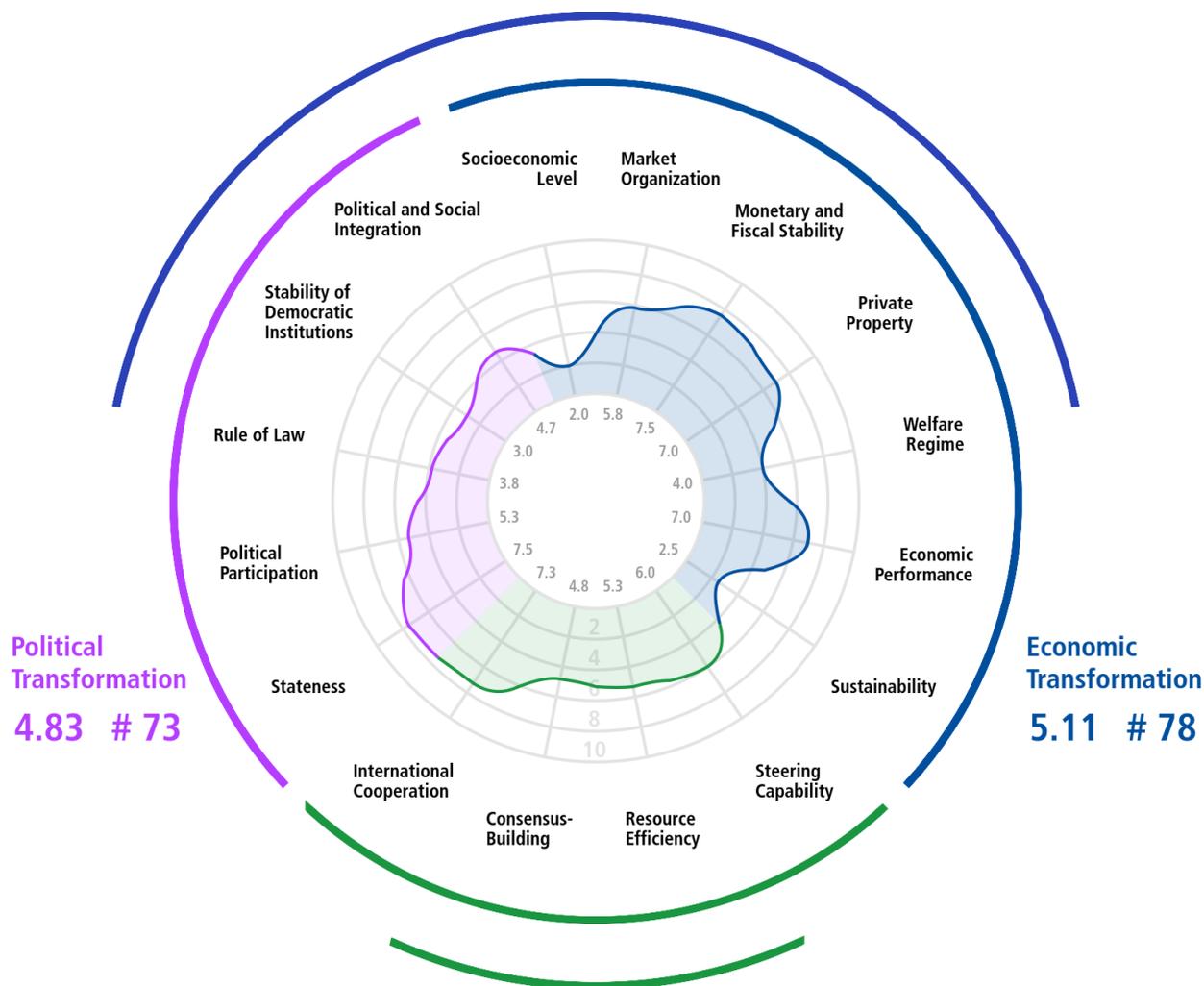


Côte d'Ivoire

Status Index

4.97 # 77

on 1-10 scale out of 137



Governance Index

5.40 # 42

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>.

Please cite as follows: Bertelsmann Stiftung, BTI 2022 Country Report – Côte d'Ivoire. Gütersloh: Bertelsmann Stiftung, 2022.

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Key Indicators

Population	M	26.4	HDI	0.538	GDP p.c., PPP \$	5458
Pop. growth ¹	% p.a.	2.5	HDI rank of 189	162	Gini Index	41.5
Life expectancy	years	57.8	UN Education Index	0.453	Poverty ³	% 59.1
Urban population	%	51.7	Gender inequality ²	0.638	Aid per capita \$	46.7

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

In early 2021, following President Alassane Dramane Ouattara's re-election for a controversial third term, democratic institutions remain fragile in Côte d'Ivoire, and lack substantial vertical and horizontal accountability.

The Ouattara government managed to bring a certain level of political stability, keeping Jihadism out of the country, and delivered strong economic growth. Yet, there has been a democratic backsliding of the regime, especially during Ouattara's second mandate. This backsliding started with a constitutional reform being pushed through and ended with a disputed presidential election in which all opposition candidates were excluded or boycotted the polls. With presidential competencies strengthened by the 2016 constitutional reform, the president runs a one-man show, while a group of elder statesmen continue to dominate politics without significant elite rejuvenation. Yet, the country can neither rely on a coherent and dominant autocratic ruling bloc nor on a fully competitive regime with strong accountability mechanisms.

In part because President Ouattara is a former IMF official, macroeconomic reforms have been prioritized during his administration. Overall macroeconomic performance has strongly improved in the last decade. As COVID-19 hit the continent, Côte d'Ivoire was considered to be one of the economies that would cope best in the circumstances. This was due to domestic reforms in public administration and key economic sectors; considerable public investment in rural infrastructure, education and health care; and to favorable contextual conditions, such as initially favorable world prices for cash crops and the effects of the significant cancellation of external debt (HIPC). Since 2015, Côte d'Ivoire also managed to attract increased foreign direct investment.

While all objective indicators reveal a country with extremely low levels of human development, the country's economic and political elites remain highly optimistic about economic transformation and the rise of the country toward the world's "emergent" economies.

During the COVID-19 pandemic, the executive acted swiftly in implementing confinement measures and initiating its crisis management capacities soon after the first domestic cases were registered. The government also secured support from the private sector and religious authorities. It used its good relations with the international community to set up economic response packages for the private sector (with emergency funds operational as of July), and support funds for the health care sector and vulnerable groups.

History and Characteristics of Transformation

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

When commodity prices fell in the 1980s, Côte d'Ivoire began to face serious economic and social problems. The established model of political and economic regulation, which denied political participation but guaranteed social advancement for elites and fixed producer prices for planters, had become unsustainable. Levels of popular dissent increased and, by the beginning of the 1990s, multiparty rule was introduced. Along with political liberalization came an attempt at economic reform headed by a technocratic team under then-Prime Minister Alassane Ouattara. He conducted an economic reform program in the face of significant resistance from within the ruling party, the Parti Démocratique de la Côte d'Ivoire (PDCI), particularly from the president of the National Assembly, Henri Konan Bédié. This resistance was not linked to the content of the political reforms undertaken, but it increased the likelihood that Ouattara's path to succeeding Félix Houphouët Boigny would be blocked.

Upon Houphouët-Boigny's death in December 1993, Ouattara and Bédié vied for succession. Bédié eventually won and subsequently consolidated his own power, sidelining those sympathetic to Ouattara. A pro-Ouattara party, the Rassemblement des Républicains (RDR), broke away from the PDCI. The 1995 presidential elections saw the victory of Bédié with both RDR and the other traditional opposition party, the Front Populaire Ivoirien (FPI), boycotting the polls on the grounds that the electoral code excluded Ouattara from candidacy due to his "dubious" Ivorian nationality. Bédié was eventually overthrown in a bloodless coup in December 1999. Initial hopes for more thorough political democratization were soon disappointed when it became clear that the leader of the coup, General Robert Guéï, would stand

in the 2000 elections and that the opposition party FPI had joined the PDCI in a nationalist policy stance, leading again to the exclusion of Ouattara. A popular uprising thwarted the rigged election of October 2000 and Laurent Gbagbo (FPI) was declared the winner, despite the protests of the RDR, which argued that new inclusive elections should be held.

The September 2002 coup attempt and the ensuing descent into civil war, nevertheless, took the country by surprise. The mutineers swiftly took control of the entire northern half of the country, often welcomed by a local population that had felt marginalized by the previous administrations. France eventually stepped up its military presence in Côte d'Ivoire, agreeing to police the cease-fire line following a truce agreement on October 19, 2002. The main political parties and rebel groups reached a first political settlement during negotiations in France in January 2003. However, implementation of the terms of the peace accords stalled. A new peace agreement brokered by Burkina Faso President Blaise Compaoré in early 2007 allowed for a power-sharing government with rebel leader Guillaume Soro as prime minister.

