**SENEGAL**

**Corruption, poverty and other weapons**

Thousands of light arms are in the hands of the population; the political system is weak and ineffective; poverty is rife and corruption is the norm. Given these conditions, in spite of efforts by civil society, it is impossible to build social, cultural and economic systems that guarantee human security in Senegal and bring it within reach of the Millennium Development Goals.

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1 On 26 September 2002 the “Joola”, a ferry with capacity for 550 passengers, sank due to overloading when sailing from Ziguinchor in the south of Senegal to Dakar. Originally, the Government announced there had been 1,100 deaths, while the press claimed there had been nearly 2,000. Only 65 people survived. The Government finally decided to pay compensation to the families of the estimated 1,865 lives claimed in the disaster.


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**Light arms and political failure**

The proliferation of light weapons in Western Africa has without doubt nurtured more conflict in this region than anywhere else in the world. Estimates suggest that over 8 million light arms are in circulation in the region, causing thousands of deaths. Sixty percent of the victims are women and children. Many more people have been mutilated and orphaned. Recent conflicts, especially in Côte d’Ivoire and Liberia, have exacerbated the situation in an area well known for its political instability. Within this regional context, national tensions in Senegal are running high.

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## The cost of corruption

Corruption has a high price, which is paid by the national economy. The total loss due to corruption is estimated at USD 210 million from public expenditure alone. The volume of goods purchased by the State through the centralized administration, not counting brokering agents and public sector companies, amounted to approximately USD 147 million in 1999. In 2001, directly negotiated purchases, which are even more prone to corruption, were USD 43 million. Other purchases represent 70% of those authorised, that is USD 30 million. Nearly a quarter of the budget for buying in labour services was spent on directly negotiated contracts. This 70% of the consolidated purchasing budget was apparently spent on directly negotiated deals.

In the private sector, according to figures from Transparency International which were confirmed by a World Bank survey, “the excess costs generated by corruption amount to between 25% and 30%.”

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The draft decree to create a Council to monitor good governance and fight corruption is no doubt praiseworthy. However civil society is not entirely
satisfied with the proposed Council and has expressed reservations about its potential effectiveness in three areas: awareness-raising, prevention and sanctions.

In order to promote transparency and good governance, the watchdog Council has drawn up a global communications strategy for maintaining, on the one hand, a high level of public services, and on the other hand, to publicise and reward virtuous behaviour, in both the public and private sectors.

As for prevention, no concrete proposals have been made. And civil society organisations have major doubts about penalties for corruption, especially since so many questions are not addressed at all in the draft decree: for example, the need for declarations of disclosure of personal wealth.

Political will is required to make the Council effective by endowing it with the powers it needs. Professional or banking secrecy cannot be allowed to hinder its work. Otherwise, Council requests for documents from authorities will be flatly refused, since there are no coercive measures in place.

In order to ensure institutional autonomy, the Council should be created by law, incorporating the draft decree and adjusting its statutes in line with existing international conventions on corruption.

The 2004 budget: continuing poverty

According to the World Bank, 65% of households live in poverty, in spite of the fact that Senegal was the first country in sub-Saharan Africa to embark on a structural adjustment programme to re-launch the economy in 1984.6

Poverty can only be combated with a bold economic policy aimed at strong, continuous growth led by dynamic sectors of the economy, and by ensuring equitable distribution of the benefits of growth. This should be reflected in the Government’s budget.

Unfortunately, Senegal’s budget for 2004 maintains the status quo. This can be illustrated by examining key elements of the economy as they appear in the budget. The following four indicators, together with inflation (which has remained within acceptable limits), comprise the basis of any budget’s macroeconomic and financial framework:

The 2002 growth rate

Wealth-generating activities, reflected in the growth rate, are in an alarming state. After controversies over the 2002 growth rate, the draft budget for 2004 at last showed that in 2002 Senegal’s growth rate was actually 1.1%, although it had at first been forecast at 5.7%, a prediction that was later revised to 2.4%.7

The balance of trade

The balance of trade remains negative, and the deficit has in fact got worse. In 2002 the balance of trade was USD -740 million, and the estimate for 2003 was USD -790 million - an increased deficit of USD 50 million.8

The investment rate

Senegal is also failing on this front. In fact, in the last 15 years investment has ranged from 15% to 20%. This year the investment rate is expected to increase to 19.7% and the estimate for 2005 is 20%. These levels of investment are clearly inadequate to promote strong growth and place the country in the category of emerging economies, whose investment rates are typically between 25% and 30%.9

External debt

According to World Bank figures for 2001, the country’s external debt is valued at USD 4,000 million, with an annual servicing cost of USD 214.2 million. And the debt continues to grow. The accumulation of old debt is too heavy for a country burdened by the problematic economic structures analysed above. The amount owed is equivalent to 60% of GDP and represents a debt of USD 400 million for each of Senegal’s 10 million inhabitants. In a country where 65% of households are living below the poverty line, this burden is intolerable.

In conclusion, from every analytical viewpoint, the proposed budget for 2004 signals no changes. If present rates of growth continue to be weak and erratic, together with investment rates far below those required for the economy to emerge from stagnation, structural deficits in the balance of trade, and a national debt amounting to more than half of GDP, the country can only sink into abject poverty, which no sectoral plan will be able to reduce, let alone eradicate.

And the Millennium Development Goals will not be met. ■