

Abidjan, April 18 1993

To: George Eaton, USAID Mission Director, Niger
From: Rene Lemarchand, DG Consultant, Abidjan
Re: Assessment of the Niger Mission D/G Activities

This is a follow-up to the joint report submitted by Robert B. Charlick and I at the conclusion of our visit to Niamey, January 25-30, 1993. The aim is to place the human rights and democracy program of the AID mission in the context of recent political developments, to identify the obstacles that stand in the way of a consolidation of democratic governance, and make tentative recommendations as to what should be the main thrust of the mission's D/G activities over the next two or three years.

Part One of the report discusses in general terms the constraints on democratic governance arising from the dynamics of the political transition currently going on in Niger. We look first at the impact of the national conference on the restructuring of the political arena, then move on to a discussion of the Tuareg insurgency as it affects both the human rights situation and civil-military relations, and offer a tentative assessment of the outcome of the legislative and presidential elections for an understanding of the prospects for democratic governance.

Part Two focusses on specific aspects of what appears to be a singularly "disabling environment" for the consolidation of democracy. Taking into account the recent guidelines issued by AFR/W for assessing D/G performance, we look at the following indicators: freedom of the press, freedom of association, human rights, public sector transparency and public accountability, and try to deal with the issue of level vs. trend in D/G performance.

Part Three looks at a possible shift of focus in the mission's D/G agenda; it makes specific recommendations with regard to a long-term, DFA-funded project that would improve institutional local-level capacities for self-governance, and integrate other D/G related, mission-sponsored activities, such as the village law program and the mass media and democratization project. It picks up on some of the points previously made in our joint report and expands on several other dimensions.

Parts One and Two draw extensively from open-ended interviews conducted in Niamey from January 25-30 with a variety of respondents -- community influentials, intellectuals, politicians and civil servants. Part Three leans heavily on the insights and data available from the following US AID documents: Sahel Decentralization Policy Report, Vol. I: Decentralization, Governance and Problem-Solving in the Sahel, prepared by James Thompson (December 1991); Local Public Finance and Institutional Reform in Niger, prepared by Richard Darbera and Robert Hall (April 1992), and Niger Economic Policy Reform Program/ PAAD and PP Amendments (September 1992). All three sections reflect my indebtedness to Robert Charlick for his willingness to share with me his thorough knowledge of Nigerien society and politics, and to Ambassador Jennifer Ward and DCM David Litt for giving me the twin benefits of their judgement and hospitality.

This said, and by way of an entree into our subject, the following preliminary observations are worth making at the outset:

* The election to the presidency of Mahamane Ousmane, Niger's first democratically-elected head of state in 33 years, marks a turning point in the history of the country; although there are encouraging signs that the Ousmane government may succeed where others failed (especially with regard to the Tuareg question), it is much too early for a comprehensive assessment of the regime's performance. Thus, much of our discussion in Parts One and Two focusses on the transitional phase inaugurated by the National Conference in July 1991, and brought to a close by the presidential elections of March 1993.

* Although the country has all the formal trappings of democracy, it is noteworthy that none of the main cultural aggregates that make up Nigerien society exhibits a significant measure of receptivity to democratic norms and values. Elitism, hierarchy and status inequality are characteristic features of the traditional political culture of Hausa (53%), Zarma-Songhai (21%), Touareg (10%) and Fulani (10%). Traditional dependency relations place serious limitations on the exercise of individual political choices. Even among Westernized elites there is relatively little evidence of a strong commitment to democratic values. In such circumstances, and given the severity of the economic and political crises confronting the newly elected government, a reversal of the current trend towards democratization is not to be discounted.

* It is a truism that democracy involves more than political parties, elections and parliaments; it requires a vigorous civil society through which effective links can be established between state and citizen. This is where Niger faces major handicaps. Not that interest groups are absent from the social landscape, but their characteristically uncivic, activist orientation (most notably students and trade-unions), make it unlikely that such a civil infrastructure will come into being any time soon. In the absence of appropriate mechanisms for interest intermediation there is every reason to believe that social conflicts -- as between workers and employers, students and civil servants, nomads and agriculturalists, army men and civilians, Tuaregs and non-Tuaregs -- will persist and pose major threats to the country's nascent democratic institutions.

* Although there is no room in this report for a sustained look at Niger's intriguing foreign policy shifts, this is not meant to underplay the critical importance of the international environment in any attempt to gauge the prospects for democracy. The country is highly vulnerable to threats from neighbouring states, most notably to Islamic fundamentalist influences from Nigeria, and to armed raids by Tuareg insurgents from Mali, Algeria and Libya. Libya's capacity to influence Niger's domestic and foreign policies cannot be overestimated. There is every reason to believe that Tripoli's leverage will be exercised in ways that are neither compatible with the interests of the United States nor with democracy.

* Again, although no attempt is made to deal systematically with the economic dimension of governance, Niger's catastrophic financial situation is bound to have a profoundly negative effect on its ability to consolidate a democratic system. The country is utterly bankrupt; short of a massive bail-out from foreign donors, it is difficult to see how any government could retain a measure of legitimacy for any length of time. Further aggravating the problem of legitimacy, and greatly complicating the effective management of public resources, is the vicious circle of economic scarcity and predatory rent-seeking, each feeding on the other.

Democracy, in sum, is in for a bumpy ride. But if the foregoing conveys a sense of the obstacles faced by the USAID mission this is not to imply that there are no opportunities whatsoever for strengthening democratic governance. To take the measure of what can be accomplished some attention needs to be paid to the dramatic changes that have taken place in the political arena since the National Conference, a watershed event in Niger's recent history.

PART ONE: THE DYNAMICS OF NIGER'S POLITICAL TRANSITION

There is a sense in which Niger stands as a unique case in the history of democratic transitions in francophone West Africa. Where the National Conference became the standard institutional mechanism for ensuring passage to democracy, the result has been either a sharp break with the past (as in Benin), or hardly any break at all (as in Togo or Zaire). Niger stands half-way between these extremes. While there has been a significant transformation of the political arena -- made manifest by the extraordinary proliferation of political parties, the emergence of a new constitutional order and the organization of presidential and legislative elections -- it is equally plain that the forces identified with the ancien regime are alive and well, as shown by the substantial electoral support and high visibility claimed by the Mouvement National pour la Societe de Developpement (MNSD), formerly parti unique under the Second Republic.¹ Much of the texture -- and drama -- of Nigerien politics revolves around this ongoing tug-of-war between the forces of change and those identified with the Kountche/Saibou regime. Although the former are clearly in the ascendency, as shown by the election of the Social Democratic Convention (CDS) candidate Mahamane Ousmane to the presidency, on March 29, 1993, to conclude that the MNSD is by now a spent force seems unwarranted.

