegal used to have a dominant party system with a hegemony of the Socialist Party (Parti Socialiste, PS). Post-2000, the Senegalese party system has been characterized by a high degree of fragmentation and volatility at the fringes. Personal disputes and thwarted career ambitions frequently lead to defections or the formation of new parties.

Macky Sall currently governs with a very broad coalition under the banner of "Benno Bokk Yakaar" BBY, ("United by hope"). This coalition includes the PS, arguably the party with the strongest regional structures and party machine and, since the formation of the new government in November 2020, Idrissa Seck's Rewmi, a party that had the potential to head the opposition. As former President Wade's party, the

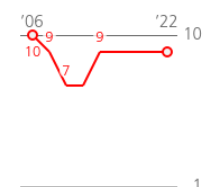
Performance of democratic institutions

7



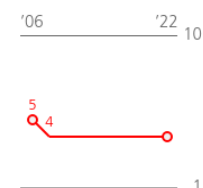
Commitment to democratic institutions

9



Party system

4



PDS, is continuing a leadership struggle over installing Wade’s son as its new leader, the opposition’s role is now mainly filled by the rather radical PASTEF – Les Patriotes – of Ousmane Sonko.

Most of Senegal’s approximately 300 parties have no social roots in society and no structure. Party conventions are rarely held, meetings of institutions frequently delayed. Most parties are mere electoral platforms, centered around one male personality.

Clientelism remains problematic as office holders are expected to give access to personal benefits. This problem is very pronounced on the local level, where access to land is granted by political elites (majors, etc.).

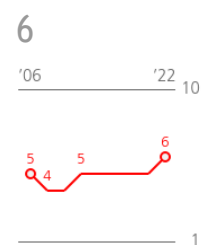
Senegal has a vibrant civil society and a strong tradition of associations, religious and otherwise. There is a natural concentration of political power and thus also lobbying power in big cities. The religious brotherhoods have unmatched networks that extend across the country and lead to a disproportionate influence, although the Catholic Church also has access to power. Tradition is a strong hindrance to the advancement of women’s and children’s interests. Women and their interests are also underrepresented in Senegalese trade unions, employee councils and many elected offices.

The Senegalese trade union movement is organized along the lines of the French model and has suffered from political and organizational fragmentation and a proliferation of trade union centers. Trade unions only represent a fraction of the working population due to the weakness of the formal sector.

There is significant self-organization in the informal economy. However, there is no close cooperation between informal sector associations and trade unions, for example, in matters of social security. Women are also underrepresented in informal sector associations, although many of them are active in the informal economy.

Much of the rich associational life is un- or apolitical. Problems are frequently addressed with appeals to “citoyenneté” (citizenship) and individual duty rather than by a discussion of root causes and political consequences. However, civil society mobilization can have massive effects, as the opposition against President Abdoulaye Wade’s third term shows.

Interest groups



There is a high approval of the democratic system in Senegal, but disillusionment with what is perceived as a self-serving elite. President Sall's decision not to shorten his term after the 2016 referendum on constitutional reforms, his decision to eliminate the post of prime minister immediately after the election (not having communicated this beforehand) and a government reshuffle in late 2020 that resulted in his potential successors being removed from office, while unpopular ministers were able to hold on to their positions, have given rise to a certain cynicism with regards to politics among many, especially well-educated, Senegalese. However, 82% of Senegalese preferred democracy to any other kind of government, according to an Afrobarometer survey in 2017/2018 and 81% reject military rule.

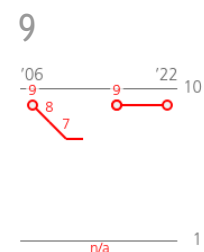
Senegal's rare position in Africa as a country without coups d'état, two peaceful political changes since independence and the relatively high rate of participation in presidential elections (66% of voter turnout in 2019, up more than 13% from 2012) underline the secure position of democracy in Senegalese society. This is unlikely to have changed during the COVID-19 pandemic, as Senegal was largely seen to have tackled the crisis in an exceptional manner during the first wave, although urban youth and informal sector workers are feeling increasingly disenfranchised.

The level of trust differs between urban and rural areas. In urban areas, individualized lifestyles with a strong focus on the nuclear family have become common. Moreover, the level of crime is high in the cities. These two developments have led to a lower level of trust among citizens.

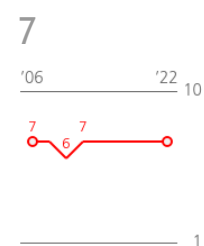
However, outside urban areas, there is a fairly high level of trust among the Senegalese, although this may not always cut evenly across ethnic and other identity lines. Grassroot organizations, such as savings groups, hometown associations and religious groups are numerous and important in matters of self-help and solidarity within Senegalese communities. Religious leaders (marabouts) play an important role in facilitating social peace and an atmosphere of mutual trust.

Civilian leaders not affiliated with political parties have gained support among well-educated urban youth. The COVID-19 crisis is unlikely to have affected this high level of trust.

#### Approval of democracy



#### Social capital



## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Senegal registered one of the highest growth rates in Africa between 2014 and 2018, but poverty and inequality remain endemic. The World Bank (WB) reclassified the country as a lower middle-income country in 2019, per capita GDP (PPP) was \$3,536 that same year – up from \$2,621 in 2009. The Human Development Index (HDI) places Senegal at 168 out of 189 countries with a score of 0.512. The WB estimates the poverty rate (\$1.9/day) at 34.1% in 2020, a decline from 2011 (38.5%). However, progress could be eliminated as a result of the COVID-19 crisis, as extreme poverty is expected to increase. Recent data on inequality is not easily accessible, but IMF research from 2013 states that inequality has persisted, despite economic growth, and recommends measures such as tax reforms and redistributive tax policies. Tax revenue remains below potential and tax expenditures remain high. The World Bank calculates a Gini index of 40.3 in 2011, which has barely changed in years (41.4 in 1994).

Inequality has a strong gender dimension. Girls receive significantly fewer years of formal education than boys since cultural practices such as early marriage and early pregnancy persist. Wage gaps and barriers to access to land compound existing inequalities. Senegal's value at the Gender Inequality Index was 0.533 in 2019.

Inequality also has a spatial dimension, as much of Senegal's economic activity is centered around the coast, with Dakar accounting for almost 90% of the country's formal employment. However, Senegal's urban centers cannot offer enough opportunities to those who migrate there. The Senegalese government supported poor households with emergency programs during the first wave of the COVID-19 pandemic, but critics bemoan that economic support programs mainly targeted formal enterprises, leaving the informal majority of the nation's economy out of the equation.