This government eventually made the formal reunification of the country possible and cleared the way to presidential elections held in October and November 2010. However, hopes that this election would represent a first but decisive step toward solving the conflict were dashed. The results of the elections were contested, and both Gbagbo and Ouattara declared themselves to be the winner. Following a major political stalemate, the conflict was eventually solved by the military victory of the rebel forces in conjunction with international (mainly U.N. and French) troops over loyalist forces. Ouattara finally took effective power in May 2011 and was re-elected in October 2015. Under his presidency, economic growth and public investment in infrastructure restabilized the economy, but the political process has remained polarized and all hopes for a substantial democratization of the regime have been disappointed.

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

Following years of civil war and unrest, President Ouattara and his government have strived to normalize and extend state authority throughout the whole territory which was completed in 2013. The provinces along the border with Liberia, where returning refugees and militias continued to represent a threat to state monopoly on the use of force, have been brought under state control since 2019. An attack by Jihadist groups on a border garrison in the northeast of Côte d'Ivoire in June 2020 proved to be an isolated event and did not lead to a loss of territorial control by state authorities.

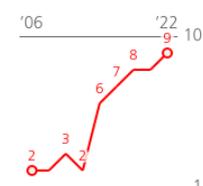
Throughout the last decade and following the creation of a new unified army (and the demobilization of a large proportion of militia forces), junior military staff have repeatedly staged roadblocks or mutinies. But this came to an end in 2018 and was, in any case, linked more to corporatist demands than a challenge to the state's monopoly on the use of violence.

Citizenship rights are among the root causes of the ongoing conflict. For many years significant aspects of citizenship (if not citizenship itself) have been withheld from the "Northerners" as well as from migrant workers who have lived for decades in Côte d'Ivoire. Fueled by politicians, the nationalistic concept of Ivoirité encouraged Southerners to regard themselves as true Ivorians, while Northerners (whether of Ivorian nationality or not) were made the target of xenophobic sentiments and actions. The electoral victory of a Northerner in 2010–11 has not solved the problem outright, as the underlying constitutional and legal questions of citizenship rights have not yet been fully addressed. While new constitutional rules weakened Ivoirité provisions in the country's overall electoral provisions and northerners no longer face discrimination, many opposition supporters still perceive Ivoirité (and its citizenship implications) as a sound policy and continue to question the legitimacy of the current nation-state.

Question
Score

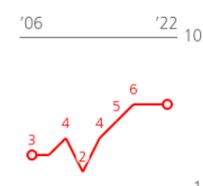
Monopoly on the
use of force

9



State identity

6



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

Conflicts between the various ethnic groups and immigrant groups gained religious overtones over the course of the last decade. However, economic and political discrimination (and violence) has been related to ethno-cultural stereotypes and linguistic cleavages and targeted all northerners regardless of religious affiliation (although most Muslims live in the northern part of Côte d'Ivoire). While some people in the Gbagbo administration unsuccessfully tried to portray northern rebels as Islamist extremists in the early 2000s, theological disputes were never a dominant feature of the north-south divide. A June 2020 attack by Jihadists on a border garrison in the northeast of the country seems to have been a counterattack by Burkinabe groups in the wake of a joint Ivorian-Burkinabe military operation within Burkina Faso. There has been no further military action since, and the threat of an increased Islamist presence and its implications were absent from the electoral campaign in 2020.

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

The efficiency of this state apparatus (especially the justice sector and police) has improved over the last year, although it is still hampered by a lack of resources, and the legacy of party-political and military intervention in government.

The physical infrastructure used to be way above the regional, sub-Saharan standard. But years of neglect during the conflict have not improved roads, and other parts of the country's physical and social infrastructure. During President Ouattara's second tenure, the government has heavily invested in public infrastructure (especially transport, electricity and education). Yet, access to water (82% in 2015) and sanitation (23% in 2015) remains limited, which indicates a relatively strong level of social and economic exclusion. The COVID-19-related lockdown has not dramatically exacerbated existing limitations in access to education or health care according to official figures.

No interference of religious dogmas

9



1

Basic administration

6



1

2 | Political Participation

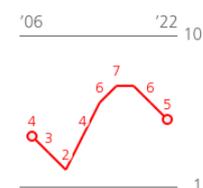
After decades without elections or with heavily disputed presidential elections, all political actors today accept elections as the main mechanism for access to political office and elections are regularly held. However, Côte d'Ivoire has never seen a peaceful turnover of power through elections yet. The COVID-19 pandemic has not affected the electoral calendar, and the postponement of parliamentary elections, which will now be held in March 2021, was related to political conflict and not any public health issues.

The latest presidential elections in October 2020 again caused uproar and political frustration. The incumbent President Ouattara had earlier declared that he would comply with existing presidential term limits. But when the designated candidate of the ruling party died three months before the elections, Ouattara decided to step in and run again, based on a controversial interpretation of the constitution and its revision in 2016. While Ouattara had apparently not intended to entrench himself in power, his candidature and subsequent electoral victory were considered illegitimate by many, especially as his old archrival Laurent Gbagbo as well as other promising competitors (e.g., former rebel leader and Prime Minister Soro) were barred from standing in the elections for a number of legal reasons. Former President Bédié of the PDCI, the only remaining substantial opposition candidate, eventually withdrew his participation. As a result, the elections were marred by low participation. Indeed, only 54% of the polling stations were able to open on time. Moreover, only 41% of voter cards were distributed before the vote, although they were made available on election day. Election observers from the Electoral Institute for Sustainable Democracy in Africa (EISA) and the Carter Center assessed the context and process of the election as not conducive for a “genuinely competitive election.” Some violence occurred on election day and a furious opposition declared that it would form a parallel government the day after the election.

Both the role of the Constitutional Court (which allowed only four out of 44 candidates to run) and the Electoral Commission have been contested. The legal norms governing the Electoral Commission did not respect international standards on impartiality and legal independence, according to a ruling of the African Court on Human and People's Rights. However, all attempts by civil society groups to propose a more inclusive governance framework for electoral processes failed, with the government offering minimal concessions. It remains unclear whether the political elite and the electoral administration would maintain a good quality of electoral governance in a more open and inclusive electoral race.

Free and fair elections

5



In principle, the government is capable of effectively governing the country. The strongest veto players continue to come from within the security apparatus, where some former rebel commanders who played a major role in the military victory over Gbagbo (2010–11) continue to exercise some influence. It seems, however, that the effective power wielded by these veto players has diminished over the last few years, as the repeated mutinies of disgruntled army elements have stopped.

Furthermore, Guillaume Soro, a former rebel leader, could be politically marginalized. While in exile, Soro implicitly called on the Ivorian army to stand up against the Ouattara government, although nothing ultimately happened.

For most of the time since President Ouattara took office in 2011, the right of association has been upheld. The law provides for freedom of assembly and association, which has been generally respected, and no ethnic or cultural minorities are marginalized in this regard. Advocacy groups could operate freely, while union activity has continued to be strong throughout. A vocal opposition is able to organize public rallies, hold conferences and maintain media outlets. Since March 2020, public demonstrations have been banned based on the state of emergency, which was declared in order to tackle the pandemic, and this continued throughout the electoral campaign 2020.

Following the incumbent president's declaration that he would run for office again, violent protests broke out and the government confirmed the ban on public meetings, which was lifted only on October 15, two weeks before the elections were held. Civil society actors have increasingly complained about harassment, denials of their requests to hold political meetings and inconsistent standards for granting permission to hold a public assembly. The official launch of a "transitional government" by the main opposition parties at the beginning of November 2020 led the police to arrest opposition politicians and supporters. A response that has been considered disproportionate by most independent observers, although most of the opposition politicians and supporters were liberated before the end of 2020.

The many years of political instability and civil war have made access to balanced information very difficult. Although the situation has changed over the last decade, opposition media remain subject to threats and pressures from the government, especially during electoral campaigns. The constitutional provisions for freedom of expression are thus only partially respected in practice, and journalists remain in principle vulnerable to abuse by police. The public media remains firmly under the control of the incumbent government, but there is an abundance of private media, which openly criticizes the government. International media are also freely available in Côte d'Ivoire, and the government has never seriously considered shutting down the internet or regulating social media. In December 2017, a new media law was enacted that further decriminalizes media offenses but makes insulting the president a crime. In the run-up to the 2020 elections, some journalists complained that it had become very difficult to openly criticize the government, and

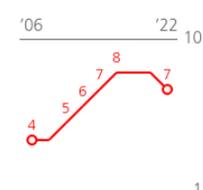
Effective power to govern

3



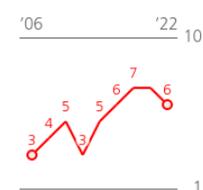
Association / assembly rights

7



Freedom of expression

6



that they were occasionally threatened by persons linked to the ruling party or security apparatus as well as from opposition parties on social media. Côte d'Ivoire was ranked 68 out of 180 countries in the Reporters without Borders 2020 Press Freedom Index.