1. The National Conference and the Restructuring of the Political Arena

Under the twin stimulus of the powerful Union des Syndicats des Travailleurs du Niger (USTN) and the Union des Scolaires Nigeriens (USN), trade union militancy and student activism played a critical role in forcing the government to accept a National Conference in July 1991: that the proceedings were largely dominated by students and trade unionists, neither conspicuous for their moderation and sense of compromise, is one obvious reason for the poor performance of the conference in establishing a new set of rules for democracy². The USN/USTN tandem served as a battering ram for knocking the props from under the Second Republic³ -- but failed utterly in providing an

¹Inaugurated on December 18, 1989, the Second Republic marked the passage from a no-party state to a single party state under the control of the Mouvement National pour la Societe de Developpement (MNSD) headed by Brigadier General Ali Saibou; the advent of the Third Republic, formalized by the adoption of a new constitution in December 1992, brought into existence a multiparty system, of which the MNSD (now renamed MNSD-Nassara), headed by Colonel Mamadou Tanja, remains a key component.

²That unionized students and urban workers were heavily overrepresented at the National Conference is well established: whereas each of the 24 parties was allowed 14 delegates, the USN and USTN sent 100 delegates each. Trade unions unaffiliated to the USTN, on the other hand, were only allowed 2 delegates! As for "le monde rural", accounting for perhaps as much as 90 per cent of the population, the least that can be said is that it was woefully under-represented (64 delegates), and then exclusively by traditional authority figures.

³The country-wide USTN-sponsored strike during the week of November 5-12 1990 is generally seen as the critical element that finally pushed Ali Saibou's government, kicking and screaming, into holding a National Conference. The strike was not limited to work stoppages, however; it eventually transformed itself into a massive public demonstration against the government. A series of lectures, sit-ins, teach-ins were organized in Niamey, with the participation of leading intellectuals, trade union leaders and student activists, including, among others, the veteran syndicalist Djibo Bakary, the linguist Bachir Attoumane, the economist Ben Adji. In Niamey an estimated 50,000 people turned up to listen to Djibo Bakary. Acts of vandalism and violence were reported in Maradi and Arlit.

alternative support structure during the transition. Rather than to ease the transition to democracy, they further weakened an already fragile transitional government.

As elsewhere in the continent, Niger's National Conference (July 29-November 3, 1991) was several things wrapped into one: a sounding board for popular grievances, an inquisitorial tribunal for administering sanctions against wrong-doers, a makeshift constituent assembly, a field of competition for rival political forces, and an experiment in direct democracy. Only on the first of these counts can one argue that it played a constructive role.

The conference marked the culmination of nearly three decades of authoritarian rule, when accumulated social discontents suddenly burst out on the scene in a variety of disparate movements and parties. As many as 24 political parties and 69 professional, non-governmental and semi-official organizations gained official representation at the conference. By the end of the conference, 13 additional parties had been recognized, bringing their total number to 37. The sheer number of political parties, and the fact that they have relatively little in common besides their shared opposition to the Second Republic, makes it unlikely that the ad hoc alliances worked out during the presidential election will evolve into an enduring consensus. This is all the more likely in view of the ethno-regional underpinnings of the key contenders -- most notably the Convention Democratique et Sociale (CDS) and the Association Nigerienne pour la Democratie Populaire (ANDP), respectively identified with Hausa and Zarma interests. Even though the Charte des Partis Politiques adopted by the conference makes it illegal for party programs and activities to exhibit "intolerance, regionalism, ethnocentrism, fanaticism, racism, xenophobia and incitation to violence in all its forms" (art. 3), few parties can be exonerated of one or the other of these sins.

Adding to the potential for instability inherent in the proliferation of parties, the participants to the conference made two fateful decisions: after excoriating senior officers within the Forces Armees Nigeriennes (FAN) for their close collaboration with the Kountche and Saibou regimes they proceeded to fire the chief of staff (Colonel Toumba) and his deputy (Colonel Mamane Dobi), replacing them with young majors -- a move which dealt a devastating blow to the morale of the troops, weakened their loyalty, and called into question their ability to deal effectively with the Tuareg rebellion; furthermore, by turning a deaf ear to Tuareg rebel demands for regional autonomy and giving only token representation to Tuareg elements, they merely strengthened their conviction that there was no alternative to the use of force.

As for the transitional institutions set up by the conference, that they were able to survive at all seems almost miraculous. Out of the travails of the conferees a three-headed beast emerged. Pending the election of a parliament legislative authority was vested in a 15-member Haut Conseil de la Republique (HCR), headed by Andre Salifou. Executive powers were entrusted to Prime Minister Cheiffou Amadou and his cabinet, both answerable to the HCR, while the Presidency, now reduced to a ceremonial symbol, remained in the hands of the incumbent, General Ali Saibou. From the very beginning, however, the troika found itself paralyzed by bitter disagreements and personal rivalries between the Prime Minister and the President of the HCR, leaving a reluctant and ineffectual Ali Saibou as the sole arbiter of conflict. Exactly who was responsible for what remained the favorite guessing game of foreign observers. What seems reasonably clear is that neither the conference nor the transitional organs of government were able to solve any of the fundamental social problems they set out to tackle.

At this point Saibou felt it had no choice but to throw in the towel.

Some of these they inherited from the Second Republic; others were clearly the result of their own ineptitude and lack of foresight; others still were the unavoidable consequence of the extraordinarily rapid and extensive politicization of Nigerien society.

2. The Escalation of Social Demands

For a dramatic illustration of the inability of the transitional authorities to deal with some of the more pressing problems of the rural world one could cite the Toda bloodbath, on October 31, 1991, when 104 people were killed in the wake of a violent confrontation between Peuhl cattle herders and Hausa agriculturalists. Among the victims were 102 Peuhl cattle owners and their "bergers" on their way to Nigeria. This was not the first eruption of violence caused by transhumant cattle bypassing the "couloirs de passage" and destroying the crops of sedentary cultivators. Nor would it be the last: another nine people were killed in Insafari in June 1992, and another fifteen in Foneiganda in August. For all its gravity, only casual reference was made by the National Conference to the sedentary/cattle herder conflict. That local tensions, unless defused, could conceivably lead to a wider confrontation never became an issue to be debated and discussed -- except in the context of the Tuareg rebellion, and then with considerable reluctance.