Question  
Score

Socioeconomic  
barriers

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<b>Economic indicators</b>		2017	2018	2019	2020
<b>GDP</b>	\$ M	20996.6	23116.7	23306.2	<b>24910.9</b>
<b>GDP growth</b>	%	7.4	6.2	4.4	<b>0.9</b>
<b>Inflation (CPI)</b>	%	1.3	0.5	1.8	<b>2.5</b>
<b>Unemployment</b>	%	6.6	6.5	6.5	<b>7.1</b>
<b>Foreign direct investment</b>	% of GDP	2.8	3.7	4.2	-
<b>Export growth</b>	%	8.2	8.2	11.2	<b>-4.6</b>
<b>Import growth</b>	%	16.7	9.0	5.3	<b>2.6</b>
<b>Current account balance</b>	\$ M	-1526.3	-2215.3	-	-
<b>Public debt</b>	% of GDP	61.1	61.5	63.8	<b>68.7</b>
<b>External debt</b>	\$ M	9820.2	12681.1	15138.6	<b>17238.6</b>
<b>Total debt service</b>	\$ M	707.3	870.2	924.0	<b>1342.3</b>
<b>Net lending/borrowing</b>	% of GDP	-4.0	-3.8	-	-
<b>Tax revenue</b>	% of GDP	15.9	16.4	-	-
<b>Government consumption</b>	% of GDP	13.6	13.8	13.8	<b>14.8</b>
<b>Public education spending</b>	% of GDP	4.6	4.9	5.3	-
<b>Public health spending</b>	% of GDP	0.9	0.9	-	-
<b>R&amp;D expenditure</b>	% of GDP	-	-	-	-
<b>Military expenditure</b>	% of GDP	1.5	1.7	1.5	<b>1.6</b>

Sources (as of December 2021): 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

Economic freedom is largely guaranteed. The freedom to establish a business is legally ensured and Senegal has strived to improve conditions for business registration and investment. The government has set up Special Economic Zones with advantages for (largescale) investors. Until the discontinuation of the report, the Senegalese government was proud of its constant improvement in the World Bank's Doing Business report and sought a place among the top 100. Accordingly, it took six days and four procedures with an investment of 22.6% of the GNI per capita to start a business.

In the conservative Heritage Foundation's Index of Economic Freedom, Senegal ranks 110 out of 180 countries ("mostly unfree," however, an improvement of 16 positions since 2018) and 13th out of 47 countries in sub-Saharan Africa. It performs relatively well on government size and regulatory efficiency but receives low scores on judicial effectiveness and labor freedom.

There are concerns about domestic enterprises, sometimes connected through formal or informal networks to high-ranking politicians, being favored over international actors.

The Sall government has launched a number of initiatives to improve public procurement processes and budget transparency and to reduce corruption (e.g., by a mandatory disclosure of the personal economic status of anyone in government responsible for more than XOF 1 billion). But it fails to follow up on its commitments. Compared to the sub-Saharan African average, however, corruption is moderate.

There have been repeated allegations of direct government awards (without tenders). The Autorité de regulation des marches publics, ARMP, regularly publishes reports on compliance with regulations. The 2018/2019 report lists primarily the same flaws as earlier reports do. According to the ARMP, only 51% of units evaluated have registered progress, deadlines are not met and the tendering process is often incomplete. The World Bank bemoans "inequalities" in the market with regard to the large role of government in the economy and the high degree of informalization.

The country's informal sector is massive. The International Labor Organization (ILO) estimates that more than 95% of Senegal's enterprises are informal, posing enormous challenges with regards to social security, and occupational health and safety, but with regard to also access to credit and tax expenditures. The latter is particularly true for the city of Touba, which is strongly involved in the country's shadow economy. About 80% of informal sector workers are self-employed, with about half of them earning less than the legal minimum wage.

Market  
organization

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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 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. There is a quasi-monopoly in the telecommunications sector with Orange dominating more than 50% of the market, after an aggressive “price war” against competitors in 2019. There has been remarkable progress in energy production and distribution through the state-owned Senelec which has a monopoly on distribution, although prices remain extremely high (despite subsidies), even by African standards. The World Bank estimates that, with the production of offshore gas, electricity tariffs might decrease as of 2024. Power production has increased from 500 MW in 2012 to 1,141 MW in 2018, with at least 300 MW more expected by 2023. While there were frequent power outages in the early 2000s (900 hours in 2011), this problem has almost disappeared (72 hours in 2018).

As the World Bank 2018 report “Senegal: Better Markets for All Through Competition Policy,” states, Senegal is subject to two partially contradictory jurisdictions: the rules of the Economic Community of West African States (ECOWAS), permitting the application of the national competition law and the West African Economic and Monetary Union (WAEMU), which centralizes competition enforcement. Senegal also has a national and several sectoral competition authorities, giving rise to further legal uncertainties.

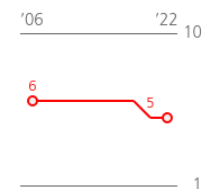
Senegal is relatively open to external trade and its port, although congested, is one of West Africa’s key trading points. The simple average MFN applied tariff was 12.1% in 2020. A number of decisions (e.g., those regarding tariff reductions) are made by the West African Economic and Monetary Union (WAEMU) and are increasingly discussed within the larger ECOWAS region. Senegal was one of the first countries in West Africa to sign the Economic Partnership Agreement between the ECOWAS and the European Union.

Senegal has ratified the African Continental Free Trade Agreement, signed the Kigali Declaration and the Free Movement Protocol. In 2019, it hosted the Regional Forum on the African Free Trade Area.

The country is successfully diversifying its economic and trade partnerships. Investments originate from France, China, Tunisia, Turkey and elsewhere, though on a relatively low scale as the country’s 16 million inhabitants do not present a sizable market. President Sall, a regular host of the G20 summits, is actively lobbying for trade partners and trade agreements.

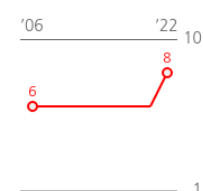
#### Competition policy

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#### Liberalization of foreign trade

8



The banking sector is diversified and operates stably under the auspices of a strong regional bank, the Central Bank of West African States (Banque Central des Etats de l'Afrique de l'Ouest, BCEAO). Foreign banks dominate the banking system with the sector led by subsidiaries of French, Moroccan, Nigerian and pan-African banks. Access to loans remains a problem, particularly for small entrepreneurs/informal sector workers, but this may have saved several banks from non-performing loans during the COVID-19 crisis. Access to credit is bad, even by African standards. The World Bank sees this as one of the major impediments to development. Less than one in four enterprises is able to contract a loan.

According to the IMF, regulatory capital to risk-weighted assets is at 14.2% in 2017, down from 18.2% in 2010. In the same time span, capital to total assets dropped from 10.1% to 7.8%. The ratio of non-performing loans has dropped from 20.2 (2011) to 15.5% (2017).

