

Should European taxpayers support Togo's parody of election?



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(The paper is prepared in his personal capacity)

It is amazing to see the emerging frontiers of Democracy in Africa. Togo experienced the first "Coup d'Etat" in 1963 with the enigmatic murdering of the first elected President of Togo Sylvanus Olympio in the garden of the American Embassy. After 38 years of dictatorship led by the late Eyadéma Gnassingbé who officially died on February 5th 2005, Togo is now experiencing the leadership of Faure Gnassingbé, one of the sons. The presidential election on the 24 of April 2005 was heavily contested by a coalition of six political parties headed by a common candidate, Bob Emmanuel Akitani. The son of the first President of Togo, Gilchrist Olympio was prevented from running a constitution revisited many times to accommodate the army forces and those in power.

1. The "double standard" democracy in Togo

The Togolese parliament reflects the state of democracy reached by the country since 13. January 1967, date of the second military Coup d'Etat, which brought the late General Eyadéma Gnassingbé to power with the support from Western governments. The parliament is almost entirely composed with members of the former "Single Party". It reacts mechanically to the injunction of the leader of the army. After the death of their leader, the army decided to keep the power and appointed illegally Faure Gnassingbé as the new President. After an unforeseen positive reaction of the African and the international communities (ECOWAS, African Union (AU), European Union (EU), United States of America (USA)) in the form of a complete ban on Togo's participation in the African and World affairs¹, the newly imposed President decided to step out and run as President. EU refused to send observers and to finance directly the electoral process which was not found transparent and fair enough. The international community and the

African Union decided to rely on the positions of ECOWAS. The regional economic community is headed by Heads of States who benefited from various supports from the late President and are directly or indirectly dependent of the deep-sea Port of Lomé.

The Togolese constitution was changed several times to accommodate the wishes of the army and to secure the election of Faure Gnassingbé within two months. Naively, the coalition of the opposition parties was overconfident about their victory. The main reason for that was the temporary full support of the African and International communities who “forced” Faure Gnassingbé to step down. They did not plan that the results coming out of the ballots might be changed. Ballots boxes were simply stolen, replaced or destroyed by an “uncontrolled” part of the army. The so-called independent national electoral committee and the constitutional court, controlled by the army, just announced the victory of their candidate without any possibility to recount the votes or to let independent observers confirm the announcements. Strangely, ECOWAS, which representatives were sent to watch the election process, did not spot any of the illegal distortions to the electoral procedures revealed by the Coalition of the opposition, several international human rights representatives, independent media and the Diaspora.

After a contested proclamation of the victory of Faure Gnassingbe, as a surprise, the international and African communities (European Union, United Nations, African Union, and selected African Heads of States) decided to side with the ECOWAS’s position. The latter aligned its position on the final decision of the Constitutional court under the control of Gnassingbé, because this court was not clearly questioned by the opposition parties before the election took place. Apart of human right institutions and a part of the Togolese population and its representatives, no one is interested in questioning the statement of the Togolese Constitutional court although all knowledgeable people are declaring this election a parody. The European parliament clearly rejected the official outcome of the election and called for new fair, transparent and free elections². Unfortunately, the European Union Commission’s position was more mitigated, and did not question the acceptance of a debatable result of the Togolese presidential election position acceptable by both the Togolese constitutional court and ECOWAS.

A new institutional crisis among the African Union members came to light. Olusegun Obasanjo, actual President of the African Union till January 2006 and clear supporter of Faure Gnassingbe, decided officially to stop the decision of the President of the Commission of the African Union led by Alpha Omar Konaré, the former President of Mali. Searching for neutral personalities to mediate in Togo, the latter decided to send former President Kenneth Kaunda as a neutral facilitator in Togo. President O. Obasanjo publicly rejected this decision as not being “requested” by the African Heads of States. Can President Obasanjo be both a neutral mediator and a clear supporter of Faure Gnassingbé? This is a new demonstration of the difficulties of the African Union to function