Vital as it was for the transitional authorities to secure the loyalty of the security forces, the National Conference showed itself remarkably insensitive to the salary grievances of the "rank and file" in the army, and managed to infuriate several key people among officers and non-coms. One of the most aggrieved of all military units was the First Nigerien Infantry Battalion (the so-called "Zumuntchi" battalion), whose troops served in the Gulf War: while on active duty they failed to receive their pay, and thus decided to take hostage one of their commanders (Cdt Issaka Labo) and go "on strike" -- a move which luckily did not seriously affect our military posture in the Gulf... Meanwhile, according to the disclosures made by Sergeant Chef Ibrahim Idi to the weekly *Haske* (October 7-15 1991), the Chief of Staff of the FAN decided to keep for himself the individual watches offered to the troops by the Saudi authorities as a token of gratitude, and sell them at 15,000 CFA frs. each. Back in Niger they still did not get their salary arrears paid. Possibly yielding to the incitations of "Zumuntchi" contingent, on February 27, 1992 a group of soldiers mutinied in Niamey, complaining over their unpaid salaries and what they felt was the unusually harsh punishment meted out to Captain Maliki Boureima, whom the national conference ordered to be sacked and thrown in jail for his involvement in the massacre of scores of Tuareg civilians at Tchén Tabaraden (of which more later); before returning to their barracks, they arrested (and subsequently released) the HCR President and the Minister of Interior, Mohammed Moussa, and then took over the radio and TV stations in Niamey, creating panic in the capital.

By early 1992 almost every sector of society was politically mobilized and determined to press its claims upon the government. The result was a thoroughly unmanageable situation. On March 1, the USTN and the USN (now forming a Comité de Coordination des Luttes Démocratiques [CCLD]) took to the streets and issued a call for a general strike in protest against the FAN's intervention. On March 9, it was the turn of the Syndicat National des Enseignants du Niger (SNEN), representing the interests of primary and secondary school teachers, to call on its 14,000 members to strike. On April 2 hundreds of unemployed organized a protest march against the hiring of non-nationals in the public sector. Not even the butchers remained inert; they too went on strike. In this climate of semi-anarchy the incapacity of the government to come to terms with the Tuareg rebellion became increasingly evident, at one point prompting the army to seize the initiative.

3. The Tuareg Insurgency

Of the myriad of problems confronting the government none poses a more serious threat to democracy than the Tuareg insurgency. Besides resulting in the exclusion of a substantial segment of the Tuareg population -- numbering approximately 700,000 -- from participation in the legislative and presidential elections, it has led to serious human rights violations. These, however, are not to be attributed to the government but to "la troupe", which sees in the paralysis of the civilian authorities a sufficient justification for its continued involvement in the political life of the country. Despite efforts by France and Algeria to act as mediators, there are no indications that a negotiated solution will be found any time soon.

For a variety of reasons, having to do with their physical environment, their history and nomadic life style, the Tuaregs have always occupied a marginal position in Nigerien society. Their political mobilization is a recent phenomenon, traceable to the recruitment of hundreds of their youth into Qadhafi's Islamic Legion. Many were those who fought in Chad, the Sudan, Liberia and Lebanon, by courtesy of the Libyans. Not until 1989, after the Syrte bilateral talks between Ali Saibou and Qadhafi, were they given guarantees of a safe return to their homeland. A fair number accepted the offer -- only to realize that they had been had. The employment opportunities they had anticipated never materialized; many were dumped in the middle of the desert; virtually all of them were viewed with extreme suspicion by the local authorities. Many in the FAN would not hesitate to characterize their decision to fight on the Libyan side as an act of treason, calling for appropriate sanctions. Difficult though it is to substantiate allegations that emergency food supplies intended for the returnees were diverted into private hands and sold at a profit by unscrupulous army officers working in cahoots with civil servants, the important fact is that most Tuaregs believe it. In this climate of extreme tension little was needed to trigger a violent reaction.

The spark that ignited the rebellion was the killing of a prison guard by a group of Tuaregs in Tchintabaraden, on May 7, 1990, followed by an attack on the local gendarmerie. A brutal repression ensued, resulting in the death of scores of innocent civilians in and around Tchintabaraden. From then on countless "accrochages" occurred between the security forces and the rebels, now organized in a Front de Liberation de l'Air et de l'Azawad (FLAA), led by the shadowy Rissa Boula. Hit and run attacks by FLAA militants continued unabated during much of 1992, and in early January 1993 nine people, including three members of the Republican Guard, were killed in Abala by a FLAA commando. By July 1992, 16 rebels and 17 members of the security forces were reported to have been killed since October 1991.

On August 27, a band of rebels shot and killed the police inspector of Agades; at this point the troops decided that they would take their marching orders from nobody but themselves. The prefect of Agades, Moktar el Incha, a Touareg, and Brigi Rafini, vice-president of the Alliance du Niger pour la Democratie et le Progres (ANDP), were arrested, and the following day martial law was declared in the north. At about the same time some 130 Tuaregs suspected of complicity in the rebellion were arrested in Agades, Arlit and Niamey, including the Minister of Commerce and Tourism, Mohammed Moussa, and Akoli Daouel, advisor to the Prime Minister. Taking full advantage of the fact that the Prime Minister happened to be on a visit to Taiwan, "la troupe" asserted itself as the only legitimate authority to deal with the rebellion. It is relevant to note in this connection that it was only after the army had agreed to the government's decision that 80 of those arrested in August were finally set free six months later.

Under any circumstances the rebellion would have enhanced the potential role of the army in Nigerien politics; what made its intervention a foregone conclusion was the inability of the transitional authorities to "get their act

together" on just about any issue, including the rebellion, coupled with the catastrophic impact of the decisions of the National Conference on the morale and discipline of the armed forces. Whether this state of affairs will persist under Ousmane's presidency is anybody's guess.

The second point to note is that the army, or more accurately "la troupe", bears much of the responsibility for the countless human rights violations recorded since the outbreak of the rebellion. Neither side in the conflict has a monopoly on virtue. Extra-judicial killings have been committed by Tuaregs as well as by the security forces. And in specific instances pro-government Tuaregs have killed pro-FLAA Tuaregs, and vice-versa. Yet there seems little doubt that human rights violations have been committed on a substantially larger scale by the army than by the rebels. Since the bloodbath of Tchintabaraden scores of innocent civilians have been killed by the FAN, most recently in February 1993 at Intarikad when 13 Tuaregs were executed by Arabs of the Tessara region, presumably armed by the FAN.