Supervision is divided between the national and supranational level: While banks and large deposit-taking institutions are supervised by the BCEAO and the Banking Commission of the West African Union (WAMU), the Ministry of Finance supervises small microfinance institutions. The Regional Council for Public Savings and Financial Markets, which is part of the West African Economic and Monetary Union (WAEMU), supervises financial markets, while the Ministry of Finance supervises insurances.

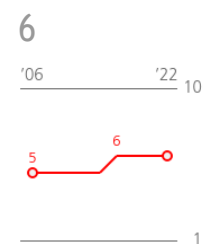
## 8 | Monetary and fiscal stability

Currency policy is determined by the supranational BCEAO and characterized by prudent policies. The convertibility of the West African XOF is guaranteed by the French treasury and pegged to the euro. In 2019, the WAEMU and France concluded an agreement that will lead to the creation of the eco, a new currency to replace the West African CFA franc, limiting France's influence on the currency. France is in the process of withdrawing its representatives from the monetary union. It no longer requires XOF reserves to be deposited in the French treasury. The project has suffered from delays due to the COVID-19 crisis and unresolved policy questions. No central monetary authority has yet been established and exchange rates are not yet fixed.

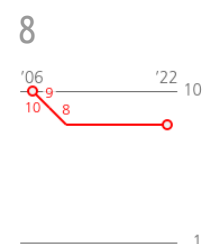
The BCEAO established a conversion pact with the Economic and Monetary Community of Central Africa (CEMAC) to align economies, similar to the structure of the European Union. This pact was suspended due to the COVID-19 crisis, but it is also a testament of a failure to bridge the massive differences in economic development in the zones.

Inflation rates have been low in recent years (0.5% in 2018, 1.8% in 2019), not least due to the strong connection of the XOF to the euro. Inflation increased by over 2% in 2020 due to increased prices in imports during the COVID-19 pandemic. There are no numbers available on the real effective exchange rate index.

Banking system



Monetary stability



Senegal has increased its debt burden through a series of investments in infrastructure. It is uncertain whether all of them will pay off. The state has also massively invested in exploitation of offshore oil and gas, but this is delayed by financial problems on the part of the production partners, which have been compounded by the COVID-19 crisis. With the drop in oil prices, prospects for revenues have become limited, raising fears in Dakar that the projections for growth were too optimistic.

The World Bank, in its report on creating markets, warns of high government spending due to investments and subsidies. The IMF rated Senegal's risk of default moderate at the end of 2019. Debt – including that of parastatals and public enterprises – has risen from 42.9% of GDP in 2012 (when Macky Sall assumed power) to 67% in 2020. This will undoubtedly rise again in 2021, due to attempts to cushion the effects of the COVID-19 pandemic, including measures taken against the second wave beginning late 2020. The fiscal deficit increased to 6.5% of GDP in 2020 from 3.6% in 2018. The WAEMU convergence criteria is 3%.

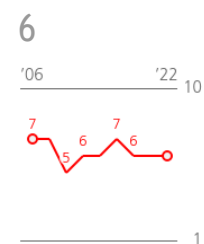
The World Bank evaluates Senegal's fiscal performance as weak by sub-Saharan African standards. The tax system is complicated and often applied in an arbitrary manner, creating uncertainties and injustices. The IMF warns of significant tax expenditures. Revenues were lower than expected in 2020 due to the coronavirus crisis but are expected to pick up in the coming years.

The Senegalese government was able to garner significant support from international partners during the COVID-19 crisis and benefited from the G20 debt service suspension initiative. The IMF has granted a \$442 million in emergency financial assistance to help meet the country's balance of payments needs, while the World Bank approved a \$20 million credit. Bilateral partners such as the EU and Germany have supported the country through significant grants (€124 million and €100 million, respectively).

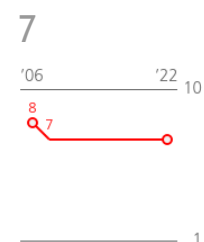
## 9 | Private Property

Property rights are guaranteed and respected in urban areas. 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 not completely protected. Land registration procedures are insecure and slow and women are disadvantaged by law and tradition. The legal defense of property rights in rural areas is unsatisfactory due to shortcomings in the judiciary. Since Senegal lacks commercial courts staffed by trained judges, decisions can be arbitrary and inconsistent. Intellectual property rights enforcement is weak to nonexistent, despite an adequate legal and regulatory framework.

### Fiscal stability



### Property rights



Rights of private enterprise are protected, and Senegal ranks high among African countries regarding transparency and accountability of government decisions. Private companies are viewed as important engines of economic production and the government heavily relies on public-private partnerships in its infrastructural development plans, such as the toll freeway connecting Dakar with the airport and the tourism centers on the coast, or for essential services such as water.

The vast informal sector, however, which is the backbone of the country's economy (and employment), is largely unregulated and unprotected. The formal private sector is still minuscule, despite encouragement and active support from the government, enshrined in its development agenda, the Plan Sénégal Emergent (PSE). Infrastructural problems, such as the high price of electricity, the low level of education and the small size of the Senegalese market discourage largescale investment. Local companies often lose out to international competitors when it comes to processing primary materials, such as peanuts. Senegal has entered into investment-friendly reform projects such as the Compact with Africa, but so far, success in terms of foreign direct investment (FDI) is limited. FDI inflows reached 4.2% of GDP in 2019, according to World Bank data (up from 1.5% in 2012). An adjustment to plans in the wake of the COVID-19 pandemic in the form of the Plan d'Action Prioritaire 2a (PAP-2A) shifts the focus toward a more self-sufficient economy that is less reliant on integration into the world market.

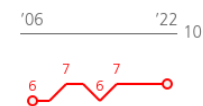
## 10 | Welfare Regime

The welfare regime is basic and primarily covers employees in the formal sector. Most Senegalese are barely covered and have no health care or pension coverage. Initiatives such as the free medical treatment for citizens under five and over 60 years of age suffer from financing failures. Senegal only spends 0.9% of GDP on public health. The few formal employees who enjoy health coverage are mostly obliged to cover part of the costs. Private insurance is expensive and also covers only a portion of health costs. There is a system of solidarity-based insurance schemes (“mutuelles”) that covers part of the formal and informal sector, for example, in the transport business. However, many of these mutuelles eventually fail due to a lack of risk-pooling.

In 2013, the government introduced a universal basic health care protection (Couverture Maladie Universelle, CMU), relying on voluntary adherence and local mutuelles. For poor members, the state covers fees and membership. For those who can afford it, the program is 50% subsidized. The government has established an agency that is supposed to coordinate these institutions, but the project suffers from administrative hurdles and low membership.

### Private enterprise

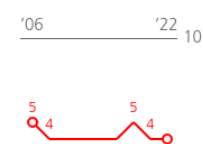
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### Social safety nets

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Doctor to patient ratio is low (one medical doctor for every 17,000 patients) and local health centers – the first point of contact – are underfunded.