3 | Rule of Law

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

The last parliamentary elections (December 2016, with new elections scheduled to be held in March 2021) re-established a fully legitimate parliament, but the meager representation of the opposition reduced the possibility that parliament may become an effective institution of government oversight within the current legislative term (2016–2021).

The elections could thus not reverse the structural annihilation of parliamentary oversight, a situation initially justified by the emergency situation in which the Ivorian state found itself in the post-2002 period. The president has repeatedly claimed that he wants to establish an accountable government, but whether state actors are subjected to law is a matter of debate.

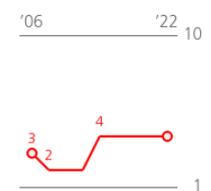
The state of emergency was imposed by decree on March 23, 2020. The emergency measures that have been introduced, including the state curfews and internal travel restrictions, are in line with the existing constitutional framework. Thus, parliamentary approval for the measures was not required.

The strongest effective check on government likely remains the extra-constitutional veto players in the security apparatus. The judiciary can only insufficiently balance the hegemony of the executive.

Formally, the judiciary is institutionally distinct, but its decisions and doctrine have always been subordinated to the government of the day. Both the constitutional and the regular branches are vulnerable to executive intervention, lack adequate resources and are riddled with corruption. Prior to the civil war, a series of major judicial reforms had been announced (installation of a Supreme Court of Appeal and of an Audit Office), but only the Court of Audit has been implemented yet. This new institution suffers from the lack of political will to fully implement its mandate. The independence of the Constitutional Court was decisively compromised by its controversial position in the electoral crisis of November 2010 and again in the

Separation of powers

4



Independent judiciary

3



annulment of most presidential candidatures in September 2020. The judiciary's lack of independence has been confirmed by the legal treatment of war crimes in the post-2010 decade. While several hundred officials of the Gbagbo administration were put on trial and finally convicted, only a few cases were opened against former pro-Ouattara militia members, with none leading to a conviction, despite the involvement of pro-Ouattara forces in criminal acts having been demonstrated by a U.N.-led expert mission in 2011. In August 2018, President Ouattara pardoned nearly all of the convicted FPI leaders, but upheld convictions against opposition leaders for embezzlement of public funds. This disqualified opposition leaders from standing in the election, which is exactly what disqualified Soro and Gbagbo in the 2020 elections. Human rights organizations have also criticized the lack of professional expertise in the judicial sector, leading to the acquittal of some prominent accused because of procedural errors.

There is a long tradition of financial malpractice in the country. In the current environment, corrupt officeholders sometimes face adverse publicity from civil society, the media or opposition parties, but they are rarely subject to legal prosecution.

Occasionally, investigative media reports indicate massive corruption, but this has not led to the enactment of legal or political sanctions. Since 2011, an independent newspaper (*L'éléphant déchaîné*), which is dedicated to investigative journalism, has continuously revealed instances of malpractice, which have involved previous and current ministers. But, in most cases, these revelations have not led to legal or political sanctions. One of the last major examples was a fraudulent scheme for importing luxury cars in May 2018.

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In March 2020, two journalists received substantial fines for publishing reports about high-level corruption among close collaborators of the president.

A 2019 Afrobarometer survey revealed that 81% of Ivoirians thought whistleblowing or the simple reporting of acts of corruption presented significant risks for reporters.

Prosecution of
office abuse

3

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During the civil war, most civil liberties existed only on paper. This was in part because of the prolonged lack of a nationwide monopoly on the use of force, but also because of the lack of political will and judicial control. Since 2011, the situation has continuously improved, although the security sector is still accused of human rights abuses. This includes gender-specific rights violations and sexual violence, cases of disappearance (again in the context of the 2020 electoral campaign), a lack of police investigations and judicial prosecutions, discrimination against LGBT and albino people, and insufficient enforcement of legal provisions to suppress female genital mutilation (although legal provisions were included in the 2016 constitution).

With very few exceptions, the perpetrators of mass murder and serious violations of human rights committed since the first coup in 1999 have not been brought to justice and some of them continue to pursue careers in the army. The Ouattara government has, however, started to comply with the reporting requirements of international human rights treaties. The death penalty was abolished with the reform of the Penal Law in 2015. The National Human Rights Commission (CNDH-CI) has also been strengthened, providing for representation by civil society organizations and gaining international accreditation since 2016. It still suffers from a lack of financial resources, human capacity, and political will to fully implement its mandate.

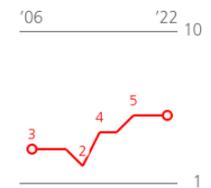
4 | Stability of Democratic Institutions

The constitution provides for a democratic regime, and no elite actor questions the legitimacy of democratic institutions per se. The extent to which the behavior of elites is primarily shaped by these institutions can, nevertheless, be questioned, especially in the light of the controversial judgment by the Constitutional Court to allow President Ouattara to run for a third term, despite a constitutional two-term limit.

While elections are regularly held, it is unclear to what extent they really determine who holds office, especially if political competition is severely curtailed through the disqualification of competitors. Given the dominance of the presidency, relatively little friction exists. However, this reduces the functional quality of other institutions, such as the parliament, and more broadly horizontal and vertical accountability. Local government has very limited competencies and resources.

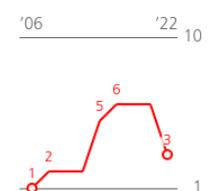
Civil rights

5



Performance of democratic institutions

3



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

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

None of the key elite actors has a past record of being a committed democrat. On the contrary, all elite actors can be held responsible for having led the country, out of fear of losing power, into violent conflict. Limited commitment to democratic institutions became evident in 2020 when Ouattara stood again in the presidential elections, which led the opposition to initially boycott the elections, before then declaring a parallel government, without any constitutional or legal mandate.

5 | Political and Social Integration

The Ivorian party system is characterized by relatively low fragmentation and low voter volatility, partly due to regional and ethnic voting. Three political parties have dominated Ivorian political life since the mid-1990s: the FPI, the RDR and the PDCI (with all remaining parties having never succeeded to move beyond 5% of electoral support). Their party leaders Gbagbo, Ouattara and Bédié (now aged 75, 79 and 86, respectively) have continued to dominate political life since that time, and it seems that FPI leader Gbagbo has returned to party leadership following the acquittal of charges at the International Criminal Court (ICC). While political polarization was one of the key factors that drove the country toward civil war, at least one of the three players, the PDCI, has been able to form coalitions with both the FPI and RDR.

To an extent, violent conflict has frozen the party system, hindering the emergence of new parties. Some new parties have emerged on the scene, such as Guillaume Soro’s political movement, but the main rationale of these parties is to launch a presidential electoral campaign. Given the low importance of parliamentary elections, it is much more difficult to secure a more stable political basis in the country.

In the highly polarized and violent political competition that characterized the country throughout until 2011, formal political party structures had little space to organize, and consequently had no meaningful role in aggregating and moderating social interests. With most of FPI leadership in exile or prison for many years, it has

Commitment to democratic institutions

3

'06 '22 10



Party system

6

'06 '22 10



proven particularly hard for the opposition to reorganize at the local level. But to date the vast majority of the FPI members in exile have returned to Côte d'Ivoire. Parties are also substantially personalized and thus clientelistic, although both the FPI and the PDCI have a very long tradition of political participation and used to be strongly rooted in society.

Many interest groups, from cocoa planters' associations to student unions, continued to exist even throughout the decade of violent conflict between 2000 and 2010. However, they cooperate only rarely (numerous additional planters' associations have emerged since the early 2000s) and have very little influence on political processes.

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

Results of the most recent Afrobarometer rounds held in Côte d'Ivoire (2019) show an overall positive assessment of democracy as the preferred regime type (73%) and a strong support for free and fair elections (77%). Ivorians are also very clear about their refusal of military rule. The survey results have to be interpreted within a tradition of democracy which amounted to benign authoritarian rule (Houphouëtisme) or to exclusionary varieties of nationalism (as exemplified by the FPI and Gbagbo). Côte d'Ivoire has one of the highest "demand" for democracy throughout the whole of the African continent.

Only 34% of the population were, on the contrary, very or fairly satisfied with the "supply" or performance of democratic institutions. Trust in the president (50%) is quite low, but higher than in parliament (39%) or the judiciary (46%), yet significantly lower than in traditional leaders (66%).

The voter turnout rate stood at 54.6% in the 2015 and 53.9% in the 2020 presidential elections. However, both of these elections were partially boycotted by opposition parties. According to survey data, turnout among young people is even lower. The turnout rate in the legislative elections of December 2016 was a meager 34%.