A final point concerns the impact of the presidential elections on the peace prospects. Given his past record as a notorious Tuareg-basher while serving as prefect of Tahoua, the defeat of the MNSD candidate, Colonel Mamadou Tandja, to the presidency greatly improves the chances of a negotiated solution. The most encouraging sign on the horizon came in the form of a French-brokered accord between the FLAA and the newly elected government of Niger, resulting in the swap of 26 hostages held by the FLAA for Tuareg detainees in Niamey. The government had already shown its good will on April 1st when it decided to release two key Tuareg personalities, Akoli Daouel and Elias Almahadi, a gesture that set the stage for further concessions from both sides. There remains the more arduous task of agreeing on the terms of a political settlement. Given the sheer fragmentation of forces within the FLAA, it would be unrealistic to expect an agreement any time soon. A Malian-type situation is not to be discounted, with diplomatic overtures from one faction or the other only reinforcing the disagreements between hard-liners and "doves" within the FLAA. This said there seems little doubt that the Ousmane government is prepared to go much further than his predecessor in meeting Tuareg demands for greater political autonomy.

4. The 1993 Legislative and Presidential Elections

Niger's transitional phase formally ended on March 29, with the election of the CDS candidate, Mahamane Ousman, to the presidency. As the recognized leader of the Alliance des Forces du Changement (AFC), a nine-party coalition of which the CDS is a key partner, and with 54.42 per cent of the votes cast, Ousmane is the first democratically elected head of state in the country's history. He and his immediate rival, Mamadou Tandja, the MNSD leader, were forced into a run-off as neither claimed more than 50 per cent of the vote in the first round. Both rounds of presidential elections, like the legislative elections a month earlier, went smoothly, with relatively few irregularities reported, possibly because of the presence of some 130 international observers.

Out of a total of 4 million registered voters, approximately 35.30 per cent went to the polls. The turn-out dropped to 32.75 in the legislative elections (as against 56% in the constitutional referendum of December 1991), with voting participation ranging from 63% in Niamey to 33% in Tahoua and 23% in Agadez. In many parts of the Azawad region, the Tuareg homeland, people simply did not bother to vote, either because of the forbidding distance to the polling station, or because of fear of retaliation from FLAA members, or because they did not believe it would make a difference. But even in the large agricultural constituencies of the south, in Zinder and Maradi, together accounting for nearly 40% of the electorate, the rate of participation remained unusually low: 26.7% in Zinder and 36% in Maradi, a situation which

the Ministry of Interior attributed to the seasonal exodus caused by the large number of people seeking employment abroad after harvesting their crops.

From the multiparty legislative elections held on February 14, the MNSD emerged with the largest number of seats (29 out of a total of 83) in the assembly, as against 22 for its nearest opponent, the CDS. After the AFC came into existence on February 16, however, resulting in a tactical alliance of the CDS, PNDS, ANDP and several smaller parties, the MNSD was reduced to a minority position in the National Assembly.

Twelve parties entered the race, resulting in 554 candidacies for 83 seats. The breakdown of the results as proclaimed by the Commission de Supervision des Elections (COSUPEL) is as follows:

MNSD (Mouvement National pour la Societe de Developpement)	29
CDS (Convention Sociale Democratique)	22
PNDS (Parti du Niger pour l'Unite et la Democratie)	12
ANDP (Alliance du Niger pour la Democratie et le Progres)	11
PPN-RDA (Parti Progressiste Nigerien-Rassemblement Democratique Africain)	2
UDFP (Union Democratique des Forces Progressistes)	2
PSDN (Parti Social Democrate Nigerien)	1
UDPS (Union pour la Democratie et le Progres Social)	1

The part played by ethnicity in determining voters' preferences varied depending on the election, and the voters' own identity. Few observers would deny that it had a decisive impact on the legislative and presidential choices of Hausa and Zarma voters, yet it is equally clear that many were the non-Hausa (including not a few Zarma) who voted for Ousmane (a Hausa) in the second round of the presidential race. For many voters it looked as if blocking access to the presidency to a Zarma was more important than voting for a Hausa candidate. Furthermore, the presence of Adamou Djermakoye, a key Zarma notable, in the AFC suggests that he must have played an important role in splitting the Zarma vote in the second round of the presidential race.

The impact of ethnic factors in shaping the outcome of the legislative elections is relatively free of ambiguity. The CDS scored a predictable victory in the predominantly Hausa areas of Zinder and Maradi, receiving 61% of the vote in Zinder, but only 6% in Tillaberi. The ANDP, headed by Moumouni Djermakoye, a well-known Zarma, made its strongest showing in Dosso, its leader's homeland, and got substantial support in most Zarma constituencies. The PNDS, led by Mamadou Issoufou, did relatively well in Tahoua (38%), the homebase of its president, but poorly in Niamey. The MNSD, led by Mamadou Tanja, received some degree of support in almost every constituency, but claimed its greatest victories in Ngourti, Tassara, Maradi and Zinder.

Whether the AFC alliance will survive the exigencies of an electoral "winning coalition" strategy is hard to tell. The bargain struck between Ousmane and his two coalition partners, Issoufou and Djermakoye, is reasonably straightforward: in return for their support the first would receive the prime ministership and the second the presidency of the National Assembly -- as indeed turned out to be the case. There is no denying, of course, their common opposition to Tandja and his MNSD, and their proclaimed commitment to restoring the authority and credibility of the state. But this is hardly a guarantee of continued harmony among them. With the MNSD threat receding on

the horizon, fresh opportunities will arise for recalculating the terms of the alliance. One thing, however, is reasonably clear: given Djermakoye's position as the "swing" man in the coalition, his choices and priorities will have a decisive impact on the destinies of the country.

PART TWO: SELECTED INDICATORS OF NIGER'S PERFORMANCE ON GOVERNANCE AND DEMOCRACY

Any attempt at this early stage to evaluate the new regime's performance on key indicators of governance and democracy would be premature. What follows applies mainly to the performance of the transitional authorities over the last year and a half (July 1991-December 1992).

