

Central African Republic

Status Index (Democracy: 1.4 / Market economy: 1.7)	3.1	Management Index	1.2
System of government	Autocracy	Population	3.8 mill.
Voter turnout	56.4 %	GDP p. c. (\$, PPP)	1,300
Women in Parliament	7.3 % (2003)	Unemployment rate	n. a.
Population growth^a	2.3 %	HDI	0.363
Largest ethnic minority	0.34 %	UN Education Index	0.40
		Gini Index	61.3 (1993)
Data for 2001 – if not indicated otherwise. ^{a)} Annual growth between 1975 and 2001. Source: UN Human Development Report 2003.			

1. Introduction

The Central African Republic (CAR) is a poor country according to the usual indicators, yet it is rich in natural resources (diamonds, timber, recent oil discoveries). However, the sparsely populated and only marginally accessible interior is extremely poorly governed. After a series of mutinies, coup attempts and rebellions, Ange-Félix Patassé is at the lowest point of his presidency. He consistently controls only portions of the capital city and is kept in power by allied troops, as well as peacekeeping troops deployed at the end of 2002. Yet the opposition is apparently incapable of turning the tide definitively in its favor.

A presidential election was held in June 1999 and a parliamentary election at the end of 1998. Patassé held on in the face of a divided opposition, in the first vote on his own power, and in the second through unorthodox methods of bribery and coercion. Meanwhile, his ethno-regional political support base has fallen apart. This status report of the transformation toward democracy and a market economy during the last five years (1998-2003) concludes that economic reform was not possible due to the advanced disintegration of the state and emerging civil war.

Democratic transformation has suffered significant setbacks from the massive use of violence on all sides. The difficult starting conditions cannot be disputed; certain managerial successes of the prime minister targeted the small privileged elite close to the president, but can at best be considered crisis management. International donors are operating emergency programs that required some adjustment to take recent catastrophes into account. There are deficiencies in every transformation category.

2. History and characteristics of transformation

The process of economic transformation first became relevant after France's withdrawal from segments of the state administration in the mid-1990s, but the political transformation began in 1990 with a written call by 253 prominent citizens for a sovereign National Assembly. Kolingba, the military dictator at that time, bowed only to the pressure of international supporters. The first multi-party elections (1992) were annulled and an interim government was established. After repeat elections in the following year, Kolingba reluctantly bowed once again only to pressure from these supporters and accepted his defeat by Patassé. Patassé immediately abandoned the elite consensus of the transition phase and began a campaign of exclusion against the members of the old regime.

Like Kolingba, who had "tribalized" as the first president, Patassé favored those from his homeland in the northwest. A second election was held under Patassé and ran relatively smoothly. A new constitution was adopted by referendum. But behind this facade, serious defects were developing in the political arena. From an economic perspective, the increasing amount of unpaid salaries—up to 40 months worth—owed to state workers is the clearest sign of failure. Without the various interventions of peacekeeping and other troops, Patassé would not have survived politically three mutinies in 1996–97, two attempted coups in 2001 or a rebellion in 2002. Moreover, the international community provides a large portion of the limited public services. Viewed in this context, this report can only be of relative value for comparative evaluation.

3. Examination of criteria for democracy and a market economy

3.1 Democracy

The CAR has only lost ground in the area of political transformation during the evaluation period. But it is worth noting that individual institutions (Parliament) and key actors (unions, human rights activists) have attempted to move forward in the democratic process without being sucked under by the maelstrom of ethnic polarization. The most serious transformation deficits lie in the rule of law, and, indeed, in the fundamental identity of the state. The institutional stability of democratic institutions is at extremely high risk.

3.1.1 Political organization

(1) *Stateness*: The CAR is the epitome of an artificial state, from its purely geographical designation as a state, its uncontrolled borders and decades of massive intervention by its former colonial ruler, France, down to the complete lack of government presence in large sections of the eastern part of the republic. The lack of necessary infrastructure renders parts of the country truly accessible

only by helicopter. The saying “The country ends at mile-marker 12” (from the city center of Bangui) says it all. Since 1996, a succession of conflicts bordering on civil war has caused further setbacks. State workers are no longer paid. Diamond smuggling is thriving. The head of state relies on rebels from the MLC—a Congolese rebel organization—and Libyan troops, rather than his own army, and the whole northwest has meanwhile fallen victim to raids of the rebel Bozizé and highway robbers from Chad.