Interest groups

4

'06 '22 10



1

Approval of democracy

n/a

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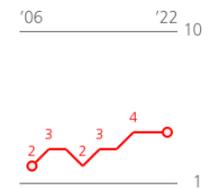
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Insecure access to land within the ethnically mixed neighborhoods in many parts of the country (which also pits indigenous and migrant populations against each other) has been identified since the 1990s as a major root cause of social conflict. Civil war and evictions of migrant workers have aggravated the problem. Such violent clashes have stopped since 2011. Yet at the local level there have been sporadic outbursts of conflict and violence.

Although many local peacebuilding activities have been implemented, and many reports indicate stronger capacities for peace within local communities, there is little indication of generalized social capital that cuts across ethnic and other identity groups within the Ivorian social fabric. Survey data from Afrobarometer (2019) show, nevertheless, that close to 95% of the population does not see any problem living as neighbors with people of a different ethnic or religious background. In the same survey, however, 80% of respondents affirmed that in general one should distrust other people. There are many voluntary and autonomous civil societies and other social associations, but they lack funding and face other organizational shortcomings.

Social capital

4



II. Economic Transformation

6 | Level of Socioeconomic Development

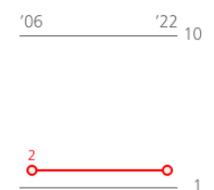
While Ivorians themselves tend to consider their country as the economic powerhouse of francophone West Africa, according to empirical evidence the country is one of the world's least developed countries (ranked 162 of 189 countries on the Human Development Index 2019). Côte d'Ivoire exhibits social marginalization that is massive quantitatively and qualitatively, and is clearly structurally ingrained. Almost all relevant indicators point to severe problems.

According to World Bank data, the percentage of people living under the poverty line of \$3.2 per day increased during the phase of civil war and instability continuously, before going down to 59.1% in 2015. Gender inequality is a severe problem, and the country has one of the world's worst ratings in the United Nations' Gender Inequality Index (0.638 in 2019). Inequality has remained high (Gini coefficient of 0.415 in 2015) and the overall loss in human development due to inequality stands at 35.7% (which is the sixth highest value worldwide).

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

Question
ScoreSocioeconomic
barriers

2



Economic indicators		2017	2018	2019	2020
GDP	\$ M	51588.2	58011.5	58539.4	61348.6
GDP growth	%	7.4	6.9	6.2	1.8
Inflation (CPI)	%	0.7	0.4	-1.1	2.4
Unemployment	%	3.3	3.2	3.2	3.5
Foreign direct investment	% of GDP	1.9	1.1	1.5	-
Export growth	%	10.0	-0.1	17.8	-
Import growth	%	11.0	13.4	1.2	-
Current account balance	\$ M	-1049.1	-2284.5	-1348.8	-
Public debt	% of GDP	33.5	36.0	38.8	47.7
External debt	\$ M	13449.1	16184.6	19816.4	25072.7
Total debt service	\$ M	2248.5	1654.7	3002.6	2440.2
Net lending/borrowing	% of GDP	-3.5	-3.3	-2.7	-
Tax revenue	% of GDP	12.0	11.8	12.0	-
Government consumption	% of GDP	10.2	10.2	10.1	-
Public education spending	% of GDP	3.8	3.2	3.7	-
Public health spending	% of GDP	1.3	1.2	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.3	1.4	1.2	1.3

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

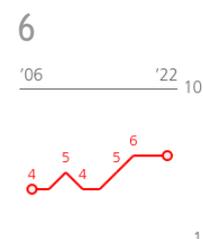
Although the country used to be hailed as a capitalist model in Africa, the institutional setting for free markets and competition has never been sufficiently developed. This is particularly true in the vital cocoa sector, where uncertainty over economic fundamentals and regulation has persisted until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

The government has invested a lot of effort in modernizing the regulatory framework. Yet, the harmonization of and increasing transparency in regulating private investments has stalled. The Heritage Foundation’s 2020 Index of Economic Freedom downgraded Côte d'Ivoire to “unfree” and the country is now ranked 101 out of 178 countries (eight other sub-Saharan countries are ranked higher), with business, investment and monetary freedoms particularly successful. According to the World Bank’s Doing Business, Côte d'Ivoire still lags behind the most competitive African economies, despite the business start-up process having been made more straightforward (on average six days and four procedures) and minimum capital requirements having been reduced. To start a business, an investment of 2.7% of per capita GNI was required in 2019, which is a much lower share than in 2017 (16.5%).

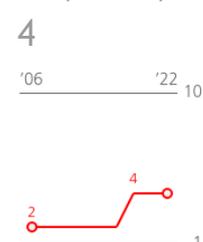
Throughout the 2000s, a period that was dominated by military and political conflict, the informal sector gained increasing importance, with the incidence of smuggling and other illicit activities rising. With the joint efforts of the government and donor community, this trend slowed throughout the 2010s, although formal employment still remains below 10% according to World Bank estimates.

The formation of monopolies and oligopolies has been the object of a 2013 law, based on community policy norms agreed upon in the West African Economic and Monetary Union (UEMOA), the Francophone regional monetary and economic integration scheme, back in 2002. The legislation also led to the establishment of a commission to register and sanction monopolistic practices. However, the new legal framework did not raise political interest in the issue; the commission did not gain sufficient autonomy from the ministry; and the practical relevance of the commission, which took office in July 2014, for regulation has remained unclear. In May 2018, the government relaunched the commission, appointing 10 new members, with the task of tackling the high cost of living, “la vie chère,” and the mandate to enact sanctions ranging from fines to the closure of businesses. In 2017, the government had introduced a similar commission, the National Council, with the main task of monitoring the prices of everyday commodities, and was composed

Market
organization



Competition policy



of officials from relevant ministries as well as representatives of the private sector, trade unions and consumer associations. A new competition law enacted in November 2019 allowed the government to fix prices for consumer goods, following advice from the commission, with a specific deadline.

It is clear that there is a lack of effective competition in several sectors of the economy, particularly in the markets for fixed telephone, internet (although competition over recent years has increased) and port services. Regarding port services, foreign-owned companies hold de facto monopolies or have been granted monopolies by the state even after the competition law was enacted. For example, the French company Bolloré was awarded the right to construct and operate a second port terminal at Port of Abidjan, despite already controlling the Port of Abidjan's first port terminal.

Rather surprisingly and in the context of a price hike for electricity, President Ouattara announced – during the May 1 celebrations in 2016 – an end to the monopolies on water and electricity provision, which would presumably lead to lower prices. It remained, however, unclear how these monopolies would be broken up in the short term, as the state retained contractual obligations over long periods of time. It was only in 2020 that the CIE's monopoly over electricity distribution was ended, although without any substantial competition directly emerging.

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

Foreign trade follows nondiscriminatory principles, as provided for in the West African Economic and Monetary Union (UEMOA), and Economic Community of West African States (ECOWAS) regional programs. But domestic rules, administrative barriers and informal interventions by officeholders still constrain the liberalization of the foreign trade regime in practice. The UEMOA Commission has exclusive authority over the common trade policy of its members vis-à-vis third states. Since the late 1990s trade policies have been substantially harmonized by the commission, resulting in a common trade policy in fields such as customs taxation at the border (Common External Tariff in force since January 1, 2000), bank domiciliation of trade transactions and rules of origin.

WTO trade policy reviews were conducted in 2012 and in 2017 as joint UEMOA reviews. Côte d'Ivoire was commended for remaining open to international trade and for refraining from introducing protectionist measures. Côte d'Ivoire was also requested to further simplify its tax system and bring its bound and applied rates in conformity with WTO provisions (in the WTO, the UEMOA member states have individually bound their customs duties and other duties and taxes). The simple average of the MFN applied total tariffs was 12.1 in 2019. Côte d'Ivoire was one of

Liberalization of
foreign trade

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'06 '22 10



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the first African countries to ratify the WTO trade facilitation agreement in December 2015, although trade facilitation performance remained below African average.

Côte d'Ivoire signed an interim Economic Partnership Agreement (EPA) with the European Union and started to implement it from January 2019 on. Since 2011, the country is (again) eligible for the U.S. government's African Growth and Opportunity Act (AGOA) and has continued to remain eligible.

The banking sector survived the politico-military conflict in the 2000s relatively well but suffered from the increase in government arrears owed to the private sector (most of which were cleared since then) and the temporary closure of banks in the north and west. There are currently 29 banks, eight of which dominate the banking sector with 80–90% of assets. Four of the banks are owned by foreign banks with activities across the region.

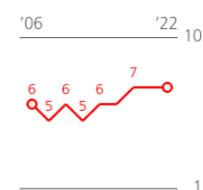
A legal framework for the banking system and capital market is in place. The modernization and restructuring of the financial sector remains one of the top priorities of the government. The West African Regional Stock Exchange (BRVM) is located in Abidjan with 65 listed companies as of the end of 2020 (the bulk of which are Ivorian). The BRVM has grown somewhat in size in the context of strong economic growth but has yet to become a major source of funding for private sector activity.