1. Freedom of Information and Association

On both counts the performance of the transitional authorities deserves high marks. It is to the credit of the National Conference that it took a series of steps to insure the freedom of the media, one of the most noteworthy being the creation of the Conseil Supérieur de la Communication (CSC), whose role is to keep a close watch on communication policy and make sure that it serves the interest of democracy. Illustrative of the role played by the CSC in stimulating debate on D/G issues is the series of seminars organized in 1992 on the role of the media in democracy. One might also add, parenthetically, that it was through the intervention of the CSC that the Minister of Justice agreed to drop its defamation suit against a TV journalist.

Almost by any standard the press in Niger is remarkably free. The presence of an independently owned and managed press has contributed decisively to public (and private) sector transparency. At the latest count there was eight or nine French-language newspapers and one in Hausa (Danga). Most are weekly publications. A selective listing would include the following:

Title	Frequency of Publication	Political Orientation
Anfani	Bi-Monthly	CDS-Rahama
Nassara	Monthly	MNSD
Moustique	Weekly	Satirical
Le Republicain	Weekly	Independent
Sahel Dimanche	Weekly	Pro-Government
Haske	Weekly	Independent

Of these by far the most illuminating is the weekly **Haske**, which carries investigative articles on topics ranging from the Tuareg rebellion to scandals involving high-ranking civil servants. On particularly sensitive subjects, involving, say, the Tuareg rebellion or the military, most newspapers are known to exercise a measure of self-censorship. Nonetheless, **Sahel-Dimanche** and **Haske** have published several interviews with Tuareg personalities after their release from incarceration. Compared to the stifling climate that prevailed under the Second Republic, what strikes the observer is the remarkable openness of the media, and indeed the quality of investigative reporting.

Radio and television programs are no exception. La Voix du Sahel, the radio service of the Office National de Radio et Television, is doing a particularly commendable job of disseminating information in as many as eight languages, including Zarma, Hausa and Fulfulde (I am unfortunately unable to pass judgement on the quality and frequency of its programs in Tamashek). More importantly, it takes seriously its "mission de sensibilisation" as shown by programs specifically designed to illustrate and explain the meaning of democracy to its listeners.

Equally impressive is the degree of associational freedom enjoyed by the Nigeriens. Measured by the number and diversity of political parties (24 were represented at the National Conference), religious associations, women's groups, trade-unions, cooperatives and clubs that have mushroomed since the National Conference, Niger ranks exceptionally high on that indicator. The other side of the coin, however, is an amazing fragmentation of the political arena, which in turn creates a rich potential for social conflict.

The emerging pattern reveals the following characteristics:

- * Urban-based associations predominate, leaving the rural sectors virtually unaffected by this efflorescence of associational ties; instead of demands being aggregated through organized groups, patron-client nets continue to act as the principal channel through which peasant demands are articulated.

- * Although ethnic and regional parties have been banned by the electoral code, ethnoregional ties provide the principal underpinning of parties like the CDS (Hausa), the ANDP (Zarma) or the UDPS (Tuareg), and this holds true of a number of urban-based associations. In such circumstances associational freedom might conceivably translate into a resurgence of mobilized ethnicity.

- * A closer look at the ideological texture of some of these parties and associations suggests considerable reservations about their commitment to democratic values. Neither the MNSD, nor the UTSN nor the Izala -- an Islamic fundamentalist sect with strong roots in Nigeria -- are shining examples of civic virtue. As has been demonstrated time and again, and most recently by the bloody confrontation between the Tijaniyya and the Izala, in a climate of intense competitiveness freedom to organize can easily become freedom to harass, threaten, intimidate and sometimes kill. Opposition from the fundamentalist "fringe" to a liberalization of the status of women has been the source of violent clashes between liberal and conservative elements. To speak of an Islamic resurgence is perhaps an exaggeration, yet the "Izala factor" is one that needs to be taken seriously into account in any attempt to assess the future of democracy in Niger.

Thus to properly gauge the significance of associational freedom as a D/G indicator we need to go beyond the issue of whether or not organized groups are allowed to operate freely and ask ourselves what use they are likely to make of their newly won freedom. On that score the Niger situation calls for some serious reservations.

2. Human Rights

Niger's human rights record is mixed at best. Although remarkably few human rights violations can be attributed to the government, its loss of control over the army has resulted in scores of extra-judicial killings, unexplained disappearances, arbitrary arrests, abuse of prisoners, all directed against Tuareg insurgents and Tuareg elements suspected of supporting the rebellion. To speak of genocide in this context would be inaccurate; yet there is no gainsaying that force has been systematically used against specific segments of the Tuareg population in a number of localities (most notably Tchintabaraden, Agadez and Arlit).

On the strength of the evidence available from a USAID report⁴, several types of human rights violations have been registered over the last year: (a) political and other extrajudicial killings, (b) disappearance, (c) torture and other cruel, inhuman or degrading treatment or punishment, (d) arbitrary arrest, detention or exile, (e) denial of fair public trial, (f) arbitrary interference with privacy, family, home or correspondence, and (g) use of excessive force and violations of humanitarian law in internal conflicts.

Of these (a), (c) and (d) are especially serious. Extrajudicial killings of civilians in non-combat situations were reported off and on through much of 1992. The most recent of such killings took place in February 1993, when 13 Tuaregs were executed by Arab elements in Intarikad. Cases of torture at the hands of the army, according to the same source, involved "burying prisoners up to their necks in sand and leaving them in the sun... or forcing them to run in a circle while keeping two fingers on the ground"; furthermore, "random instances of abuse by individual law enforcement or prison officers continued to occur". Prison conditions, one might add, are little short of appalling. In the half-dozen detention sites in and around Agadez prisoners are said to be given almost no food. The Koutou Kale prison, near Tittaberi, was recently described by one observer as "a real concentration camp".

On the positive side of the ledger, one must note (a) the efforts made by the Attorney General to release prisoners from the clutches of the army and make sure pending cases are expedited through means other than expeditive justice; (b) the presence of several human rights associations involved in the monitoring of human rights abuses, i.e. the Association Nigerienne pour la Defense des Droits de l'Homme (ANDDH), the Ligue Nationale pour la Defense des Droits de l'Homme (LNDDH), Democratie, Liberte et Developpement (DLD), and Adalci ("Dignity" in Hausa); (c) and the part played by womens' groups -- notably the Association des Femmes Juristes (AFJ) and the Association des Femmes du Niger (AFN) -- in promoting "l'etat de droit".