State identity and definition is still more or less politically irrelevant. Church and state are constitutionally separate. What little substance is left of the state serves to enrich elite representatives by providing a vehicle for every sort of misappropriation of funds, from demobilization revenues to diamond export licenses to by-products of humanitarian aid.

(2) *Political participation*: Universal suffrage and the right to stand for office are legally established in the constitution. The technical standards of multiparty elections are noteworthy in an African context, but are due solely to the massive influence and logistics of international supporters. Without the UN peacekeepers of MINURCA, the 1998–99 elections could hardly have taken place. There were certainly opportunities for public participation before the crisis of 2001, but without attempting to justify the rebellions of Kolingba and Bozizé, this form of periodic consultation with the will of the voters does not constitute democracy. Patassé held his office as an elected autocrat, and many representatives did not return to their constituency from Bangui after their election.

The military does not act as one. Various rebellions and Patassé’s preference for foreign troops demonstrate that there are hardly any troops left loyal to the government. The post-mutiny army reform did not fail because of the military’s fundamental unwillingness to reform. Rather, it failed due to the perception that Patassé planned to replace current forces with ethnic troops, as well as to a lack of economic alternatives. But the civil opposition has certainly learned since 1996 that the demands of armed rebels gain more concessions from the regime than peaceful demonstrations and resolutions.

The constitutionally guaranteed rights of political organization and communication are only respected to a limited degree. Ex-President Kolingba’s powerful opposition party, the RDC, was temporarily suspended after the coup attempt in May 2001. Various events of other parties were forbidden, and public demonstrations were violently suppressed. The state media are firmly controlled by the government; publishers of private newspapers and journalists who freely voice their opinions are repeatedly threatened and temporarily imprisoned. A leading union representative has been maltreated on many occasions and prevented from leaving the country. Individual party leaders have gone into exile out of fear. Civic groups can be established easily, but their potential is limited. A majority of the “democratic” powers would now (late 2002) welcome Patassé’s removal by force.

(3) *Rule of law*: Amidst all of the shortcomings, one thing is noteworthy: The controversial head of the National Assembly has firmly established himself as the President's most significant adversary from the ranks of the governing party. On the whole, the legislative branch enjoys a wide range of constitutionally guaranteed prerogatives and has exercised some of them. The Parliament has opposed the executive branch many times during the evaluation period, held votes of no confidence, compelled ministers to resign (or achieved their dismissal) and taken critical resolutions.

In contrast, the judiciary branch is underfunded and not sufficiently independent from the executive branch. A spectacular case of corruption led to the downfall of Finance Minister Sorongope in spring of 2002, but many other offences committed by holders of high office have gone unpunished. Attorney General Bindoumi's method of leading the inquiry during the trial of those responsible for the 2001 coup attempt provoked protests from both domestic and international human rights organizations.

Moreover, some judges are threatened, while others are specifically chosen for ethnic or political loyalty. Several unsolved murders of judges and public prosecutors occurred during the evaluation period. One effect of the developing civil war is that basic human rights are flouted with increasing regularity. Aside from the ethnic cleansing in some sections of Bangui (May/June 2001 in the south, the end of 2001 and October/November 2002 in the north), plundering and rapes committed by roving bands of MLC soldiers have been reported. Freedom of religion exists.

3.1.2 Democratic Stability

(1) *Institutional stability*: Stability has been out of the question for some time now. The government's very survival is at great risk, and a violent end to the Patassé regime could come at any time. An increasing number of influential actors are calling for precisely this action, yet without rendering them enemies of democracy. The state's institutional structures never were particularly effective.