In 2014, the government established a “bourse familiare,” modeled after the Brazilian bolsa familia program, that provides stipends of XOF 25,000 (about \$45) per quarter to about 300,000 poor families and includes training and vaccination programs.

Pensions are administered by the Institution de Prevoiance Retraite (IPRES), which is mandatory for employees in the formal sector. It is widely perceived as functional. There is unemployment insurance, the caisse de sécurité sociale, that also covers maternity leave for those formally employed.

In the absence of social welfare programs, extended family networks and remittances serve as safety nets. The sharp decrease in remittances during the COVID-19 crisis put many families into severe distress.

Senegal has been praised for responding swiftly and in a determined manner to the COVID-19 pandemic. The Fonds Force COVID-19, a fund meant to support the poorest segments of society and the (formal) private sector, was open to businesses, international development partners and the diaspora. Critics have bemoaned the fact that the informal sector, hit hardest by the lockdown and a declining economy, has been largely left out.

Women are de jure equal to men, with exceptions in family legislation (e.g., no authority over children without written consent from the husband). In urban areas, gender equality has improved in recent years. In 2010, a law introducing a 50% quota system concerning party slates for elections was implemented. It has significantly raised the ratio of female politicians, for example, in the National Assembly.

However, traditions, widespread misogyny and the role of Islam impede gender equality. Abortion is illegal in all circumstances and many girls are incarcerated after having had abortions, even after being raped. Girls often marry young, become pregnant and drop out of school. While the gross enrollment ratio in primary education was 81% in 2019, enrollment in secondary education was 44% (49% female, 41% male) and 13% in tertiary education (11% female, 15% male), according to UNESCO. There has been progress in recent years, in part due to increased urbanization.

About half of the population is unable to read and write. The female to male employment ratio increased from 0.46 to 0.60 from 2006 to 2011, according to the ILO. Women today comprise over 40% 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. Homosexuality remains illegal and LGBTQ persons are exposed to violence and criminalization.

Equal opportunity

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There is no evidence of systematic exclusion of non-citizens in the labor market and other spheres of society. ECOWAS citizens generally exercise their social and economic rights freely.

## 11 | Economic Performance

Senegal has registered some of the highest growth rates in sub-Saharan Africa in recent years. Between 2014 and 2016, GDP growth was above 6%, reaching 7.4% in 2017, falling to 6.4% in 2018 and to 5.3% in 2019. For 2020, the IMF predicts a contraction of 0.7%, as the export, tourism and transport sectors were heavily hit by the COVID-19 pandemic and remittances dropped.

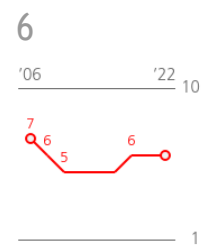
However, the notoriously optimistic IMF predicts a rebound of over 5% in 2021 and above 7% in 2022. But these projections were made before the second COVID-19 wave hit in late 2020. Due to offshore oil and gas production, the Senegalese government aims for double-digit growth by 2023, but there are high levels of uncertainty. Past growth was mainly supported by the service sector, but investments and exports also supported it. However, most experts agree that Senegal needs at least 7% GDP growth to keep up with its high population growth.

Senegal's socioeconomic and human development remain at low levels. The per capita GDP (PPP) was at \$3,536 in 2019 – up from \$2,621 in 2009. Per capita GDP growth was at 2.4% in 2019. Inflation of consumer prices was 1.02% in 2019, up from 0.46% in 2018, but expected to rise to 2% in 2020 since imports became more expensive. The UNCTAD 2020 World Investment Report points to significant growth in FDI, which rose from \$848 million (2018) to \$983 million (2019).

Senegal's current account balance (official transfers included) worsened from -7.7% of GDP in 2019 to -8.8% in 2020. An even wider gap is expected in 2021 and 2022, according to the IMF. In 2023, when oil and gas production is scaled up, it is expected to rise below -4%. Total public debt was estimated at 68.6% in 2020 by the IMF, also expected to rise before falling to 64.5% in 2023.

Data on employment and unemployment are unreliable due to the large informal sector. The ILO estimated the unemployment rate in 2020 at 6.68%, but this excludes informal sector work, which is often subsidiary and not covered by social security. A loss of about 37,344 formal jobs in the second quarter of 2020 has been cited by the statistics office – formal employment thus about 11% less than in 2019. But the informal sector, consisting to a large part of self-employees, has been hit hardest.

Output strength





## 12 | Sustainability

Senegal suffers from major environmental problems, some of which are homegrown and many of which are connected to a worsening state of the global environment. It was ranked 155th out of 180 countries in the 2020 Environmental Performance Index, ranked 28th out of 46 sub-Saharan African countries. The impact of climate change is palpable, particularly in the Sahel region. Senegal has experienced irregular rainfall patterns that have reduced agricultural output and led to the flooding of many cities, including parts of Dakar. The country mostly still relies on fossil fuels for energy production. The planned scale of offshore oil and gas production over the next few years, as well as a new coal-fired energy plant, raise doubts that the government will meet its goal to achieve 30% energy production from renewables by 2025. However, the first wind power park was hooked up to the grid in 2020. Four solar parks now supply a significant share of Senegal's energy.

The World Meteorological Organization, in its 2019 report on the State of the Climate in Africa, emphasized coastal erosion that is at an average rate of 1.8 meter/year as a problem. Senegal is part of the “Green Wall,” an initiative launched by Sahel countries to stop desertification through mass planting of trees and one of a few countries to have achieved progress in this project. But protected wood continues to be illegally exported, some of it from the Casamance region through The Gambia, mostly to China, by rebel groups, with collusion from corrupt customs officials.

Largely symbolic policies such as a ban on plastic bags and the establishment of a “cleaning day” have never been effectively implemented. Many beaches are polluted. The coastal area around Dakar, despite being protected by decree, is increasingly being “developed” in commercial construction. This will increase the problem of air pollution, which is especially severe in Dakar. The unregulated garbage dump in Mbeubeuss, east of Dakar, reportedly the largest in the world, poses another problem for the government and highlights decades of deficiencies in establishing a functioning waste management system. Reports have alleged that the Senegalese government is increasingly importing plastic garbage from rich countries, since an increasing number of Asian countries is refusing to do so.

In 2020, Greenpeace published data on irregular fishing trawlers, mainly from China and criticized the Senegalese government for according fishing licenses to EU fleets. Senegal's waters are experiencing rapid depletion of marine life.

Some of the government's infrastructure projects, such as the construction of a new port outside Dakar and offshore oil and gas production conflict with ecological goals. Environmental impact assessments are rarely undertaken.