Weaknesses of the financial sector include insufficient equity and heavy exposure to a handful of borrowers. UEMOA has thus initiated reforms providing for the inclusion of the Basel II and III standards into the regulatory framework. The Ivorian law strengthening prudential standards became effective in January 2018, but diversification of the lending clientele will take time. According to figures from the Central Bank of West Africa (BCEAO), the average bank capital adequacy ratio, which stood at the UEMOA minimal norm of 8% at the end of 2016, increased to 9.8% at the end of 2017 and remained stable at 9.5% in 2019. Only a few institutions remain vulnerable to shocks. The share of non-performing loans has decreased over time from 9.8% in 2017 to 8.3% in 2019. The effect of COVID-19 on non-performing loans could not be verified by the end of 2020.

Public banks, the financially weakest segment of the financial sector, are undergoing restructuring. The authorities intend to retain two public banks, which either play a significant role in the rural areas or provide credit to sectors where private banks do not have a large presence. Banking penetration increased to 24.9%, according to BCEAO data from the end of 2019, with much greater potential especially regarding the financing of SMEs.

Banking system

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8 | Monetary and fiscal stability

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

With some exceptions, such as a spurt of inflation after the CFA franc was devalued in 1994 (and a temporary peak of 6.3% in 2008 due to the surge in international food prices), this has led to relatively low inflation rates (between 0.7% and 5% throughout the last decade, and dropping to -1.1% in 2019), and thus way below the 3% target of the West African Economic and Monetary Union (WAEMU). The pandemic led to an increase in inflation, which stood at above 1% in 2020. The real effective exchange rate stood at 93.5% in 2019.

As the country tended in the past to fall quickly into domestic and external payment arrears, fiscal policy used to be the main source of disagreement with the IMF.

After the arrival of former top IMF official Alassane Ouattara at the helm of the state in April 2011, relations with the Bretton Woods institutions have markedly improved. The government completed its responsibilities under the Highly Indebted Poor Countries (HIPC) initiative in July 2012, allowing it to write off large amounts of multilateral and bilateral debt. Since 2013, there has been a slight upward trend in the debt-to-GDP ratio, but this eventually stabilized and debt stood at 39.8% in 2019. Côte d'Ivoire had a negative fiscal balance of -2.3% of GDP in 2019, according to the IMF, which further deteriorated in 2020 to -5.9% of GDP. This recent drop was due to COVID-19-related reductions in government revenues and additional spending, with four special funds created in May 2020 that were largely financed by the international community. The COVID-19 response plan was supposed to cover 1% of GDP for 2021.

The IMF continues, nevertheless, to be quite optimistic concerning public financial management and the further consolidation of sound macroeconomic policies. The government freed additional budgetary resources for infrastructure investment and priority spending by adhering to strict civil service recruitment guidelines (e.g., hiring one new public servant for every two retirees except in the education and health care sectors), limiting transfers to public enterprises, strengthening tax efforts and improving public financial management. Although Côte d'Ivoire has not been affected by the new African debt crisis, the IMF has argued that the country's public debt remains vulnerable to, for example, negative terms of trade shocks and rising interest rates. Consequently, the IMF has underscored the need to reduce the deficit as the COVID-19 crisis subsides and implement a prudent medium-term borrowing strategy in order to bring the deficit down to the UEMOA benchmark of 3.0% by 2023. Notwithstanding the ambitious public investment measures (e.g., on education and health care policies), government consumption has remained modest from a comparative perspective (9.6% of GDP in 2019).

Monetary stability

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Fiscal stability

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9 | Private Property

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

The biggest problem with property rights remains land tenure, especially the ability of domestic and foreign-born migrants to secure property rights to the land they farm, as the relevant legislation introduced in 1998 is yet to be properly enforced. By 2018, only 4% of the land was titled. This was due to many legal provisions apparently remaining unknown, procedures being too costly for many citizens and many requests simply being rejected. And this is despite the additional legal provisions introduced in 2011, 2015 and 2019, which aimed to secure the rights of customary landowners, provide mechanisms for dispute resolution and offer the possibility of land contracts even in the absence of certification. The government finally introduced the Agence foncière rurale (AFOR) in September 2017 in order to strengthen communication, capacity-building and the enforcement of regulations, and to facilitate commercialization and agro-business over the long term.

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

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

The IMF has over the years repeatedly expressed concern about the poor operating environment for business, but the country has strongly improved its previously miserable standing in the World Bank's Doing Business Index over the last decade. This is due to a rationalization of administrative procedures, a new investment code and a concentration of competencies in one single authority (Guichet unique de formalité d'entreprises). Other aspects of business activity, such as dealing with construction permits or paying taxes, remain more problematic.

Since 2016, due to the establishment of a specific Commercial Court, business-related rulings have become less time-consuming. The government also approved new investment and mining codes which are business-oriented and grant important incentives to private investors, and adopted an electricity code, which includes an appropriate framework for the management of physical and financial flows in the electricity sector.

Property rights

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'06 '22 10



Private enterprise

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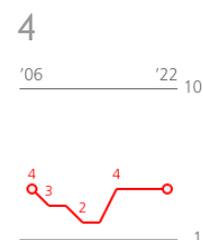
With Ouattara as president, a new round of privatization was launched, which was consistent with market principles. In 2014, the government proposed a program to privatize a quarter of public enterprises, including 15 public or semi-public enterprises, banks and the sugar company Sucrivoire. By 2016, the Ivorian state had ceded its shares in Sucrivoire, CIDT and the SIB bank, and by the end of 2017 of Versus Bank and BHCI, although the privatization of BHCI had to be canceled in 2020. In January 2019, the government announced that due to budgetary reasons, the government was examining the possibility of the further partial privatization of 26 public firms, including CNCE, BNI, Petroci as well as the ceding of state assets in 54 further companies. According to official data from the government, from 2013 until the end of 2019, nine privatizations were completed, with 20 processes ongoing.

10 | Welfare Regime

The government has committed itself to poverty alleviation, but the country still suffers from years of political instability. Employees in the public sector continue to have access to a well-developed social security system, but only a small part of the population belongs to this category (less than 25% of those occupied in the formal sector). Social services have deteriorated owing to a lack of funding, a fact confirmed by the latest data on life expectancy. Life expectancy remained at a historic low of 57.4 years in 2018, which is one of the absolute lowest values worldwide. The large informal sector contributes to poverty reduction, albeit to an unknown extent. The government has invested a lot in free public education. An evaluation published in 2018 showed that, nevertheless, 30% of all children between the ages of six and 11 remain outside the school system. Public expenditure on health care stood at 1.3% of GDP in 2017. While the government has offered unlimited free health care to pregnant women and children up to the age of five, it will need to invest much more to meet the health-related SDGs. At the same time, the level of Côte d'Ivoire's health performance (incidence of malaria, tuberculosis, HIV prevalence) remained close to that of the least developed countries, despite the country being more developed.

Following the elaboration of the national Strategy of Social Protection in 2013, the government introduced the Couverture Maladie Universelle in December 2014, a fee-based public-supported universal health insurance scheme for both citizens and migrants living in Côte d'Ivoire. However, the scheme remained only on paper for several years. In April 2017, the government started a pilot phase for students in public and private universities to cover a compulsory fee of CFA 1,000 paid by the government. At the end of 2019, the government then officially launched the scheme with a limited basket of care. By July 2020, 2.5 million Ivorians had eventually registered, with half of them having received the necessary insurance card.

Social safety nets



One of the government funds introduced in March 2020 to deal with the impact of COVID-19 was directed at vulnerable households (FSS Fonds Spécial de Solidarité COVID-19). This fund mainly consisted of targeted direct cash transfers to 113,000 persons (by August 2020). In addition, around one million households had their electricity and water bills covered by the government for three months in 2020.

Women lack adequate access to public office and to educational institutions, as shown by the low percentage of women in parliament. Currently, 11.9% of the members of parliament are female. In the forthcoming election in 2021, a gender quota will be applied. The literacy rate is significantly lower among women (40.5% in contrast to 53.7% for men and 47.2% combined). Female enrollment in the education system faces still many challenges, although the situation has improved over the last years. The gross enrollment ratio is 100.3% for primary, 54.6% for secondary and 9.3% for tertiary education. Women also form only 41.9% of the labor force, even though the percentage has incrementally risen over the last decade.

While equality of opportunity is protected by the constitution and other legal norms, people from the north have faced discrimination in the education system and the job market since the mid-1990s. With a northerner holding the presidency since 2011, this discrimination has stopped but the effects of previous marginalization are still felt. Moreover, constitutional and legal questions concerning northerners' citizenship rights have not yet been fully addressed, even though Ivoirité provisions in the electoral framework have been weakened. Other minorities, such as albino and LGBT people, face discrimination and lack legal protections.