independently from the interference of the African Heads of States. It reveals the difficulties some African Leaders have to move towards democracy, fair electoral process, freedom and unity in Africa³. Which governance could prevent some of the African Heads of State from being used as proactive instruments of western countries' leaders, predominantly and exclusively concerned with protecting their own interest in the sub-region? Moreover, how easy could it be for African leaders of the ECOWAS to be "neutral" if those who were supposed to be objective, accepted from 5 millions to 2 billions FCFA (roughly 8.000 Euros to 3 millions Euros to silence the truth on the election. Any Audit from the EU on the way EU money was spent in the Togolese presidential election process would be welcome if the EU parliament does not want their resolutions to get lost.

2. Foreign interests above African population's interests

Transparency is not acknowledged in Togo as being part of the best practices in doing business, especially in its deep-sea port and free-processing zone extended to the whole territory. It is now also clear that the African Union Heads of States' unwritten rules stipulating that regional problems should be solved at sub-regional levels are becoming contra-productive for the population of Togo.

The truth is that African Leaders are simply unfair in their handling of the Togolese crisis because of their vested interest in giving a higher priority to foreign interests (public and private) over the African civil society's interests. Protecting foreign interests offers three main advantages for selected African Leaders facing a growing questioning of their representativity:

- Benefiting from continuous support at the international level with the possibility of keeping, sometimes through violence and corruption, their post with the blessing of external powerful forces;

- Strengthening their peer relations, which does not allow new comers to join selected African presidential circles if internal unwritten collective rules, favouring "controlled legality" over "free legitimacy", could be questioned;

- Controlling directly or indirectly, against fair trade rules and practices, all productive entities and public goods at the expenses of the population.

Most African Leaders facing similar crises are also those who did not find useful to join the African Peer Review Mechanism (APRM) established under the umbrella of the NEPAD. Only some 27 African countries out of 53 joined the NEPAD/APRM.

The law of silence combined with direct allegiance to most powerful and rich African leaders is generating a double standard democracy in Africa. It is not important anymore that an electoral process be respected. It is only important to ensure that official declaration takes place and is widely diffused by a well-planned and financed communication campaign. Such a democracy is not what

the African peoples are looking for. Whenever people are given the right to defend their interest, differences between people's representatives and citizens are becoming obvious.

The French "No" and the Dutch "Nee" to the European constitutional treaty show the magnitude of the lack of confidence between the leaders and the population. People of Togo are denied the right to choose their real representatives because of differences between the Togolese army's interests and the population's interests. The army is in control of the productive sector; hence the wealth generated is not reaching the population. With more than 43.9% of the Togolese population under age 15 in 2002, poverty, (people leaving on less than 1 \$ per day) in this country, as the result of past governance, is just increasing. According to UNDP, it is definitively above the average 32.3% of the Poverty line between 1990 and 2001⁴.

3. Business versus Democracy in Togo?

Business leaders working in Togo should definitively not consider themselves as a "neutral" economic agents Business as usual should be assessed in the context of a system where freedom, transparency and fair electoral procedures are granted. This is not the case of Togo. Worse, major decisions seem to be taken by a group of military generals, weakening the position of the person selected to lead the country on their behalf. In this context, social corporate responsibility becomes even more fundamental in promoting good governance.

Will European Union and the business community continue to "qualify" the parody of presidential election in Togo as free, fair and transparent? How will the Commission of the EU react? The answer to this question will ease the re-engagement of the EU in ending the suspension of aid since 1993, and scheduled to restart if some 22 conditions related to democratic process are met.

With no significant progress on the issue of requesting a new presidential election in Togo, any transitional government of unity will be playing lip service to democracy. It does not mean that specific businesses will not be flourishing. The impact on the Togolese population as a whole might just be very limited, if any. EU should be clear about the fact that in Togo, any encouragement appears as a direct support to a remote control Government acting for the army. Is it what the European taxpayers are requesting EU to do? How could President Georg W. Bush and Prime Minister Tony Blair support Togo as a poor country if there is no evidence of good policies? The rock star Bono should refrain from pressing primarily for static approaches such as less Aid or debt relief and promote dynamic approaches, including enterprise solutions⁵ to generate wealth and dignity⁶ as well as ensuring effective representativity of African leaders if he really wants changes to benefit Africans in real needs.