Environmental  
policy

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Senegal's education sector has long been neglected. Inadequate resources led to a deterioration in standards and Senegal fell below the average for sub-Saharan countries. The country's UN education index was 0.345 in 2019, which is only a slight improvement in comparison to 2009 (0.294). Senegal ranks low in expected years of schooling: 8.6 years according to the 2020 Human Development Index, at 168th out of 180 countries.

Primary education enrollment fell from 84.93% in 2015 to 82.07% in 2019, according to UNESCO. Illiteracy hovers around 50%, with women being significantly less educated than men. In rural parts of the country, about half of children are not enrolled in a state-led elementary school, but are taught in Daaras, Quranic schools that are springing up around the country. Efforts to modernize Daaras and thus informally tie them to the formal education system (by including subjects such as mathematics) with the help of international donors are ongoing, but it is questionable whether this can offset the effects of uncontrolled Daaras.

Expenditure on education in relation to GDP reached a peak in 2015 (5.72%) but has since fallen and was 4.83% in 2018. Spending on research and development was 0.58% in 2015, far below the worldwide average of 2.09%.

Education policy /  
R&D

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## Governance

### I. Level of Difficulty

Senegal faces a number of structural challenges that constrain the political leadership's governance capacity. The foremost problem is the prevalence of poverty, which encompassed 37% of the population in 2018, according to government statistics. Progress has been slow, according to the World Bank, with extreme poverty, benchmarked against the international poverty line of \$1.9 per day, having fallen from 36.5% to 33.4% between 2015 and 2019, mainly due to agricultural growth, job creation in Dakar, access to basic services and low inflation. Poverty is expected to rise due to the (measures to contain the) COVID-19 pandemic. The World Bank estimates that an additional 600,000 people were pushed to or living below the poverty line in the second quarter of 2020.

Senegal's challenges are compounded by a relatively high population growth rate (2.75% in 2019, according to the World Bank) with low levels of education and too few formal jobs being created. Except for the 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. Its fishing grounds have significantly deteriorated in recent decades due to pollution and overfishing.

Like many African countries, Senegal is undergoing late, but massive urbanization that is supported mainly by push factors, such as the lack of opportunities in agriculture and a lack of infrastructure in rural areas. Urbanization is at 47.7% (2019, World Bank), up from 43.4% in 2009. Urban infrastructure has not developed to keep up with the increasing population. Even areas of Dakar, with its comparatively good infrastructure, have no sanitation or suffer from interruptions in water supply, while some of the city is regularly flooded during the rainy season.

While the country's energy production and supply have significantly improved in recent years, road infrastructure remains deficient. Unsafe vehicles and the lack of a coordinated public transit system make transportation costly and dangerous. The country has invested in an integrated transit system with Dakar at its center that consists of a regional commuter train (Train Express Regional, TER) and a bus system, modeled after international best practices (Bus Rapid Transit, BRT). While undoubtedly necessary, both systems have suffered setbacks and delays. The TER in

Structural  
constraints

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particular has proved a costly project which is not yet operating. Other infrastructure projects, such as the rehabilitation of the Dakar-Bamako railway line (many of Mali's imports run through the port of Dakar), have been hampered by financing setbacks and their future remains uncertain.

Senegal faces great medical challenges but has experienced some successes. Malaria is reportedly on the wane. HIV/AIDS incidents are relatively low and the country is cited as exemplary in its response to Ebola.

During the first wave of the COVID-19 crisis, the country proved to be relatively resilient, with an official death toll below 500. The government provides treatment for COVID-19. Senegal was able to garner significant international support for its COVID-19 response. The first cases were detected in early March 2020, in part due to the excellent laboratories in Dakar. President Sall was quick to respond with a temporary state of emergency that was subject to parliamentary renewal. The economic impact of the nighttime curfew, the transport ban, and the closing of schools, markets and borders probably provoked significantly more problems than the illness itself. Cases and reported deaths, however, spiked with the cool weather and increased air pollution in December 2020. The death toll passed 500 on January 15, 2021. The Sall government responded with a new nighttime curfew and restrictions on private gatherings, such as baptisms or marriages.

The government tried to cushion the effects of the state of emergency by providing food aid to poor households, subsidizing the cost of electricity and setting up a foundation to support ailing industries. Large sectors of the economy, including in the informal sector have, however, received no aid. The economic toll of the pandemic will be felt in the years to come with the incidence of extreme poverty expected to rise by 1% in 2020, according to the World Bank.

Senegalese civil society has a rich tradition and history. Social engagement in urban communities has been valued for a long time. In rural areas, community activities have likewise been highly valued, for example, in the Muslim brotherhoods and savings clubs. Dakar is a center of activism, with well-connected national and international non-governmental organizations, a vibrant student population and politically active artists. Civil society mobilization was key in impeding President Abdoulaye Wade from winning a third term in office in 2012. Many actors have since been coopted by Macky Sall's government. Increasingly, however, politics is seen as an elitist affair. Concerns about corruption are growing. There has been a slow but steady decline in civic engagement, as Afrobarometer data shows. Trust in the president and religious leaders is high, but it is low in institutions such as parliament, political parties and trade unions.

#### Civil society traditions

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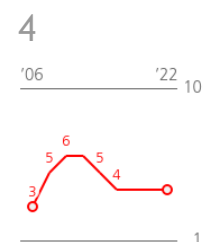
There are no pronounced ethnic or religious conflicts in Senegal. The Casamance problem remains difficult to resolve, even though links between rebels and the neighboring countries of Guinea-Bissau and The Gambia have significantly weakened after the longtime Gambian dictator Yahya Jammeh was deposed in early 2017. Senegalese organizations, some of which have a mandate from the government, are undertaking efforts to reach out to the rebels and calls for peace have risen in number. The government has invested in the infrastructure of the region, presumably to remove some of the causes of the conflict. Official talks have been conducted at in Rome at the head of the Saint'Egidio since 2012, the last talks held in February 2020, but not much has resulted from the negotiations.

Senegal has a remarkable capacity for peaceful conflict resolution. President Sall governs with a very large majority in parliament. After a government reshuffle in November 2020, he succeeded in including the second strongest presidential candidate, Idrissa Seck, and his party in the government. This decreased the strength of the opposition. During the state of emergency, President Sall met with opposition leaders to assure a broad consensus on anti-COVID-19 measures. This “sacred alliance,” as it was called, endured several weeks, before the opposition made accusations of corruption regarding tenders for delivering emergency funds, but the crisis’s management was not fundamentally questioned.

The appearance of Ousmane Sonko, a former anti-corruption official, on the political scene has led to a somewhat more divisive rhetoric in Senegal’s political establishment. When Sonko proclaimed in 2020 that neither Macky Sall, nor his government “liked” the Casamance, this was seen as an attempt to garner headlines by fueling the dormant conflict. Sonko is vocal in accusing the government of corruption. His appeal among the young generation with an uncertain future seems to be growing. Sonko achieved a surprisingly high number of votes in the 2019 presidential elections. There are bouts of electoral violence, but the scale and intensity are not comparable with many other West African countries.