(2) *Political and Social Integration*. The colonial powers have declined to enforce control over the whole country. Government services are no longer even expected in large portions of the country. This also means the inhabitants of these areas are barely integrated into society. Although they are politically integrated through participation in elections, elected candidates—as already mentioned—often do not return to their constituencies a single time during their entire term of office.

But this is not necessarily confined to specific identity groups. The pygmies are an ethnic group living on the edge of society, only partially integrated, and they carry almost no weight politically. Traders from Chad and refugees from Democratic

Republic of the Congo and Rwanda quickly become scapegoats and often live in mortal danger.

The highly fragmented party system (eleven parties are represented in Parliament and seven representatives are officially independent) is partially influenced by ethno-regional loyalties. A comparison of the elections of 1993 and 1998-1999 shows more continuity than change. So it would be imprudent to speak prematurely of an unstable party system. Patassé's party, the MLPC, carries only a relative majority, but has always been able to produce respectable results nationwide.

The two oldest parties—MLPC and RDC—are more firmly rooted in society than the rest, due to the overwhelmingly personality- and patronage-based politics in the state. The fact that both of the first multiparty presidential elections were dominated by veterans of the political scene—Goumba and Dacko have been active since the late 1950s, Patassé since the early 1950s and Kolingba since the late 1970s—points to an extreme personalization of politics.

Even the smaller opposition parties are mainly personality-oriented voting organizations. Formerly the sole legal party, the RDC is also a bastion of the formerly privileged; the MLPC is still surrounded by the aura of a one-time illegal revolutionary party. The opposition put together many platforms, but was unable to lead a unified campaign against Patassé. It remains to be seen whether the most recent coalition platform, *Coordination des partis politiques de l'opposition* (CPPO), which organized powerful demonstrations in late 2002, is capable of long-term strategic cooperation.

The CAR does not have a diverse range of interest groups, although it does have remarkably active unions in Bangui. The cooperation between the government and social interest groups leaves much to be desired. Very few of these organizations are efficient and committed to the transformation process. The LCDH, a local human rights league, is the most significant organization in this respect. The Catholic Church supports democracy and reconciliation with mixed results. A power-hungry and greedy elite plagues the population.

3.2 Market economy

The CAR was unable to make significant progress in transforming its economic order during the evaluation period. The IMF's 1998 grant of an Enhanced Structural Adjustment Facility was considered a success, but it also drove up the national debt. There are deficiencies of transformation in all relevant areas.

3.2.1 Economic order

(1) *Level of development:* The CAR is one of the poorest countries on earth, with uniformly low relevant indicators. The country's development status, ranked at 165th in the Human Development Index, describes the situation accurately. Citizens are hardly allowed any kind of freedom of choice. Women are disadvantaged in the public sector and in access to services.

(2) *Market and competition:* The most important reform during the evaluation period was the introduction of the 18 % value-added tax in 2001. But it is unclear just how many of the 150 large companies have actually implemented the value-added tax. Large parts of the country live at the subsistence level with agriculture as the backbone of the economy. Diamonds and timber account for the vast majority of exports and government revenues.

The small private sector must endure high transport costs, an energy crisis and destruction caused by continuous military activity. A series of mutinies since 1996 has further reduced an already minimal interest in investing in the economy. The government reports the economic consequences of the May 2001 coup attempt as follows: \$70 million reconstruction costs, downward correction of the national budget by 31 % and decline in the projected growth rate from +5.1 % to -1.5 %. The diamond sector is ruled by an oligopoly that allows only a limited form of a free-market economy.

The criminalization of the economic arena is quite advanced, and persons close to the regime receive special treatment. The banking supervision agency is now governed by the *Commission Bancaire de l'Afrique Centrale* (COBAC), rather than national structures. Despite the privatization of the two most important banks, the banking sector is ailing. Political pressure is still misused to grant bad loans that are almost never repaid. In 2001, a money-laundering scandal at the local branch of the Bank of Central African States (BEAC) led to the national director's dismissal, and observers suspected the President's involvement as well.