EU's unforeseen final decision to restart its development assistance to the Togolese Government will be followed by the World Bank and other donors. Any

programme with the International Monetary Fund can only take place if relations with EU and World Bank are normalised. Because of the degradation of the Togo's economy, the World Bank entry point might be the Low-income countries under stress (LICUS) initiative. Togo qualifies for LICUS which was established in January 2004 with some \$ US 25 millions to help countries with poor governance, and weak institutions and difficulties to honour their debt arrears.

Togo cannot access the world financial market. It is unable to access World Bank loans because of repayment arrears⁷. The political dead end supported by a lack of freedom, could even make the LICUS approach non-implementable. If financial support from Donors communities is being delayed, only funds provided by the business community could support the forthcoming Togolese government's development strategy, if any. That will not be enough, and business may include illegal activities as already pointed out in 2004 with the identification of drugs and weapons smuggling usually in direct correlation with the Togolese deep-sea port and free processing zones⁸.

An average of 53 days is required to start a business in Togo. With officially 6 procedures for registering property, 212 days is the time required to enforce property rights as compared to 3 procedures and 50 days in Benin. 535 days are required to enforce a business contract that needs 37 procedures in Togo. It is easier to hire and to fire workers in Togo as compared to Benin according to the World Bank rigidity of employment index⁹. But in the Togolese free processing zone, which in fact extended to the entire country, there are almost no constraints and a number of complaints from the civil society is increasing. It does not benefit most of the micro, small and medium sized enterprises, which constitute more than 80% of the Togolese labour market.

According to the official statistics of the Togolese Free-processing zones (FPZ) of July 2004, this public-private company under the control of the Ministry of trade, industry, transport and development of the FPZ is performing apparently well. Between 2001 and 2003, the activities increased by 9.1% and the turnover grew on average of 15,2% per annum. The number of posts increased by 6.3% per annum from 7,382 in 2001 to 8,811 in 2003; usually workers are not well paid, frequently below the Togolese minimum salary (equivalent to 24 Euros per month). Fine, but a FPZ is supposed to promote competitiveness and export, which increased by 9.5% while the local sales exploded with more than 125% per annum on average. Products originating from the FPZ are in fact sold at the local level without tax.

Taking into consideration the suspension of both the European Union aid since 1993, the World Bank's support since 2002, the Togolese economy is declining. Development of activities in the FPZ did favor a "mafia" type of economy and governance. It does support informal sector activities in areas and sectors where military control gradually becomes military-related businesses. It does not benefit only selected Togolese officials but also all-powerful actors of the neighboring countries. This could explain the renewed support from selected African Heads of

States to Faure Gnassingbé while paying lip service to a transparent electoral process.

It is therefore obvious that there is no interest to change such a system, especially knowing that the Togolese territory is a full FPZ. Any power change may call in question all unwritten rules accepted at the highest level by each of the leaders who defend their tiny direct and short-view interests. Weapons, drugs, human beings, children, money laundering, second-hand merchandises especially cars and textile products are the new “locomotive” goods boosting informally Togo’s trade balance.

The increased return originating from the informal sector is directly linked to activities controlled by the army. It is therefore not surprising that “*criminals find heaven in Togo as economy declines*¹⁰”. The gross domestic product per capita in Togo has been reduced by half in 20 years. It was one of the weapon warehouses for Angolan rebels in 2000, according to an United Nations report¹¹. If the economic growth of the FPZ does not benefit the entire Togolese population, the question of the corporate governance needs to be raised, especially when the Managing Director of the FPZ is the brother of Faure Gnassingbé. Are the FPZs more and more attracting gangster-like activities? The fact that most of the hierarchy of the Togolese army was trained in France should be of concerns because some of them are still receiving their instructions from abroad. They are heavily dependent on equipments and training from their former supervisors who are not necessary Togolese and are definitively not neutral in Togo’s politic because of the secret defense agreement from the 1960s.