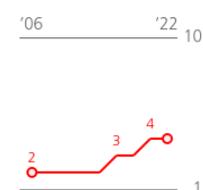
11 | Economic Performance

The political-military crisis, the civil war and the division of the country after 2002 plunged Côte d'Ivoire into a severe economic crisis with negative growth rates. However, a sound structural base prevented the economy from collapsing altogether despite the disruption to infrastructure and the business environment. High cocoa prices and oil exploration in the Gulf of Guinea, sectors which remained largely untouched by the conflict, triggered economic growth even during the era of President Gbagbo. The year 2009 saw real growth in per capita income for the first time since 1998. Between 2011 and the beginning of the COVID-19 pandemic, most macroeconomic indicators demonstrated quite positive prospects. The economic growth rate stood at 8.0% in 2012 and remained high throughout the decade. With growth rates of 6.8% (2018) and 6.9% (2019), Côte d'Ivoire was among the fastest growing economies in Africa. According to IMF projections, the country is expected to cope relatively well with the COVID-19 shock.

The debt situation has been relaxed, as a significant amount of external public debt was written off following the completion of the HIPC program in the 2000s. Public debt stood at 37.9% of GDP in 2019. The government announced that its efforts to

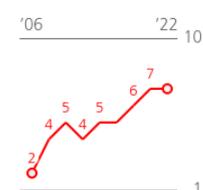
Equal opportunity

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Output strength

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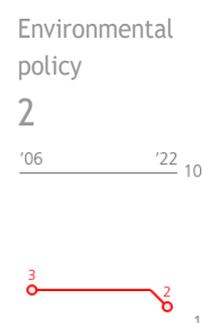


bring down unemployment had had success, with the official unemployment rate (2019) standing at 3.6%. But this should be treated with caution (mainly because of the relative importance of the informal sector). The potential for further overall economic growth is perceived to be strong, with the tax base strengthening (11.8% of GDP in 2018), and FDI continuously increasing between 2011 and 2019 (although FDI remains moderate in terms of its ratio to GDP). Côte d'Ivoire had a negative current account balance of -\$2,077.4 million in 2018, which marked a deterioration in comparison to previous years (-\$1,049.1 million in 2017 and \$510.7 million in 2014).

12 | Sustainability

Ecologically compatible growth receives only sporadic consideration. In addition, the country has only a rudimentary framework for environmental policy, notwithstanding the increased emphasis on sustainable development and the country's participation in the formal SDG monitoring mechanism. The government also decided that SDG 13 would be one of its priorities, which suggested that substantial progress would be feasible. The main environmental law, however, dates back to 1996 and does not take into account the Sustainable Development Agenda. There is quite limited public awareness for environmental concerns as well. The country was ranked 176 out of 180 countries on the Environmental Performance Index 2020, with a score of 25.8. Over the last 10 years, the country's environmental performance deteriorated. This is largely due to the loss of biodiversity and tree cover as well as the increase in air pollution (CO₂ and SO₂ emissions), which shows that environmental concerns are subordinated to economic efforts.

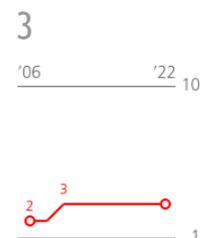
The country still depends on commodity exports, but the fiscal squeeze, which has increased pressure on producers over recent decades, has led producers to adopt extensive cultivation methods. Furthermore, the stock of virgin forest has been nearly completely destroyed, despite the existence of strict regulations that restrict commercial logging and agricultural encroachment since the 1990s. Approximately 40% of smallholder cocoa production takes place in protected areas. In 2018, an initiative of producer associations and the global cocoa industry was created, the "Initiative cacao et forêt," which uses satellite pictures to discover cocoa production in protected forest areas. As a consequence of this initiative, the police have started to evict planters from such areas. The Ivorian government also enacted new legal regulations in October 2019. These regulations provide stronger protections for the remaining stock of virgin forest, while allowing for the agro-industrial use of protected areas that have already been destroyed.



In terms of educational infrastructure, Côte d'Ivoire has a very poor record. Since independence, the country has put more emphasis on importing skilled people than on developing its own training capacities. Expenditure on education was never low and averaged about 4.6% of GDP over the last decade and stood at 3.3% in 2018. Although the government has made basic education one of its top priorities since 2012, the quality of education continues to be rather poor, as shown by a very low overall literacy rate of 47.2%. The U.N. Education Index for Côte d'Ivoire stood at 0.453, revealing the many challenges that the country still faces in promoting universal quality education. Many schools lack basic infrastructure (drinking water, electricity, toilets and teaching materials) and qualified teachers, and the state continues to spend too much on administration vis-à-vis equipment and physical infrastructure. Gender inequality in education remains substantial, as shown by the significantly lower literacy rate and lower enrollment rates in all sectors among women (see “Equal Opportunity”).

The state does not invest in research and development. Universities have not recovered from the 10-year political-military crisis and there is very little capacity available for research.

Education policy /
R&D



Governance

I. Level of Difficulty

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

In 2011, the Ouattara government inherited an already impoverished country with low human development, a shrinking educated labor force, a highly polarized political process and violent social conflicts. One of the reasons for the violent escalation of the conflict had been the scarcity of land and the unsustainable agricultural strategy. The division of the country, which lasted over eight years, created a terrifically difficult governance legacy. However, following a decade of political stability, the legacy of the war on political decision-making is becoming less relevant.

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

Côte d'Ivoire belongs to those African countries in which the introduction of immediate and stringent lockdown policies seem to have prevented major infection rates. In Côte d'Ivoire, lockdown policies were initiated in March 2020, with 40,000 infections and 237 deaths recorded overall by early 2021. The lockdown and its implications might have disrupted economic transformation to a much stronger extent than the direct fatalities caused by the pandemic.

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

The climate of intimidation and the militarization of public life since 1999 effectively crushed the potential for stronger civic participation in public life. Elements of civil society such as student unions themselves became drivers of

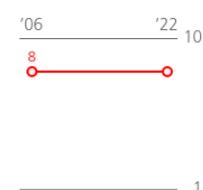
Structural
constraints

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Civil society
traditions

8



polarization and confrontation. The lack of a serious reconciliation policy of the government has not helped to overcome the climate of mistrust and repression. The will of the opposition to achieve a true reconciliation needs to be demonstrated somehow.

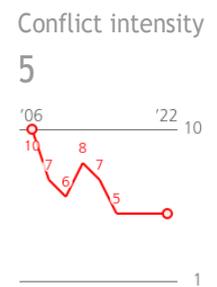
Since 2011, the framework conditions for civil society activism have improved, but the number of active civil society associations remains quite low.

There are more than 50 different ethnic groups in Côte d'Ivoire. After years of social harmony, and the promotion of economic migration from neighboring countries by first colonizers and later President Houphouët-Boigny, successor governments have exploited ethnic resentments for their own narrow political advantage.

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

While open violence has stopped since 2018 (except for some isolated incidents during the presidential election campaign in August 2020), Côte d'Ivoire remains a divided society in which one segment of the population tried to use its political dominance to establish a populist-nationalistic regime based on the idea that citizenship should be restricted to southerners and Christians. When Gbagbo's regime was defeated, his party and supporters were imprisoned or fled to neighboring countries. Many have since returned and have been partly reincorporated into the political process, but divisions within the political elites remain as marked as ever, as the Ouattara governments have not made any attempts to be more inclusive than their predecessors.

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



II. Governance Performance

14 | Steering Capability

During the last years, the Ouattara government has concentrated on economic reform and social policies. The broader strategy represented a fair balance of promoting private investment, tackling the reorganization of key sectors, and focusing at the same time on long-neglected priorities of physical infrastructure, education and basic health care services. Overall, the government has developed quite a coherent agenda, with the support of the international community. This was demonstrated in its handling of the COVID-19 crisis: The government acted swiftly to introduce a lockdown and used its contacts in the international community to put together a comprehensive support package for various economic actors and vulnerable households, which was operational by July 2020, just in time for the electoral campaign.

At the same time, reducing dependence on the export of a few (mostly unprocessed) cash crops remains a challenge, as this dependence often leads to budgetary crises following strong fluctuations in world market prices (especially for cocoa). The government has certainly not prioritized addressing politically contentious issues, apparently hoping that economic growth and improved infrastructure will reduce grievances. Governmental interest in enforcing the 1998 land law and in formalizing land user claims has thus a much more important developmental rather than conflict-mitigating dimension. During the second tenure of President Ouattara, government strategies (e.g., the constitutional reforms in 2016 and the management of the 2020 presidential elections) reveal a clear commitment to strengthening the winner-takes-all character of the political system and entrenching the interests of the president and the ruling party rather than transforming the political regime into a fully democratic system.