Particularly noteworthy in this regard are the efforts made by the Reseau pour l'Integration et la Diffusion du Droit en Milieu Rural (better known as "Ridd-Fitila") to live up to its name. The association was created in late 1992 to help in the diffusion of legal norms and institutions in the rural milieux. It involves the participation of highly dedicated and competent professionals. If "l'etat de droit" is to be more than an empty slogan for villagers the activities of associations such as the "Ridd-Fitila" need to be encouraged. From the standpoint of US AID activities, one would hope that the village law project currently under way (see below) would make appropriate use of the resources available through Ridd-Fitila.

It is a commentary on how much remains to be done -- and on the degree of opposition that needs to be overcome -- that neither the Code Rural nor the Code de la Famille have yet been formally adopted; once promulgated, however, the more arduous task will be to put them into effect.

3. Public Sector Transparency and Effectiveness

If opacity was indeed the hallmark of the First and Second Republics, the Third, by contrast, displays considerable transparency -- though little effectiveness.

Nonetheless, for all the enthusiasm with which the National Conference went about the task of ferreting out incriminating evidence against corrupt public officials (what one journalist described as "un sublime deshabillage"), a substantial sector of political life remains insulated from public scrutiny. Ex post facto transparency -- resulting in the disclosure of a number of scandals associated with the Second Republic, notably the SONIDEP and BDRN scandals -- does not automatically translate into the birth of an open society; nor is it a guarantee of public sector effectiveness.

The military is the one sector where transparency is least noticeable. Not only because it is sometimes seen as a threat to the effective conduct of anti-FLAA operations, but because the FAN has been, and may still be, shot through with corrupt and nepotistic practices. According to the report cited earlier (dated January 1993), "total military expenditures for 1989, the last year for which the US arms control and disarmament agency conducted a detailed analysis, were \$ 27 million. Falling revenues barely covered military salaries and prevented the government from meeting defense spending required to counter instability and the rebellion". Left out of the accounting are the side-payments made to officers and non-coms to ensure their loyalty. According to one knowledgeable observer (Robert Charlick), weekly payments of anywhere from 50,000 to 500,000 CFA frs. went to members of the Supreme Military Council under Kountche; the same observer estimates that Kountche's "caisse noire" must have disbursed approximately \$ 1 million weekly to members of the military. If so, it is with some skepticism that one must treat occasional statements to the effect that the Kountche regime displayed commendable efficiency in financial matters. What remains unclear is whether these practices still exist, and if so on what scale.

Relationships between power-holders and traders constitute another murky area -- as shown by Haske's recent disclosures regarding two major scandals. One, involving the Societe Nigerienne de Produits Petroliers (SONIDEP), draws attention to the personalized favors extracted from the state by influential Hausa traders, in the form of "derogations" from the pricing and marketing regulations set by the SONIDEP. Smuggled petroleum from Nigeria could thus be bought at 20 CFA frs a liter instead of 210 CFA from the SONIDEP. In return for his willingness to grant such "derogations" Kountche received handsome kickbacks from these powerful clients -- but at a cost for the state of approximately \$ 6 million in tax revenues.

Another widely publicized scandal is that the Banque de Developpement de la Republique du Niger (BDRN). Here again the logic of political clientelism meant that generous credit facilities would be extended to Kountche's friends on the strength of their presumed political loyalty. Saddled with a total of 87 billion CFA frs in bad loans by 1989, the BDRN went into receivership shortly thereafter, but not without making it possible for a select group of Hausa traders, civil servants and politicians to acquire a number of villas in the Koira-Kano residential zone of Niamey. Characteristically, the personalities involved in both scandals are often the same people.

These forms of corruption are to be expected in a society like Niger, where predatory rent-seeking is omnipresent, where public office becomes a means of extracting a "rent" in the form of extortion, speed money, bribery or any other form of illicit payment. How rent-seeking affects the management of public resources is nowhere more clearly stated than in a recent (1992) USAID study of the Nigerien economy: "Rents paid to official agents represent quasi-official taxation which makes no contribution to government revenues other than to ease pressures for increased wages and perquisites. In hardening public attitudes toward government predatory rent-seeking undermines legitimate taxation and encourages widespread evasion at all levels. On the basis of its negative economic consequences and deep entrenchment as a revenue source among public officials, predatory rent-seeking poses the single greatest barrier to institutional and policy reform in the agro-pastoral sub-sector."⁵

According to one informant, "Kountche would think nothing of going to see a rich commercant and asking him to cough back a 'ristourne' of 2 billion CFA frs; but this is no longer possible". In part because transparency is more widely accepted in high places, and in part also because money has never been so tight. Nonetheless, with a Hausa president at the helm, it is entirely conceivable that these subterranean networks might be reactivated in one form or another and reconnected to the state.

A major cultural barrier stands in the way of transparency and effectiveness: the omnipresent patron-client nets around which revolves much of the social and political life of the country, and whose scope often transcends Niger's national boundaries. It is through these nets that complicities develop between public servants and private businessmen, that political slush funds become available to aspiring politicians, that contraband networks are organized, in short that favors are gained and sanctions meted out. As long as these residual clientelistic norms predominate, legal accountability as well as financial transparency and effectiveness are bound to suffer.

4. Public Accountability

On that score card the record the transitional authorities is notoriously ambivalent. For if there is no denying their determination to hold public servants accountable for their misdeeds, past and present, the results have fallen somewhat short of the expectations. As far as the organization and supervision of the electoral process is concerned, on the other hand, their performance has been far more impressive, though not entirely beyond reproach.

The motives that led the National Conference to set up the Commission des Crimes et Abus (CCA) were inspired by a sense of outrage over the criminal wrongdoings perpetrated under the First and Second Republics, of which 180 were to be investigated. But the manner in which the public hearings were conducted, and the selectivity of the sanctions, struck some observers as equally outrageous. Among the more widely publicized scandals investigated by the CCA, passing reference must be made to the following:

* On June 5, 1991, the CCA disclosed that 20 million CFA frs worth of food were diverted from the Office des Produits Vivriers du Niger (OPVN), "for the benefit of political dignitaries, army men and traditional chiefs to the detriment of the needy" (Haske, Oct. 15-21).

* On October 10, the Commission revealed that "the benefits drawn from the sale of uranium went into political slush funds and were administered 'de facon patrimoniale' by the late General Kountche"; the files of the Office Nigerien des Recherches et Exploitations Minières (ONAREM), it was said, laid bare the incoherence of the mining policies of Niger and the alienating and exploitative character of the international accords concerning the exploitation of uranium". (ibid.)