4. Failed States: Poor economic governance and performance?

Based on its weak general economic performance, Togo will have difficulty reaching an economic growth rate of 1.5% in 2005 compared to 2.7% in 2002/03. Whether analysts concentrate on agriculture, 43% of GDP, industry, 22% of GDP or services, 35% of GDP, downturn and stagnation are the usual common economic statements on Togo’s economy. Transportation and activities associated to the deep-sea port of Lomé are increasing due to the crisis in Côte d’Ivoire and the dependency of land locked countries on the port of Lomé.

The rise in world oil prices also increased the bill of Togo’s budget while the phosphates production fell from 1,406,000 Tons in 2003 to 1,016,000 Tons in 2004, (minus 27.7%) and phosphates exports respectively from 1,220,000 Tons to 1,149,000 (minus 5.8%)¹². For various reasons, including a serious strike in 2004, the company International Fertilizer Group-Togo, a joint venture between a French company and the Togolese government, is reluctant to invest in the upgrading of the phosphate industry. The Management takeover contract is supposed to end in 2006 with almost no chance for any major investment to take place.

Industrial production and manufacturing declined respectively for 13,2% and 5,5% in 2004. At the sectoral level, it is important to mention that all indicators have a severe downward trend: food and beverage drop by 7.7%, non-metallic and minerals products by 13.9%, chemicals by 14.5% and even extractive industry by 18.7% and more specifically phosphates by 27.7%¹³ in 2004 as compared to 2003¹⁴. As a consequence, long-term investors are avoiding Togo as final destination.

While government revenues are shrinking, external debts are increasing from \$ US 1,281 in 1990 to \$ US 1,707 millions in 2003 with more than 87% guaranteed by the Government. In other words, in case of government failure, privatization process could become a simple transfer of ownership to main creditors. Lack of credibility could also explain the contraction observed in the net private capital flows between 1990 and 2003, from \$ US 23 to \$ US 20 millions respectively. During the same period, foreign direct investment increased slightly from \$ US 18 to \$ US 20 millions while portfolio investment flows decreased from 4 millions to 0¹⁵. According to UNCTAD, inflow of FDI fell by more than half in Togo between 2002 and 2003 from \$ US 53 million to \$ US 20 millions as compared to Benin, from \$ US 41 to \$ US 51 millions or Senegal, from \$ US 54 to \$ US 78 millions¹⁶.

If inflation in 2004 seemed to be under control with an estimated 2.4%, poverty is increasing and forces members of the Togolese Diaspora to support their family more heavily. It is not surprising that worker's remittances received in Togo increased from \$ US 27 millions in 1990 to \$ US 103 millions as compared to Benin which experienced a drop from \$ US 101 to \$ US 84 millions. Gross domestic savings in Togo drop drastically from 15 % of GDP in 1990 to 5% of GDP in 2003. Wealth generation is becoming difficult in Togo and seems to be concentrated in a close circle of operators having direct links to the army.

The domestic credit to the private sector dropped from 22.6% of GDP to 16.3% of GDP. Most of the micro, small and medium sized enterprises are complaining about their difficulty to access credit, lack of incentives to support entrepreneurship and business development and free-movement of capital, goods and people at the sub-regional level. Transaction costs are increasing because of the lack of investment in basic utilities such as drainage systems, road maintenance, water shortage, access to energy, etc.

With the difficulty of Faure Gnassingbé to open a real dialogue with his opponents and make progress towards a common platform on democratic process, various funds available under previous European development funds (EDF - 6th and 7th between 1985-1990, 1990-1995) as well as Stabex funds for compensation for loss due to terms of trade in the agricultural sector still available under 1991-1994 may not be released. Due to a lack of capacity of absorption, the total amount is estimated at 12.5 million Euros (\$ US 15.5 millions). Another 100 millions Euros open for 2000-2005, reduced to 40 million Euros are still available under the 9th EDF. In fact, Togo is "loosing" some 20

millions Euros per year on the EDF budget earmarked for the country just because of a lack of democracy and transparent electoral procedures.