Tensions between the Muslim majority and the Christian minority are rare and overall religious coexistence in Senegal is exemplary. Renewed anti-French demonstrations after President Macron’s statements regarding freedom of speech in connection to the Charlie Hebdo cartoons were peaceful.

Conflict intensity



## II. Governance Performance

### 14 | Steering Capability

Senegal's political leadership is committed to constitutional order, democracy and the market economy. The current government sets coherent strategic priorities with its Plan Sénégal Emergent (PSE), with a goal of transforming the country into an emerging economy by 2035 by combining economic growth with the well-being of the population and good governance. The first phase of the PSE was concluded in 2018 and had a strong focus on public or public-private infrastructure investments. While the government considers it a success, some critics question whether the priorities chosen for infrastructure investment were always the right ones.

The PSE was operationalized by the Plan d'Action Prioritaire (Priority Action Plan, PAP-1), which was replaced by the PAP-2 for 2019 – 2023. The original plan relied heavily on foreign direct investment, but the COVID-19 pandemic led to a somber outlook and highlighted the pitfalls of too heavy a dependence on an international division of labor. A strategic review resulted in the PAP-2A that adjusts government priorities. While investments and public-private partnerships still form the basis of the country's infrastructure development goals, the PAP-2A generally aims for a self-sufficient economy and places strong emphasis on upgrading the country's health infrastructure and supporting research and development with a domestic pharmaceutical industry. It is an adjustment rather than a break with past priorities.

While the Senegalese government's strategic ability is as remarkable as the country's communication skills (the government is capable of mobilizing enormous external support), not all aspects of its strategy are treated in the same manner. The PSE rests on three pillars – economic transformation; the well-being of the population (including a reduction in inequality); and the strengthening of peace, liberty and stability, the government's focus was clearly on economic development with governance and social policy questions somewhat sidelined. Some of the policies also directly contradict each other. The stark contrast between the development of offshore oil and gas production or the construction of a new port with the pronounced protection of the environment and development of the (eco)tourism sector (the proposed new port is in a sensitive marine area), for example, remains unresolved.

Question  
Score

Prioritization

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Macky Sall’s government has launched a considerable number of initiatives since 2012. While FDI has increased and some key projects – such as the construction of the satellite town and the special economic zone of Diamnadio, close to Dakar – have advanced considerably, others – such as the TER, the regional commuter train – have stalled. The proposed “zero waste Senegal” and a ban on plastic bags have not been implemented or enforced. Universal health coverage, implemented in 2013, is on the brink of failure and job creation has been below expectations.

The abolition of the office of the prime minister after the presidential election in 2019, justified by the goal of establishing of a “fast track” government without institutional delays, is largely interpreted as a failure. Some other failures can be attributed to a lack of consultation with key stakeholders, rushed implementation or unclear responsibilities. Many of these policies, such as the universal health coverage, are based on a very broad societal consensus, and their failure is not due to the existence of veto players.

A government reshuffle in November 2020 and ideas to change the political status of Dakar, a city traditionally run by opposition forces, have failed to garner support among the population and are largely seen as attempts to weaken Sall’s potential competitors.

The COVID-19 pandemic not only delayed the production of offshore oil and gas but will also lead to dim prospects for FDI flows, which have been a linchpin in Senegal’s development strategy.

The Senegalese government is relatively open to consultations and generally accepts advice and critical thinking from national and international partners. It has established a Commission d’Evaluation et de Suivi des Politiques & Programmes Publics (Evaluation and Monitoring Commission for Public Politics and Programs) and is open to conducting audits and to reviewing failed policies. The IMF has conducted several rounds of consultations. International development partners are frequently consulted, as is the grassroots level when new policies are developed – a new national urbanization policy, for example, gave rise to several workshops at the community and neighborhood levels.

However, the “national dialogue,” an institutionalized exchange between government, opposition, civil society and academia about the fundamental organization of the country has so far failed to produce substantial results.

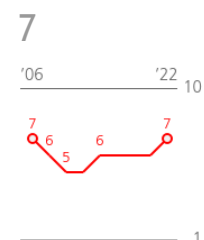
The PSE’s implementation plan was revisited after the COVID-19 pandemic and altered to fit a new global setting. However, details often get lost in a flurry of top-down policy initiatives. The application decrees for a new press code that entered into force in 2017, for example, were only signed in January 2021.

The government’s response to the COVID-19 pandemic is unlikely to impact the transformation to democracy and a market economy, as the measures were temporary, subject to parliamentary oversight and the adjustment of the development strategy relies on market mechanisms, including private investors.

#### Implementation



#### Policy learning



## 15 | Resource Efficiency

President Sall reshuffled his government in November 2020. The new government was met with broad criticism, as several rather popular ministers and heads of state institutions (such as the foreign minister and the head of the Economic, Social and Environmental Council, CESE) were removed, while presumably underperforming cabinet members were able to hold on to their positions. In some cases, changes will lead to delays in policy implementation and the development of new sectoral strategies.

Senegal does not make efficient use of human resources in its public administration. While there are sufficient numbers of well-educated Senegalese, recruiting processes are not based on merit but on political considerations.

President Sall announced a “fast track” government in late 2019 that would bypass unnecessary administrative delays. Government procedures have not visibly sped up.

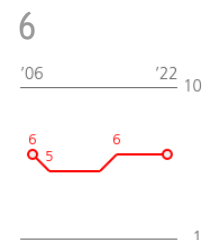
Senegal has strengthened its fiscal transparency and aligned its legal framework on public finance with West African Economic and Monetary Union (WAEMU) directives, which rely on international best practices. In 2018, the IMF conducted a fiscal transparency evaluation that assessed the country at an average level of fiscal transparency compared to countries of similar size and economic development.

The IMF states that fiscal legislation is in line with international best practices and fiscal planning is overall sound. Some practices in monitoring risks and fiscal transparency are rated as “good,” whereas the IMF criticizes the fact that certain documents, for example, on tax expenditures, are not made public and a thorough analysis of fiscal risks, for example, on oil price volatility or possible costs of PPPs, are not conducted.

Senegal’s government is aware of the potentials of digitalization and has initiated an ambitious Digital Senegal Strategy 2025 program to digitalize parts of its administration and the economy. However, much remains to be done as the digital infrastructure needs to be updated and telecommunication prices are comparatively high.

The government has been able to mobilize significant resources for its COVID-19 emergency response. Medical facilities and laboratories were upgraded and poor households were supported with food aid and the subsidizing of electricity bills. While some aspects of the response have been criticized – such as the sidelining of the informal sector and transparency issues with regards to tenders – Senegal has internationally been cited as a model country in its responses to the pandemic.