* On October 11, the Commission looked into the "Bonkano affair", involving the participation of Lt. Amadou Oumarou, aka Bonkano, in a 1983 putsch directed against President Kountche: the debates, we are told, "focused on the disappearance of a small piece of luggage carried by Bonkano and a notebook containing the name of his collaborators" (ibid.)

* On October 12, the Commission investigated the BDRN scandal (see above) and "the illicit sale of state vehicles" (ibid.).

After a period of intense squabbling over whether or not President Saibou should be forced out of office, the Conference proceeded to appoint 10 judges to the newly created Haute Cour de Justice, presumably to deal with these and other cases. Yet neither the conference nor the Haute Cour passed final judgement on any of the crimes and abuses investigated by the Commission.

The presence of a court system is hardly a guarantee of public accountability, and the same is true of those institutions of government to which public officials are answerable for their actions. Though intended to act as a makeshift legislature during the transition, the HCR proved thoroughly inadequate to insure the accountability of the Prime Minister and members of his cabinet. This was clearly illustrated in the course of the controversy over the recognition of Taiwan -- tied to a promise of a \$ 50 million loan from Taipei; opposition from

the HCR to Prime Minister Cheiffou's decision to resume diplomatic ties with Taiwan proved totally ineffectual. Nothing like a public airing of pros and cons ever occurred; nor did the government reveal how the money was spent.

It is in the rural sectors that one finds the greatest obstacles to public accountability. At this level the effectiveness of accountability is inversely proportional to the strength of traditional chieftaincies. Clearly, whether the institutions of the Third Republic will succeed in setting limitations on the power of the chefs de cantons, in revitalizing local conciliar organs, in drawing up a rural code and opening new avenues of legal recourse to the peasant populations does not depend on any single set of factors. This is where significant opportunities -- and obstacles -- for US AID come into view.

PART THREE: TARGETS OF OPPORTUNITY FOR US AID

The end of Niger's complicated transition to multiparty democracy is an opportune time for US AID to engage in a global reassessment of the D/C situation and explore the possibility of a long-term project that would tap into CFA resources.

The overriding program goal should be to improve the enabling environment for democratic governance, meaning in essence the promotion of effective institutional linkages between state and society.

The strategic objective that should guide the next phase of US AID involvement in Niger can be summed up in two words: political decentralization. The aim here is to create the conditions for meaningful forms of political participation at the local and regional levels.

Targets include the substitution of interest groups intermediation for patron-client ties, the organization of fiscal autonomy and the devolution of a significant measure of authority to representatives of local communities.

The rationale for undertaking a decentralization study can be reduced to the following propositions:

(a) Only through political and administrative devolution (as distinct from deconcentration) can ethnic conflict be defused and civil unrest brought under control. Specifically, only by substituting guarantees of local and regional autonomy for the political and administrative constraints of the existing prefectural system can one hope to avoid a recurrence of brutality and arbitrariness in dealing with Tuareg demands.

(b) The development of a viable economy (which presupposes effective ways of controlling corruption) requires a major institutional restructuring. Effective resource mobilization requires a withdrawal of the state from key sectors of the economy (production and marketing) as well as greater responsiveness to the demands of local communities. And because corruption is often associated with the monopoly power of state agents over their clients, reducing the monopoly powers of the state is also the quickest route to limiting corruption. What this means in practice is not just disengagement of the state from the economy, but, more importantly, improved auditing procedures, incentives for reporting illicit wheeling and dealing, and the creation of ombudsman services.

(c) Constructive participation in local community affairs requires a substantial degree of institutional autonomy for handling issues of authority and accountability: unless decision-making processes are brought closer to local communities few opportunities will arise for meaningful grassroots participation. This means, among other things, that the power of the chefs de canton must be drastically reduced in some places, and the incumbents made accountable for their actions.

In suggesting the need for greater decentralization we make the following critical assumptions:

(a) As an analytic category decentralization is neither homogeneous nor monolithic. Not only can it be conceptualized in radically different ways (e.g. deconcentration vs. devolution), but it is a matter of degree as well as kind. What may be an acceptable degree of decentralization for one region may turn out to be wholly inappropriate for another.

(b) There can be no meaningful devolution of authority without a substantial measure of fiscal autonomy. Only if they have some degree of control over local finances can public officials be held accountable to local communities; similarly, only to the extent that they can exercise effective control over local officials can citizens be made aware of the benefits and burdens of self-governance.

What follows is an attempt to sketch the broad outlines of a political/administrative decentralization study, and establish its relevance to ongoing US AID projects, including the village law program currently under way. The solutions it suggests to problems of governance in Niger must be seen as tentative and provisional; what we offer here, in short, are action hypotheses, based on limited knowledge and therefore subject to amendments.

Environmental constraints on local self-governance are two-fold: some are inherent in the clientelistic norms of Nigerien political culture (encouraging access to the state via highly personalized patron-client nets), others are traceable to the heritage of "neotraditional corporatism" associated with the Kountche regime. While the first are magnified by the severity of the economic and financial crisis, the second persist by force of gravity, as it were, because of the absence of significant countervailing influences.

Given the nature of these constraints it would be highly unrealistic to expect anything like a "quick fix" to problems of local governance. By the same token it would be equally unwarranted to see the environment as setting absolute limitations on the performance of local institutions.

To get a better grasp on these issues the first task is to review the history of local government institutions since the First Republic. Special emphasis should be placed on the following analytic dimensions:

(1) In order to get a realistic picture of how the system works (or doesn't) we need to establish the extent to which administrative practice deviates from, or is consistent with the formal allocation of authority between the central government and local government units. Given the four-tiered system of local government (villages, arrondissements, sous-prefectures and prefectures), how is authority distributed among them? In what ways are informal arrangements likely to deviate from the rules and regulations associated with the prefectural model?

(2) In order to make sense of environmental variables, we need a fairly extensive discussion of regional discontinuities in patterns of local government, taking into account the incidence of ethnic and ecological variables. In what ways have the traditional political cultures of, say, Zarma and Hausa, influenced the functioning of local government institutions? Given the formidable economic resources and extensive strategic contacts of Hausa traders (within and outside Niger), what is the likelihood that they will continue to short-circuit formal administrative networks through bribery and money lending? Furthermore, given the urgency of appropriate solutions to the recurrent conflicts between Hausa farmers and Peuhl pastoralists, what lessons, if any, can be learned from past experience?