(3) *Stability of currency and prices:* The CAR has enjoyed a highly stable currency because of its membership in the Franc Zone. The BEAC is responsible for monetary policy. The government's fiscal policy is criticized for ineffectively mobilizing tax revenues, showing one of the lowest collection levels in Africa. This is compounded by the government's extremely limited ability to enforce customs laws (especially with diamonds and timber). A look at expenditure policies reveals that the IMF's loan approval from 1998 accelerated the debt-spiral in the short-term, but the debt-service ratio dropped after 2000 thanks mainly to prudent loans. The earliest the government will qualify for debt relief from the HIPC Initiative assisting highly indebted poor countries is 2003.

(4) *Private property*: In this category, the only meaningful development during the evaluation period is the—admittedly slow—privatization of the state-owned PETROCA oil company, including the sale of its network of gas stations. In comparison to some neighboring countries, the government has never been a particularly vigorous economic actor. Neither the state nor anyone else was able to protect private property sufficiently during past crises; plundering was a common occurrence. Thus, the country's attractiveness to domestic and foreign investors is extremely limited.

3.2.2 Economic performance

(1) *Output strength*: The national economy continues to be shaped by traditional agriculture. This sector employs 56 % of the working population, generating a similar percentage of the GNP. But development in this sector has remained static. Declining economic growth (1998: 9.6 %, 1999: 2.9 %, 2000: 2.2 %, 2001: -1.5 %, 2002: 1.0 %), which was already based on a weak foundation, clearly shows that the CAR has almost no prospect for development.

Without peace and fundamental change in the state budget, without seriously combating corruption and attracting investment and without reversing governmental disintegration, there is no long-term hope for improvement. Even the oil deposits discovered in 2002 will likely have little effect on the situation. The President has given a Libyan company the right to exploit its oil resources, although Patassé did meet with representatives from US oil companies as well. But the worsening consequences of oil revenues weakening most governments in Africa leaves little hope for a positive outcome.

(2) *Sustainability*: Environmental concerns are, as a rule, ignored, but economic practices currently put little strain on the environment. The timber industry is a mainstay of foreign trade. Currently, a moderate 0.4 % of forested land is lost per year, but without any prospect for better management. A short-lived boom in 2000 has since ended. The largest timber company had to close its doors in 2001 due to the energy shortage. The easy availability of weapons since the mutinies of 1996-1997 has led to an alarming increase in poaching, threatening the numbers of forest elephants and other animals.

(3) *Welfare regime*: Social risks must be addressed largely through traditional means, based on the solidarity of family relationships. The OCSS social security agency is in arrears to its recipients. In some areas there are equivalent safeguards offered through informal savings groups or the solidarity of church congregations. The residents of Bangui were dependent upon aid from the international community during the worst crises of recent years.

The state health system is overtaxed, and strikes over unpaid salaries have rocked this sector as well. The indicators also show cause for concern. Average life

expectancy is currently 44 years (49 for Africa as a whole). Doctors are distributed throughout the country extremely unevenly. The growing rate of HIV infections is cause for alarm. It is officially at 14 % as of August 2002—double the African average. Basic care is supplied by international donor programs.

There is certainly a disparity in educational opportunities between men and women (see below). Access to a regular income and public office continues to be disproportionately more difficult for women. Women comprise 11.5 % of the cabinet, and 7.3 % of the members of Parliament, as of the last parliamentary election. Ruth Rolland was a very popular candidate entering the 1993 presidential election, but only managed to garner 1.0 % of the vote.

The primary and secondary education system is extremely underdeveloped and has been neglected for a decade. The effects of the AIDS pandemic are especially dramatic here. According to World Bank data, AIDS is the cause of death for 85 % of teachers. In addition, there are numerous teacher strikes because of unpaid wages; the most recent one preceded the attack by Bozizé's rebels on October 25, 2002. Without teachers, many schools had to close. The Prime Minister started a seemingly useless initiative in 2002 to distribute school desks to support the re-opening of rural schools.