The current government lacks a strategy focused on reconciliation and peaceful cohabitation and has made little attempt to bring Ivorians together.

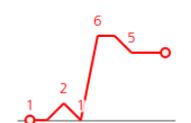
The government has managed to implement most of its reform agenda, tackling reorganization of key sectors, and setting a priority on large infrastructure projects (especially roads, electricity), education and health care. The government was also quite effective in mobilizing and spending additional funds to fight the consequences of COVID-19, with all four special funds operational three months after the pandemic hit the continent. Together with Ghana, Côte d'Ivoire was the first African country to receive vaccines under the COVAX initiative in February 2021.

Question
Score

Prioritization

5

'06 '22 10



Implementation

7

'06 '22 10



The government has also apparently become more effective in managing the security apparatus, after several years of mutinies and conflicts within the army. This was confirmed in the run-up to the presidential elections when former rebel commander and disqualified presidential candidate Soro unsuccessfully called on the army to withdraw its loyalty to the government.

Other areas which required further reform (e.g., judicial reform, decentralization or the fight against corruption) were not prioritized and thus the relevant reforms were not thoroughly implemented. This was due to the technical complexity of the issues and the political resistance of key actors within the government. Within the government apparatus, it would be difficult to clearly identify reform drivers and defenders of the status quo. The broader economic reform agenda has no clear opponents within the cabinet and, following the departure of Soro, it seems that the government has adopted a more coherent position on security matters.

President Ouattara's promise to work on national reconciliation is far from being kept and represents an obstacle to the socioeconomic transformation of the country.

The very notion of policy learning assumes a relatively strong coherence to policymaking, a condition that generally seems to have been restricted to the management of macroeconomic policies. However, in this area, two long-serving prime ministers as well as other relevant ministers have established good relations with international financial institutions, particularly as a result of improved fiscal management.

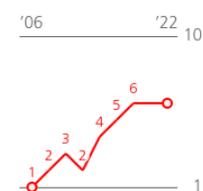
The reform of the cocoa, cotton and cashew sectors is perhaps a more direct example of policy learning, as evaluation of prior reforms has led to a reassessment of the state's role in managing the cocoa market and price regulation.

In other sectors, government action lacks institutionalized mechanisms for facilitating innovation in policymaking.

The lack of sustainable concrete action for national reconciliation shows that the government has not learned lessons from the recurring crises that the country has faced.

Policy learning

6



15 | Resource Efficiency

As President Ouattara has been at the helm of government for nearly 10 years now and has relied on a stable core team of ministers and advisers, there is relatively little turnover among senior government officials, especially in comparison to other African states. Budget policies and their transparency have been lauded by the IMF. Furthermore, although COVID-19 will increase the budget deficit (to 5.9% of GDP in 2020), most observers agree that budgetary consolidation will succeed when the pandemic-related dynamics in the local and global economy have been reduced.

Management of cocoa markets has involved successfully coordinating with Ghana. In March 2018, the presidents of the two countries officially launched a coordination initiative in order to extract a surplus paid by global market actors to producers in both countries. In this case, the Ivorian government was successful in using its market leverage (44% of global output in 2017) and increasing it by allying with Ghana (together 65% of output). The suspension of forward sales of cocoa beans by both countries in July 2019 had such a negative impact on global prices that global chocolate companies agreed to the idea of a \$400 per ton premium on all cocoa contracts. The so-called living income differential was also forwarded by the Ivorian government to local farmers at the beginning of the 2020/21 harvesting season. This significantly increased the minimum farmgate price, although notably this was in the context of the presidential election campaign.

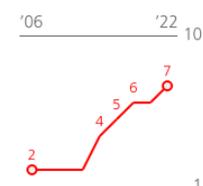
Decentralization is not a priority of the current government, but the country has a very weak tradition of decentralized governance. This is not only a challenge in terms of increasing demand-driven local governance, but also with regard to the development of a more coherent strategy of economic development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

Looking at the various administrative reforms which ended the high fragmentation in various policy sectors the government has apparently managed to adopt a more centralized style of policy coordination, which might also reflect the strong personalization within the presidential system of Ouattara and his growing capacity to marginalize competing networks. Government machinery seems to be quite efficient and conflicts between different departments rarely reach the public.

The government has set all its priorities on economic recovery assuming that this will increase legitimacy, mitigate land conflicts and make people forget the legacy of ethnic polarization and violence. At the same time, the neglect of a more inclusive political reform agenda puts the economic recovery and the gains in terms of human development at risk.

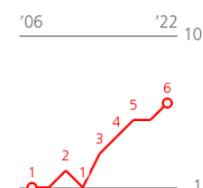
Efficient use of assets

7



Policy coordination

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Initially, it seemed as if the fight against corruption featured prominently on the agenda of the Ouattara government. However, today the effectiveness of the government's anti-corruption policies and institutions remains unclear. Watchdog organizations have criticized the government for the lack of political mobilization around the need to tackle corruption. While according to the latest Afrobarometer data (2019) 69% of the population think the government needs to do much more, it remains unclear whether the government really considers tackling corruption to be a top priority.

The National Plan on Good Governance and the Fight Against Corruption was launched in 2013 together with a new institution, the High Authority for Good Governance (HABG, operating since 2014). The government also appointed four judges within HABG in 2015 to expedite procedures. The HABG is involved in official investigations and publishes annual reports about its activities in the field of prevention, awareness-raising and investigation. It is, however, not a judicial body, which could effectively sanction corrupt practices.

The legal proceedings in the first corruption process prepared by HABG were initiated in December 2019 in Abidjan. As the president of HABG is appointed by President Ouattara, it is unclear how the institution could check the office of the president. The additional institutions meant to oversee the utilization of public funds (Inspecteur Général des Finances, Cour des Comptes) are understaffed and underfunded and thus not effective in preventing abuse and corruption.

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

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

Anti-corruption
policy

3

'06 _____ '22 10



16 | Consensus-Building

The political leadership, which has ruled the country since 2011, has in general been committed to democratic and economic transformation, but the way this agenda has been implemented does not reflect a broad political consensus. The previous Gbagbo government was certainly not anti-democratic in its ideology; however, much of the Ivoirité (nationalism) debate started from the conflict between different notions of democracy – that is, a narrow and exclusionary notion based on descent, the rights of autochthonous Ivoirians and the majoritarian principle, versus a more tolerant and inclusionary notion of citizenship. The positions of at least part of the FPI and Gbagbo loyalists are still based on this narrow understanding, driven by the idea that Ouattara is not Ivoirian, and the state has thus been captured by foreigners. However, after having come to power, the Ouattara side has now largely continued the legacy of interpreting democracy in purely majoritarian terms, although not based on ethnicity. Consequently, hopes that the government would adopt a more inclusionary interpretation of democracy have been disappointed. Whether democracy, even in its most narrow version, is truly accepted by all elite actors, however, might be questioned after the presidential elections in 2020.

The Ouattara government is considered to be a staunch defender of a liberal economy, but its actions thus far have been quite mainstream and have strengthened state intervention, for example in the cocoa sector, the large infrastructure investment projects, or the strong promotion of public health care and basic public education. The current opposition has not been vocal on economic policies, and – while the government is regularly accused of being a puppet of French neocolonial interests – there is quite a large consensus on economic development and strategies moving forward.

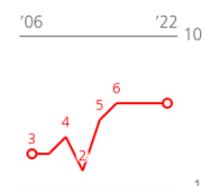
Although democracy as a long-term objective is not contested and the Ouattara government has shown at least a partial reform agenda, there are still a number of actors in Côte d'Ivoire who challenge the supremacy of elected officeholders. There remains some uncertainty about the extent to which military actors would accept the supremacy of a different government. Mutinies, which were a recurrent feature of politics throughout the decade, have stopped since 2018.

The FPI as the main opposition party has been paralyzed by power struggles between two opposing wings over the last years. With the likely return of former President Gbagbo to Côte d'Ivoire, this might end. Meanwhile, the challenge to the ruling elites' legitimacy might increase due to the current government's perceived lack of democratic legitimacy.

There are for now no jihadist groups active in the country which would challenge the democratic order.

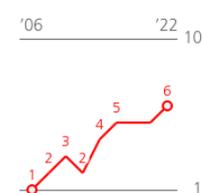
Consensus on goals

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Anti-democratic actors

6



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

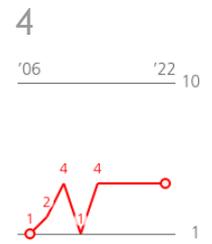
Between 2001 and 2006, people were harassed or killed due to ethnic and linguistic affiliation by death squads that were tolerated or even armed by the government. The subsequent drop in levels of killings and ethnic violence was primarily related to the massive international military presence in the country, rather than to any change in the political management by Ivorian actors. The political-military division of the country, although formally ended in 2009, was a physical manifestation of sociocultural cleavages. The post-electoral crisis of late 2010 and early 2011 saw a new wave of ethnically motivated killings, with both sides (and their allied militias) involved.