Efficient use of assets





The Senegalese government pursues objectives that are sometimes mutually conflictual, particularly between infrastructure investment and environmental protection, or between the strengthening of agriculture and industrialization (as in the case of Diamnadio, which was built on fertile ground). Despite outreach attempts, not all stakeholders – for example, many informal sector workers – have the impression of having an equal say in the planning and implementation of policies, leading to some perspectives being marginalized. This has, for example, been the case with the planning of the BRT, a rapid bus line through Dakar and its suburbs, that was largely planned without consulting informal sector transport workers. Another example is the provision of water in rural areas through a public-private partnership model that has largely failed to deliver. As many decisions are centralized, appropriate solutions suited to local contexts cannot always be found. Decentralization policies – pursued through the “acte III de la decentralization” – have led to contradictions. The political status of cities with elected majors is increasingly questioned since only two decentralized structures – “communes” and “départements” – are established.

Anti-corruption was one of the key promises of Macky Sall’s government in 2012. Consequently, anti-corruption policies feature in the Plan Sénégal Emergent. Senegal has an anti-corruption agency, the Office nationale de lutte contre la Fraude et la Corruption (the National Office Against Fraud and Corruption, OFNAC) and a special court dedicated to fighting corruption, the Cour de repression contre l’enrichissement illicite (CREI), the Court of Repression of Illicit Enrichment).

There have also been allegations of non-compliance with tender rules with regards to the transportation of food aid during the COVID-19 crisis, although the Senegalese government established a committee to oversee the management of its Force Covid-19 Fund, that was meant to alleviate economic shocks during the pandemic.

Senegal respects WAEMU provisions and submits annual statements to supreme audit institutions. The Court of Accounts presents its annual findings to the National Assembly. The IMF, in its 2019 Fiscal Transparency Evaluation, states that the quality of reporting is “basic” but notes that considerable progress with regards to budget transparency has been made.

Asset declaration is mandatory for holders of high state offices. President Sall made public his assets in 2012, as have almost all his cabinet members, though some have resisted doing so, delaying their declarations.

Party finance and campaign regulation remains murky as many parties fail to submit mandatory reports on party finance to the Ministry of the Interior. Parties are obliged to finance themselves exclusively with donations and membership fees from nationals, but the extent to which the diaspora counts as “national” is contested. This leads to party finance depending to a great extent on access to government positions with budgetary discretion.

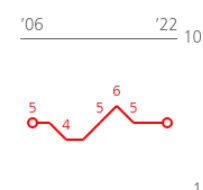
#### Policy coordination

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#### Anti-corruption policy

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## 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. Sall's governing coalition assembles former members of Abdoulaye Wade's supposedly liberal PDS, pragmatic parties such as the president's APR, the Social Democrats (PS) and (post-) communists (PIT).

The importance of free and fair elections is undisputed, and Senegal prides itself of never having experienced a coup d'état. However, the prevailing economic and political influence of religious actors is a sensitive topic not subject to broad public debate. Limits on freedom of association are furthermore established with regards to exclusively regional or religious political parties, which are not permitted by law for fear of separatist tendencies.

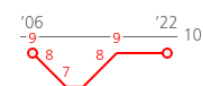
In general, ideology plays less of a role in political disputes than personality. Political parties rarely differ on fundamental political or economic issues. General support for a market economy is pragmatic, rather than ideological. A strong social security system is a policy goal across the political spectrum.

The government and the political opposition are broadly committed to democracy and a market-based economy. Anti-democratic veto players do not pose a threat, but religious forces have significant mobilizing power and their agendas are not necessarily in sync with democratic values. The military is apolitical and under democratic civilian control. The government and Senegal's Muslim brotherhoods, however, have difficulty controlling the many madrasahs, Quranic schools that are often influenced by radical interpretations of Islam. Senegalese have also witnessed the spread of radical Islamism in the subregion (Mali, Burkina Faso, Nigeria) with growing concern.

Senegal's political leadership prevents cleavages from widening. Senegalese governments have a long tradition of co-opting opposition figures (political parties and civil society) into government. While this is a Senegalese way of resolving conflicts, establishing consensus and preventing radical conflict, it does not enhance democratic reform because it is also a tool to keep opponents at bay and ultimately from political power. In accordance with this strategy, Macky Sall's government is based on a broad coalition. With the latest cabinet reshuffle, Sall even coopted the Rewmi Party of his principal opponent in the presidential elections of 2019, Idrissa Seck, into government, leaving the role of opposition leader to Ousmane Sonko's Pastef, which is more radical than the Rewmi Party. Sonko has strengthened ties to Dakar's former major and former PS member, Khalifa Sall, increasing prospects of a strong oppositional block.

Consensus on goals

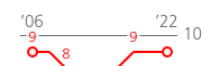
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Anti-democratic actors

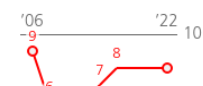
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Cleavage / conflict management

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Muslims (95% of the population) and Christians (5%) peacefully coexist and President Sall is pursuing an inclusive and peaceful approach. The intensity of the Casamance region has been reduced by the openness of the Sall government to negotiations and to investing in Casamance’s economic development.

Senegal has a tradition of consultation and peaceful conflict resolution. The current government is no exception to the rule. Strong links exist between the government and key actors in civil society. Past and present presidents have frequently consulted with religious leaders. Trade unions are recognized by government, their rights enshrined in the constitution, and they are part of institutionalized social dialogue. The Sall government has offered cabinet posts and leadership positions in government agencies to civil society leaders, some of whom are known to be quite outspoken. Not all have accepted the offers for fear of being coopted.

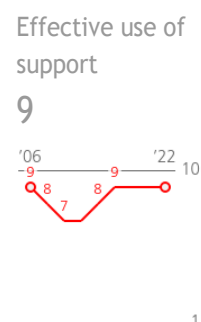
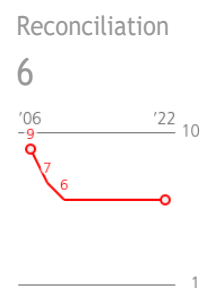
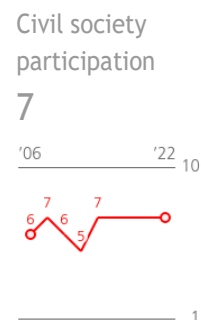
After his electoral victory in 2019, President Sall launched a “political dialogue” that is divided into several commissions and is supposed to tackle the country’s main political and economic questions – such as the status of the opposition, political party finance, and also questions such as the protection of the environment and resource transparency. Invitations have gone out to opposition parties, trade unions and civil society actors. Many have accepted.

Civil society has been involved to a limited degree in the oversight of the handling of the Force COVID-19 Fund, the government’s main financial mechanism for responding to the outbreak of the pandemic.