There are no current statistics for the state's true educational spending in relation to the GNP (1985-1987: 2.6 %). The illiteracy rate for men is 41 %, and 67 % for women; 17 % and 6 %, respectively, attend secondary school. While receiving a disproportionate 24 % of educational spending, the university (with approximately 7000 students) offers too few programs in the most-needed fields of study (agriculture, medicine and veterinary medicine). Classes were regularly cancelled during the evaluation period because of strikes and political unrest.

4. Trend

(1) *Democracy*: There was no progress worth mentioning during the evaluation period. The trend seems, in fact, to be in the opposite direction (shrinking civil liberties, the erosion of state institutions, growing support for a violent solution to the government crisis). The development of civic interest groups and organizations has stagnated at an insignificant level. The Bank of Central African States (BEAC), and its supervising authority COBAC, have gained respect for their efficiency, but this cannot be directly attributed to the CAR.

(2) *Market economy*: Fundamental developmental indicators show a continual worsening of macroeconomic indicators (especially the GDP growth) during the evaluation period; the HDI has improved only slightly, while the GDI has improved markedly.

Table: Development of socioeconomic indicators of modernization

	HDI	GDI	GDP Index	Gini Index	UN-Education Index	Political representation of women ^a	GDP per capita (\$, PPP)
1998	0.371	0.359	0.40	-	0.38	7.3	1118
2000	0.375	0.500	0.41	61.3	0.39	7.3	1172

^a Percentage of women delegates in parliament after the 1998 election.

Sources: UNDP, Human Development Report, 2000, 2002,

<<http://undp.org/hdr2000.english/FAQs.html>>, <<http://undp.org/reports/global/2002>> [accessed 22/10/2002].

The institutional framework for free-market trade has further deteriorated with the accelerated disintegration of the state since mid-1996. Government services are difficult to obtain because government workers are paid irregularly, if at all. The consequence of this situation for private industry is that laws and rules only exist on paper.

Table: Development of macroeconomic fundamentals (1998-2002)

	1998	1999	2000	2001	2002
Growth of GDP in %	9.6	2.9	2.2	-1.5	1.0
Export growth in %	-	-3.3	9.5	-14.4	-3.2
Import growth in %	-	-10.3	-10.7	-1.0	-12.1
Inflation in % (CPI)	-1.9	-1.5	3.1	3.8	3.0
Budget deficit in % of GDP	0.0	-0.5	-0.5	-0.4	-
Current account balance in billion \$	-0.071	-0.027	-0.011	-0.035	-0.016

Source: Economist Intelligence Unit Country Report, November 2002

5. Transformation management

5.1 Level of difficulty

Insignificant economic development, the lack of basic market-economy structures, poor education, ethno-regional conflicts, inefficient administration of the state and the state's lack of a monopoly over the use of force provided extremely difficult conditions for continuing the transformation from the outset of the evaluation

period. The condition of the country's interior, with its very rudimentary infrastructure, contributes to this as well.

In terms of structural socioeconomic conditions that shape the political process in the long-term, the level of difficulty of transformation must be seen as relatively high. A fundamental consensus in support of democracy among average citizens could still be assumed before the evaluation period. CAR citizens' prior experience with state systems is altogether conflicting. They include variations on traditional political cultures and institutions, although most were governed by rules of consensus; colonial rule; two successful coups d'état and neo-colonial intervention; and finally a multiparty system 1979-1981, while all neighboring countries were under authoritarian rule.

5.2 Reliable pursuit of goals

A state reform strategy is barely recognizable; the most important targets came from Washington and clearly focus on damage control. The PRSP process (the Interim Poverty Reductions Strategy Paper, dated December 13, 2000) targets a more widespread integration of societal groups and organizations, and has only been achieved piecemeal. Reliability of expectations cannot be expected here.

5.3 Effective use of resources

The state has only limited access to staffing and organizational resources for its economic transformation policy. Embezzlement of public funds still occurs regularly in some areas, with inquiries and punishment a rarity. The arrest of Finance Minister Eric Sorongope while he was in office was at least a symbolic victory in the battle against corruption. But the inner circle of state leadership has shown little interest in seriously combating corruption, as it faces similar allegations itself.