The European Union would need to provide the world with an “upgraded” definition of “democracy” if it accepts to support the Government of Faure Gnassingbé with his newly appointed Prime Minister Edem Kodjo. Could this new “ticket” provide enough reliability on Togo’s leaders and ease the transferring of EU taxes payers’ money frozen since 1993 to the country. Whether some opposition members, members of the civil society are invited to participate or not, will not really change the issue which is to convince EU to transfer taxes payers’ money to Togo. Any serious attempt to find any issue to the crisis in Togo is directly related to a cleaning-up of the Constitution as well as the electoral process. German and Austria’s system with a President and a Chancellor working with a coalition government¹⁷ could serve as a new alternative example while discussing Togo’s future.

Additional delays in releasing funds will favor an increasing poverty in the country as well as pushing the economy towards more illegal activities. Those who are insisting on good governance and democracy as their new criteria to release tax payers’ money recycled as development assistance funds are paving the way for a forthcoming failed state in Togo. The political crisis in this country is finally a shared responsibility between France, Togo’s past and present leaders and the military networks. One cannot play a double standard politic on the ground and accept, without courage, a parody of election, which is preparing the road for future political conflicts at the expense of peace, security, development and wealth generation. To sum up, Togo cannot meet the Millennium Development Goals when donors themselves are playing lip service to democratic procedures in Togo.

5. A Government of transition without the army in Togo

In the light of the above, the coalition of the opposition parties is not interested in joining any “government of unity” without a clear mandate and real objectives. The role of a government of transition should primarily prepare new fair and transparent presidential and legislative elections. Faure Gnassingbe does not see any need for a transitional period and will not wait indefinitely before building a government without the coalition of opposition parties. Various pressures on both sides may eventually split the opposition because of the poverty level of some of them whose leaders are often above the sixties. Decisions to join could also be justified by the “promises” of the army to stop the harassment, sometimes the killing and raping of citizens. The continuous flee of the population to neighbouring countries without necessarily requesting the asylum status is clearly acknowledged by the international communities, namely the United Nations High Commission for Refugees, the Benin Government and Koffi Gnamgnamé’s¹⁸ non governmental organisation.

Some school of thoughts are still arguing that a partial genocide was planned in the case of the victory of the opposition's parties. The former minister of internal affairs, Mr. Eso Boko resigned and left the country mainly because he did not want to be held responsible of the outcome of the implementation of such a plan.

Interrelations between selected officials of the armies of neighbouring countries and those of Togo are well known. It should also be recalled that, although the French Government clearly highlighted the "neutral" position in this crisis, Togo and almost all the Francophone countries in Africa have a secret "defence agreement" with the former colonial power. This agreement stipulates that French troops should not only intervene in case of external aggression but also in case of internal crisis. The definition of a crisis seems more and more reduced to the protection of foreign interests set as a priority above the population's concerns (Eg. The Cote d'Ivoire case).

The performance of an economy and the effective use of taxpayers' money transferred through development assistance funds are under question. A country cannot be managed indirectly by a group of army generals who are very active in business with almost no control in the free processing territory and the deep-sea port of Togo. Togo is becoming a State with a non-rule of law. Is it different from becoming a failed state? Accepting this precedent will backfire business, peace and security not only in Togo. It will affect the way Europe is willing to construct its future. Could Europe be a haven of peace and wealth if European interests are basically stopping selected developing countries to build their own future based on freedom, fair and transparent electoral process and democracy?

Maybe this contradiction is part of the NO of the French' and the Dutch' tax payers to European decision makers who are compromising democracy in developing countries. In such an unpredictable environment, business cannot develop on a sustainable basis. Building effective interdependence based on a bottom-up approach involving the people is becoming inescapable. A Constitution cannot only promote the protection of "interests" and economic growth at the expense of others. Any governance with no clear proposals on the distribution of wealth may open the door for people to question their representatives in a free and democratic environment. Togo and the European Union may have to rethink their constitution with this in mind. Otherwise, a Government in Togo legally elected or not, could continue to do business first, and promote democracy later.