Serious human rights abuses were reported during past periods of conflict in Casamance. Despite ongoing calls for peace and mediation initiatives, the government has not yet taken decisive action to reappraise the past and to address the crimes committed by the rebels and the Senegalese army. As time is on the government’s side since the rebels are losing strength, it is unsure whether a reconciliation effort will be undertaken. There is a vast discrepancy in the perception of the conflict between the population of Casamance and the rest of the country with regards to government-led human rights abuses.

### 17 | International Cooperation

Guided by the Plan Sénégal Emergent (PSE) (see 14), the Senegalese government makes effective use of international assistance. Senegal has become a “donor darling” for several reasons. The country’s stability and the strength of its democratic institutions, sustained growth in past years, and its key position with regards to migration and security in the Sahel have raised its international profile. President Sall has participated in every G20 summit since 2013. In late 2020, he assumed the co-presidency of the Forum on China-Africa Cooperation (FOCAC), with a possible summit in Senegal in 2021.



President Sall has greatly improved relations with the World Bank and the IMF and has proven very effective in negotiating grants and credits. In April 2020, the Senegalese government was granted a \$442 million emergency financial assistance from the IMF to help meet its balance of payments needs stemming from the COVID-19 pandemic. At the same time, the World Bank approved a \$20 million credit from its International Development Association to strengthen the country's prevention, preparedness and response to the crisis. Furthermore, in late 2020, the German government provided Senegal with a grant of €100 million via its KfW Development Bank. The grant was the first of its kind that was paid as “budget aid,” a direct transfer to government accounts. This was bolstered by an EU grant of €124 million. Both grants were meant to counter the economic and social effects of the coronavirus pandemic.

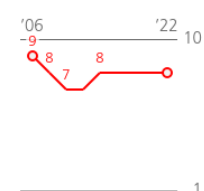
The Senegalese government is open to consultations with international partners. The IMF has concluded several rounds of consultations. The World Bank and international partners regularly discuss the country's development paths. Senegal also has a history of consultation with UN agencies. The special economic zone in Diamniadio, one of the landmarks of the first phase of the PSE, was established with extensive consultation with UNIDO. The ILO is consulting on questions of social protection. Arcane government structures and centralization of decision-making in the presidency sometimes lead to frustration among development partners. Priorities do not always align.

Senegal is a reliable partner in the international community, and uses its reputation as a stable and democratic Francophone West African country to garner international support. The country pursues rather decisive policies. It is open to deployment of foreign troops and hosts several UN missions with a regional and subregional focuses. More than 3,000 Senegalese troops and police currently serve in United Nations missions. However, Senegal is not part of the French-led G5 initiative that combats Islamists in neighboring Mali. While Senegal is active in the United Nations – the country has been a member of the UN Security Council three times, including from 2016 to 2017, but largely ignored condemnation of its trial of Karim Wade by the UN Working Group on Arbitrary Detention. Compliance with international agreements is high and submission of national action plans – as in the case of the international climate convention – is usually timely. There are no disputes in the WTO framework involving Senegal.

While Senegal has engaged in the G20 Compact with Africa and a “reform partnership” with the German government, the country refuses to cooperate on the repatriation of irregular migrants for fear of public opposition and a drop in remittances. Senegalese government and society also strongly refuse any change in its stance against LGBTQ rights.

#### Credibility

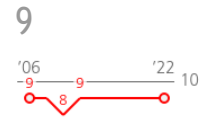
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Senegal is an active member of the most important regional and subregional organizations such as the ECOWAS and the WAEMU. It has brought much of its legislation and budget procedures in line with WAEMU directives and has for many years observed WAEMU convergence criteria. It is actively involved in the African Union and admitted electoral observation missions from the African Union and the ECOWAS during the 2019 presidential election. President Sall was instrumental in organizing the ultimately peaceful transition of power in the Gambia in early 2017. Under the Sall government, traditionally tense relations with neighboring Mauritania have significantly improved, not least with regards to the joint management of common offshore oil and gas deposits.

While Senegal supports the UN MINUSMA mission with a deployment of soldiers, it has not been part of the G5 initiative, despite repeated attempts to acquire observer status. After the coup in Mali in 2020, Senegal briefly closed its borders for trade with the neighboring country, but things quickly got back to normal in subregion.

## Regional cooperation



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## Strategic Outlook

Despite having successfully attracted investments and registering high GDP growth rates, Senegal is far from solving its structural challenges. Macky Sall promised fundamental reforms during his campaign and initiated a phase of political, economic and social transformation. Not all his projects have been successful, and some key issues have remained untouched. Frustrations are high among portions of Senegal's population, especially urban youth. While the political opposition around Ousmane Sonko does not have the network or resources to pose a threat to President Sall, there is danger that the broad societal consensus could deteriorate if grievances are not addressed. Sall's strategy of attracting foreign direct investment to lift the country out of poverty has shown some successes, but job creation has been slow and population growth remains high.

Sall needs to use his last three years in office to strengthen the independence of the judiciary, deliver on anti-corruption and decentralization promises and strengthen checks and balances in order to improve governance and calm fears of an omnipotent presidency and impunity for those close to the center of power. He also needs to critically evaluate why some policies have largely failed to produce results, such as the universal health insurance, and change course.

The government has relied heavily on creating infrastructure and favorable framework conditions for investment. Some aspects of its course need to be critically evaluated and weighted against their costs before continuation: These include the potential role of taxation versus tax expenditures, or the effectiveness of special economic zones versus stronger support for the large informal sector. Social policies, a reduction in inequality, credible anti-corruption policies and protection of the environment have all been neglected. This could eventually undermine the transformation process and make existing cleavages more pronounced than they currently are.

President Sall uses his significant national and international reputation to promote Senegal as an emerging African democracy at home and abroad. He successfully employs the overall positive image and exceptional recognition of a relatively small African country as a soft-power resource to attract loans and grants. However, power has also been concentrated in the presidency, and the cooptation of opposition forces has led to some democratic actors feeling increasingly sidelined. As Sall is most likely in the middle of his last term in office, the concentration of power, the lack of decentralization, and a balance between government and opposition are matters with which his successor will have to contend.

International partners should keep a close watch on freedom of expression and civil society engagement. Suppression of these would severely damage the country's democracy. Questions of (anti-)corruption and independence of the judiciary should also be addressed.

Senegal weathered the first wave of the COVID-19 pandemic, but the economic and social toll has been heavy. The government has therefore shied away from imposing similarly strict measures during the second, deadlier, more contagious wave that began in late 2020. It has thus largely avoided restrictions on movement between cities and the countryside. The youthfulness of the country's population (median age is 19) suggests that the effects of the pandemic will not be as catastrophic as it has been in the northern hemisphere, but the main challenge will be to continuously evaluate economic losses against the fragility of the country's health system. As demonstrations were among the first gatherings banned, and power has been further concentrated in the presidency, the measures to combat COVID-19 could hamper progress in the country's political transformation.