There can be no progress in the fight against crime without strengthening the customs agencies (diamond smuggling deprives the state of approximately 50 % of export revenues) and public prosecutor's offices. Criminal activity is difficult to control with just one single prison, recently renovated in 2001, and this encourages the growing practice of vigilante execution of thieves.

5.4 Governance capability

The state's organizational capability is minimal. The public has only limited faith in the government. The main problem is enforcing state policies, considering low capacities in rural areas, as well as lack of commitment by underpaid or unpaid state workers.

5.5 Consensus-building

The goal of reform toward a market economy and democracy is not really agreed upon among the elite or within the government. Rather, the goal is maximizing annuities, including “democracy funds.” There would be a great deal of support for this among the public, but the state rarely asks for public consensus. Finally, public sentiment shows growing approval for removing the regime by force.

The majority of individual parties’ reform programs are vague and neither raise the subject nor leave room for consensus-building. Most parties are generally capable of forming coalitions, but this no longer seems possible between the MLPC on one side and the PUN, FODEM, FPP, and RDC on the other. The increasingly frequent outbreak of violent conflicts hinders consensus-building.

5.6 International cooperation

The net improvements in transformation remained negative during the evaluation period. The last coup attempt further damaged the chances of a new PRGF loan from the IMF. The donor community has meanwhile declared the CAR an international hardship case, but is no longer willing to advance large amounts of developmental assistance. The Central African Economic Community, CEMAC, of which the CAR is the weakest member, is earnestly attempting to mediate and secure peace, but hardly possesses the best institutional and logistical qualifications for the job. Membership in COMESSA, the Libyan-dominated Community of Sahelian and Saharan States, provided Patassé with critical support in 2001–02, but this could prove to be short-lived.

The relationship with neighboring Chad became sensitive in late 2001, and there was a small border dispute with Cameroon in 2001. The repeated operation of Sudanese warring parties within CAR territory attracts no attention at all. The relationship with the Democratic Republic of Congo has been seriously strained by Patassé’s open pact with Bemba’s rebels. His future integration into the government in Kinshasa (as a result of the peace treaty) could bring improvement vital for the smooth operation of inland shipping traffic on the Oubangui River.

Although a few opposition politicians have ties with the Republic of the Congo, this is the neighboring country with which Bangui has the fewest problems. Actors in the neighboring countries tend to use the weak state as a retreat zone and deployment area, a trend that has increased during the evaluation period. But the CAR government is not always the victim; it sometimes perpetrates unfriendly acts against its neighbors, as well.

6. Overall evaluation

In view of the originating conditions, current status and evolution achieved, as well as the actors' political achievements (management), this report arrives at the following concluding evaluations:

(1) *Starting conditions:* The starting conditions for transformation can be rated as very negative overall. Even before the observation period, the country had almost no functional or effective market-economy structures. A national identity does certainly exist, promoted by Sangho, the local language, and the constantly revisited legend of Barthélémy Boganda, the mythic founder of the state. The state itself was almost non-existent in some regions even before the observation period. The mutual distrust within the political elite seems insurmountable; the government is neither loyal to democracy nor are segments of the opposition loyal to the system.

(2) *Current status and evolution:* Democratic transformation regressed during the observation period, calling into question the fundamental validity of the multiparty system. Consolidation is not even an option due to the repeated crises of civil unrest; the transformation toward a market economy is just as unimpressive.

(3) *Management:* The verdict on the actors' relative management performance is decidedly negative. During the observation period there was no noteworthy progress in the economic transformation process compared to the previous period. This process is highly donor-driven, and state participation is insufficient. The necessary domestic political reform would weaken the President's position and is ignored for this reason alone.

7. Outlook

The thoroughly negative transformation picture, if this can even be called a transformation, leaves little doubt of the trend: downward to disintegration of the state and civil war. The immediate prospects are grim. There is little hope under the current head of state, who never tires of calling himself the "elected President" but prefers authoritarian rule. However, the prospects would not necessarily be any better if Patassé's regime were removed by military force. The mutual distrust among the most important actors is so strong that little hope remains for fundamental improvement over the next five-year period.