The current administration of President Ouattara cannot be accused of systematically fueling ethnic tensions. However, it has done little if anything to depolarize cleavages. Ethnic cleavages remain salient in most parts of the country. Elections in 2015–16 and 2020 have been quite peaceful (although less so in 2020) and did not lead to new outbreaks of violence. But few local observers think the government is concerned with a broader societal consensus.

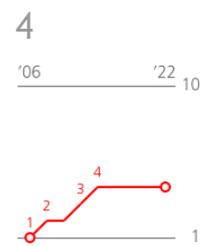
The already quite limited participation by civil society in the political process was weakened by the many years of political polarization, territorial partition and violent warfare.

Civil society actors have become more strongly involved in some sectors, such as the electoral process, especially in the function of observing elections. Constitutional reform in 2016 involved input from hand-picked academics and influential personalities, but without broader civil society consultation. When the government was forced to reform the electoral commission in 2019–20, civil society urged the government in vain to engage in a comprehensive discussion of institutional reforms. The minimal reform steps subsequently proposed were rejected by all non-governmental actors involved. Civil society has been unable to fight the growing political polarization or find a role in the fight against corruption. With the exception of trade unions, the current government, if not directly pushed from outside (as in the case of the accreditation of the National Human Rights Commission or with EITI), does not pro-actively involve civil society actors.

Cleavage /
conflict
management



Civil society
participation



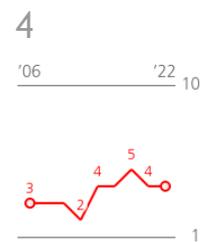
Soon after his accession to power, President Ouattara's government created a National Reconciliation Commission chaired by former PDCI Prime Minister Charles Konan Banny. However, this commission lacked an autonomous budget and sufficient resources to accomplish its role; moreover, all decisions and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

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

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

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

Reconciliation



17 | International Cooperation

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

International funding contributes toward reaching the objectives set by the government in the

National Development Strategy (PND 2016–2020), although the objectives of the PND are rather vague. As Côte d'Ivoire aspired to become an “emergent economy,” the National Development Strategy does not rely heavily on concessional development loans. In 2020, the government started to draft the development strategy for the period 2021–25 with the support of UNDP. However, the new strategy is not completed yet.

The government clearly prioritized good relations with Western donor organizations (and delivered better economic governance), while other international actors such as China were more important as trade or investment partners.

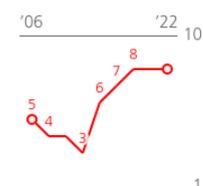
The current president and the ruling *équipe* are well aware that international assistance was essential in securing access to office, and that the country's stability will depend on the government's capacity to maintain international trust and credibility. However, this does not exclude the possibility of inconsistent policymaking or cases of rent-seeking within the administration.

President Ouattara (as well as former prime ministers Daniel Kablan Duncan and Gon Coulibaly) has been considered a credible and reliable partner by the international community, but the same is not necessarily true for all members of his government and administration. International trust in the economic reform program is certainly much greater than in the capacity of the government to further democratize the political system or to strive for reconciliation and consensus. Ouattara's decision to stand for a third presidential term was a severe blow to his domestic and international credibility. Many international partners apparently tried to use their influence to make Ouattara postpone the 2020 elections. Yet, the current opposition (composed of former presidents with questionable track records) is certainly not considered a better alternative by the international community.

The country's relationship with France has gone through various stages. The former colonial power remains Côte d'Ivoire's main trading partner, foreign investor and bilateral donor, and maintains a permanent military base in Abidjan. The French

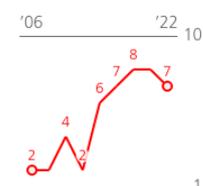
Effective use of support

8



Credibility

7



community has shrunk from more than 20,000 to around 8,000 people, but French-controlled business still accounts for a considerable share of the country's tax base. The current government is on good terms with France, and given the instability in the region, and the demise of long-term French ally Blaise Compaoré in Burkina Faso, Côte d'Ivoire's strategic importance for Western powers and France is likely to increase even more.

In terms of international legal obligations, the government has made some effort to comply with the requirements of reporting to the various human rights protocols which the country had signed and ratified in the past (and by the end of 2018 had fulfilled all requirements). It has ratified the new WTO Trade Facilitation Agreement (was never actively involved in dispute settlement). In 2017, Côte d'Ivoire accepted a decision by the International Tribunal for the Law of the Sea to award a disputed maritime area, where gas reserves are being explored, to neighboring Ghana. However, the Ivorian government did not accept the decision of the African Court on Human and People's Rights which considered the Ivorian Electoral Law a violation of human rights. Côte d'Ivoire was the only African country to accede to the Rome Statute after 2010 (in 2013), although the ICC had a huge importance for the country, as former President Gbagbo and his militia leader Blé Goudé faced trial in The Hague (and were eventually acquitted in early 2019).

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

ECOWAS welcomed Ouattara's victory, even naming him ECOWAS chairman in his first year of office. Since that time, Ouattara has tried to play an active and constructive role in regional politics and maintain good relationships with all neighboring countries. ECOWAS also remained silent about Ouattara's bid for a third presidential term and congratulated him for his successful re-election in November 2020. Earlier, in 2018, a minister of Ouattara's government became chairman of the ECOWAS Commission and a more critical stance would thus have come as a surprise. Ouattara was instrumental in pushing for ECOWAS military intervention in Mali and has a clear interest in supporting military cooperation with the governments of neighboring Burkina Faso and Mali in their fight against jihadist groups.

Regional cooperation

7



Relations with Ghana and Liberia were temporarily strained due to the apparent toleration of former senior FPI officials in these countries and the continued influx of militias (in the case of Liberia), although since 2014 bilateral relations have greatly improved with both neighbors.

Côte d'Ivoire has kept a lower profile within the African Union (AU). The decision of the African Court on Human and People's Rights, which considered the Ivorian Electoral Law a violation of human rights, has not been accepted by the Ivorian government.

Strategic Outlook

Over the last two years, prospects for further transformation toward democracy and a functioning market economy in Côte d'Ivoire have not improved. The Ouattara government has earned credibility within the international community but lacked the domestic legitimacy and possibly also the commitment needed to initiate more sustainable solutions to the country's various structural conflicts. Strong economic growth was the result of efficient and technocratic policymaking, which had the full backing of the president and the international community, but it also reflected the misery from which the country emerged in 2011. The economy is still heavily dependent on unsustainable and extensive cocoa production, and the resilience of other agricultural export sectors. Poverty and low human development remain widespread, and sustainable development will require continued but massive additional investment in education and health care.

We still lack reliable estimates of the social and economic costs related to the COVID-19 confinement measures that have been introduced since March 2020. Nevertheless, the government has been lauded for acting swiftly and with a differentiated set of policy instruments, and it is expected that Côte d'Ivoire might avoid a recession. The informal sector and poorer segments of the population were struck hardest by the crisis, which has put the progress achieved in education and health care over the last decade at risk. The future impact of the COVID-19 pandemic on Côte d'Ivoire's economy and society will depend on the country's access to vaccines, the management of the vaccination process and whether new mutations of the virus will cause higher infection rates.

Continued economic growth and the strengthening of the foundations of a market economy, however, will depend on political stability and the continued trust of international investors. Political transformation has largely stalled over the last years. Moreover, there is little prospect that the president will move toward a more consensual style of policymaking, with the more substantial inclusion of opposition or civil society actors, or that accountability mechanisms will be strengthened. With former President Gbagbo's imminent return to Côte d'Ivoire a very likely scenario, the country will return to the same political scenario which had plagued it since the mid-1990s. This scenario will reintroduce a cast of political dinosaurs who have shown little sympathy toward de-escalating conflicts or adopting an inclusionary mode of governance for more than two decades.

Back in 2010–11, external actors imposed a political solution, which might have reflected the majority of preferences within the country, but this was achieved only by force and through the assistance of outsiders. A decade later, it is still uncertain whether the political elites can organize open political competition free of violence. The international community should use its influence to further support sound economic management and a sustainable transformation of production, while also insisting on credible and inclusive institutions to build state-society linkages and to manage credible elections. It should continue to strengthen societal actors, many

of which support democratization, as well as transparent forms of governance. Unfortunately, repeated electoral cycles have failed to produce a stable and legitimate government, which would create a much better framework for continued economic growth, social development and economic transformation. The next five years will thus continue in a climate of political polarization with the regime lacking popular legitimacy. As the contours of the political community remain contested, achieving political stability and social integration within Côte d'Ivoire remains the main challenge for further peaceful transformation.