Any Government of transition can only be operational if one gets rid of the army's interference in governance and control of business in a country where people experienced more than 38 years of dictatorship with the blessing of selected Western and selected African countries with vested interests. It is therefore not surprising that the annual GDP per capita growth rate between 1990 and 2001 was negative (minus 0.7%), definitively below the GDP per capita highest value reached already in 1980¹⁹.

Tax payers in Togo as well as in Western countries who contributed to finance the elections in Togo, should request their representatives to provide them with transparent explanation on the Togolese case. Why money should be spent for an election when the army, discretely and using a “remote control son” of a late dictator, is in charge of forming a government of “unity” in which those who won the presidential election of 24 April 2005 in Togo should be forced to participate? Failing to do so, one should be ready to re-discuss the double standard frontiers of Democracy in Togo. Could Tony Blair as Chair of G8 and the European Union contribute peacefully to the construction of a coherent and balanced consensus on democracy and freedom in Togo?

For sure the european parliament should think about an official audit about the use of the EU contribution for togo sent through ecowas...

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- ¹ Under the pressure of the African Union, ECOWAS, United States of America and European Union, Faure Gnassingbé was obliged to step down. Following sanctions were imposed by ECOWAS on Togo: the suspension of Togo’s membership of ECOWAS, the withdrawal of diplomatic representatives; the imposition of a travel ban on the Togolese leaders, and an arms embargo.
 - ² Resolution of the European Parliament on Togo, European Parliament, Strasbourg, France, 12 Mai 2005.
 - ³ Yves Ekoué Amaïzo (eds), *Is Africa unable to unite?* Collective book published in French with a preface of Joseph Ki-Zerbo, L’Harmattan, Paris 2003.
 - ⁴ See UNDP, Human Development Reports on Internet: http://hdr.undp.org/statistics/data/cty/cty_f_TGO.html
 - ⁵ See also Kurt Hoffman, Chris West, Karen Westley and Sharna Jarvis, “*Enterprise solutions to poverty: Opportunities and Challenges for the International Development Community and Big Business*”, Shell Fondation, 2005.
 - ⁶ C. K. Pralahad, *The Fortune at the Bottom of the Pyramid: Enabling Dignity and Choice through Markets*, Wharton School Publishing, 2004.
 - ⁷ Economic Intelligence Unit, *Togo Country report*, April 2005, p. 17.
 - ⁸ Dino Mahtani, “Criminals find haven in Togo as economy declines”, in *Financial Times*, Thursday 5th May, 2005, p. 6.
 - ⁹ World Bank, *World Development Indicators 2005*, Business environment, p. 280
 - ¹⁰ Dino Mahtani, “Criminals find haven in Togo as economy declines”, in *Financial Times*, Thursday 5th May, 2005, p. 6.
 - ¹¹ United Nations, Security Council, *Final Report of the Monitoring Mechanism on Angola sanctions*, 21 December 2000, S/2000/1225, see in annex on Togo, pp. 162-177; See also Report of the Panel of Experts on violations of Security Council Sanctions against UNITA, 10 March 2000, S/2000/203; Internet: <http://www.un.org/Docs/sc/committees/Angola/AngolaSpecEng.htm>
 - ¹² BCEAO, *Conjoncture économique dans les pays de l’UEMOA*.
 - ¹³ Only for the first 11 months of 2004.
 - ¹⁴ Economic Intelligence Unit, *Togo Country report*, April 2005, p. 18.
 - ¹⁵ World Bank, *WDI 2005*.
 - ¹⁶ UNCTAD, *World Investment Report, 2004*.
 - ¹⁷ See various articles on Togo on www.afrology.com
 - ¹⁸ Mr. K. Gnamname with dual nationality (Togo and French) was a former French minister, and former mayor. As a retiree, he is now very active in promoting the role of Diaspora in the new Togolese settings.
 - ¹⁹ UNDP, op. cit.