(3) Since the Ousmane government appears receptive to a negotiated solution to the Tuareg conflict, and given the insistent demands of the Tuareg leadership for

greater administrative and political autonomy at the regional level, a special effort should be made to explore the possibility of a special administrative status for the arrondissements of Bilma, Arlit and Tchirozerine, which correspond roughly to the traditional Tuareg homelands. Such a reform would make substantially greater concessions to local autonomy than would be the case in the rest of the country, but it should also make allowance for higher levels of subventions from the central government to restore destroyed infrastructures and rehabilitate tourism, a major source of revenue for the government.

The second task is to formulate a coherent strategy for strengthening institutional capabilities at the local and regional levels. Here two possible courses of actions suggest themselves: to work with and build upon existing institutions, or to work around them. Many of the institutions introduced under Kountche -- such as the Samariya, a youth organization patterned after the traditional age sets of Hausa society, the farmers' cooperatives or the association of traditional chiefs -- are now discredited. Whether this is also true of more explicitly traditional types of institutions such as the chefferie de canton, Islamic brotherhoods, trade networks and so forth, remains unclear. Much probably depends on the character of the institutions and their respective publics, and perhaps also on the quality of their leadership. The point, at any rate, is that neither strategy excludes the other. Building upon the chefferie may turn out to be a perfectly sound strategy in one locality and not in another, and so also with other types of institutions. Granted that "neotraditional corporatism" -- a system in which the civil society is organized by the state and held in check by participatory structures built around traditional forms of authority -- does violence to what we mean by democratic governance, the question remains as to what elements of the one can be incorporated into the other.

A third task is to explore ways of improving the management of local public finance -- how to generate higher levels of revenue and a greater degree of fiscal accountability. Given the scale of priorities set by the Ousmane government (financial stabilization and economic recovery), it is well to remind ourselves of the argument set forth in the recent US AID report on Local Public Finance and Institutional Reform in Niger (April 1992): "Fiscal reform must be a key element of any eventual economic recovery program, as well as a pivotal factor in the restructuring of intergovernmental relations and authority that will come about as a result of future decentralization initiatives" (p. 46). There is no point here in going over the several constraints on the extraction and management of local revenue discussed in this report -- ranging from "lack of mastery of regulations and procedures" to "lack of transparency in fiscal operations", "inadequate formal verification and audit of financial transactions", and "no oversight role for popular bodies in budget preparation" (p. 60). The point, rather, much of the data and recommendations available from this report that can be usefully integrated into a political decentralization reform package. What is needed is not another DFM report, but someone to establish its practical relevance to local governance issues.

This broad-gauged, long-term reassessment of democratic governance is not intended to serve as a substitute for, but as a complement to, the mission's current democracy and human rights program activities. As noted in our earlier report (January 1993) thus far the mission has focussed its efforts on short-term or bridging activities entirely funded through 116 e. We also noted "it has been appropriate to focus on the non-state sector, rather than on augmenting the institutional capability of state actors given the extreme uncertainty and instability of state institutions". Now that a new plateau has been reached, the time has come to rethink our activities in terms of strengthening the institutional capacities of the state, especially at the local and regional levels. This shift of emphasis is entirely consistent with the goals of the multimedia democracy support project and the village law project currently under way.

The multimedia democracy project had as its principal objective "to encourage and facilitate increased public participation in the upcoming elections". Heavy reliance has been placed on "mass media and interest groups to deliver democratization messages to the vast majority of Nigerien citizens who are neither literate nor educated even at the primary level". Increasing public participation is as relevant today as it was during the electoral campaign. Allan M. Kulakov's report on *The Mass Media and Democratization in Niger* (USAID, February 24, 1992), one of the very best of its kind, contains a variety of recommendations about methods of sensibilisation, the selection of targets groups, the strategies for reaching them (theatre populaire, rural animateurs, the use of VCRs) which need to be taken into account in any attempt to strengthen processes of accountability. It takes an informed and politically aware citizenry to hold government officials accountable for their actions. The thrust of the multimedia project in months ahead should be on developing semantic equivalents for the basic concepts of governance (participation, accountability, transparency, efficient management of resources) in Hausa, Zarma, Poular and Tamashek, or, alternatively, trying to convey the meaning of these terms through appropriate media -- plays, stories, songs, proverbs and so forth.

The village law project, likewise, deserves a high order of priority in the context of a global reassessment of democratic governance. Thus far, however, the project appears to be going nowhere. Rather than sending groups of students in the countryside in hopes that they will return with "interesting" data on rural problems -- which is how some seem to visualize the project -- a more fruitful approach is to identify the key areas where traditional legal norms are either inoperative, flouted or ambivalent, or where these operate at cross-purpose with Western legal concepts, and then work out a strategy for resolving these issues. A member of the Law Faculty, Professor Sanou, made a convincing case for the use of "parajuristes" in alerting the rural populations to the need for preserving the environment, even if the prohibitions involved run counter to traditional practices. He specifically insisted on the need to arrive at a mutually satisfactory legal arrangement to preserve the rights of both pastoralists and farmers in areas where conflict has been recurring. He also questioned the appropriateness of allowing Zarma chiefs to make discretionary use of their authority to deny *kadobi* (slave) communities access to the land. "It will be the task of the parajuristes", said Professor Sanou, "to explain what the rights and obligations of individuals are, to identify the rules of procedures for the peaceful resolution of disputes, and to train 'paralegaux' for the specific task of handling local litigations". All of which points to the need to carefully define the parameters of the project. Not only the sites, but the rationale, the means and limits of our intervention must be specified. The key question that needs to be addressed is: to what extent can the project help promote transparency, accountability, respect for human rights, and thus ultimately contribute to local self-governance? Only then can one find tentative answers to the subsidiary questions raised in our earlier report (can the pilot project find a way to compensate paralegals without adding new expenses to Niger's budget? will the villagers perceive the messages being passed as continuations of central government efforts to control them? will the paralegals be perceived as members of NGOs or as government workers?)

In short, Niger offers unique opportunities for constructive interventions in the realm of democratic governance. Even though the obstacles ahead are daunting, the commitment of the new regime to human rights and democracy augurs well for the future of the country. The stage has been set for a fresh start. The tumult and uncertainties of liberalization has given way to a more orderly phase, where democratic consolidation emerges as the overriding challenge to the regime. Political-base building through grass-roots participation, the restructuring of capital markets and administrative decentralization is clearly a key dimension of this process of consolidation. This is where USAID can play a critical role in shaping the country's future.