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EDITORIAL

Dear Readers,

The world is complicated and full of contradictions, which occasionally forces people to relinquish supposed certainties and revise old prejudices. There are also prejudices circulating about Africa. Former German President Horst Köhler once referred to this succinctly when he said: "Where Africa is concerned, many people think mainly of words beginning with a 'c': crises, conflicts, catastrophes, corruption...." Of course, these associations have some basis in truth. The millions of people who are currently fleeing from countries such as Syria, Somalia and Sudan are illustrating this yet again right now. That said, one should not make the mistake of simply lumping over 50, in some ways very different countries together. South Africa is not Eritrea, and besides having the poorest countries in the world the "Black Continent" is also home to some of the fastest growing economies. The fact that Africa has more to offer than poverty, hunger and war is also illustrated by changes in the media landscape, which Christian Echle investigates in his article in this issue.

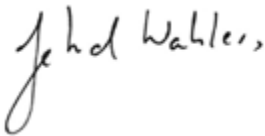
Another scenario full of contradictions involves the plans of the Nicaraguan government to push through an infrastructure project competing with the Panama Canal with the aid of a Chinese investor. Where some stress the hoped-for economic benefits of the planned "Nicaragua Canal", the topic of the article by David Gregosz and Mareike Boll, others see potentially dramatic consequences for the region's fragile ecosystem – quite apart from the questionable feasibility of the gigantic project.

Karsten Dümmel's assessment of the situation 20 years on from the Dayton Peace Agreement and of developments in Bosnia and Herzegovina is also anything but clear-cut. While there have been indisputable benefits, such as the immediate ceasefire on all fronts and an end to the war, there have also been problematic developments such as the creation of highly ineffective state structures and discrimination against ethnic minorities. Whether the country, which many already consider a failed state, will eventually find

its way into the European Community depends on whether it will succeed in initiating and implementing a reform process that is long overdue.

“Rich in Resources – Yet Still Poor”, that is the contradiction at the center of the article by Ute Gierczynski-Bocandé on the so-called Major Mining Projects in Senegal. Although the country is rich in natural resources such as gold, iron ore, phosphates, heavy minerals and oil, the Senegalese government has so far not succeeded in translating these riches into socially just, sustainable and environmentally compatible development. Should this development fail to materialise in the future, the country may drift into political and social instability, or even into chaos, as has happened in many other countries rich in resources.

The article by Hans-Hartwig Blomeier, in which he looks back on the general election in the UK, finally shows that one has to exercise caution even where apparent certainties in the EU are concerned. Despite London bookmakers offering odds of 10/1, David Cameron and his Conservatives succeeded in achieving an election result that now allows them to govern on their merits. The fact that Cameron invited some self-declared Eurosceptics to the cabinet table on the one hand while making efforts to keep the UK in the EU on the other is yet another of the multitude of contradictions that pervade this sphere, not just the articles in this issue of the *International Reports*.



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#NEWACTORS, #OLDPROBLEMS

HOW THE DIGITAL SPHERE IS CHANGING THE INFORMATION PROCESS AND THE MEDIA LANDSCAPE IN AFRICA

Christian Echle



Christian Echle is the Director of the Media Programme Sub-Sahara Africa of the Konrad-Adenauer-Stiftung.

"The Internet is Not the Answer"¹ is the title the British-U.S. Internet critic Andrew Keen gave his latest work, which refers to the potentially democratising impact of the World Wide Web. In his book, he justifiably criticises clicktivism and anonymity on the Web, an uncontrolled explosion of information and the fact that those who shout loudest attract the most attention. Keen's perspective is also a typically Western one, based on essentially well-functioning democracies with essentially well-functioning media. A glance at Africa, where political systems are less stable and the media are weaker, shows that the Internet can indeed further democratic development. There, the digital space provides a platform for young bloggers and social media activists, from which they are making themselves heard ever more effectively. Through their posts and articles, they are contributing to the diversity of opinion and information on the continent.

NEW PLATFORMS FOR GOOD JOURNALISM

The 16th of August 2012 saw South African post-apartheid society suffer a disastrous event that would have a lasting impact. There had been a strike at the Marikana platinum mine for close to a week; the workers had put forward demands for their pay to be more than doubled from 530 euros to some 1,200 euros a month. The wildcat strikes were instigated mainly by the small AMCU trade union, which was seeking to establish itself as an alternative to the large union of mine workers NUMSA, which has close links to the government. The atmosphere had become increasingly aggressive as time went on, not only between the two trade unions but also between the strikers and the police. The

1 | Andrew Keen, *The Internet is Not the Answer*, New York, 2015.

strike had already led to the death of eight people by 16 August, including two policemen and four mine workers.

Then, at around midday on 16 August, something happened that brought back traumatic memories of the apartheid era to many South Africans: the police opened fire on the strikers and killed 34 people within minutes, injuring 78 others. The next day, the newspapers quickly drew parallels to the massacres of Sharpeville and Soweto, which are among the darkest chapters of the history of South African apartheid. But the enormity of the event lay in the fact that this time it was black policemen who had fired on black protesters. What had become of the lessons the Rainbow Nation was supposed to have learnt from the time of racial segregation?

Immediately following the incident, the government and police leadership sought to quell such questions from the outset. Representatives stated that the police had acted in self-defence and that the aggression and the first shots had come from the mine workers. Police Commissioner Riah Phiyega made statements to that effect during the press conference held on the day after the massacre. While the media held back from prejudging findings about the incident, most went along with this line and even provided eye-witness accounts that seemed to confirm it.²

It took two weeks for the media to seriously question this version of the events. The journalist responsible for raising doubts was Greg Marinovich. He had gained some reputation as a member of the so-called Bang-Bang

As a member of the so-called Bang-Bang Club Greg Marinovich together with three other photographers documented the violent side of the South African post-apartheid transition.

Club in the early 1990s, working with three other photographers to document the violent side of the South African post-apartheid transition. In 1991, he received the Pulitzer Prize for one of his photos. Upon hearing about the shots being fired, he immediately set off to Marikana to discover for himself what had happened. After several days of research, he published a long article on 30 August 2012, which raised serious doubts about the statements issued by the police. Drawing on his experience as a photographer, Marinovich realised that the places where several of the dead had been found as well as their positions were inconsistent with the justification of police self-defence. "It is becoming clear

2 | Cf. Pascal Fletcher, "South Africa's 'Hill of Horror': self-defense or massacre", Reuters, 16 Aug 2012, <http://reut.rs/Q7NQfD> (accessed 24 Jul 2015).

to this reporter that heavily armed police hunted down and killed the miners in cold blood”, he writes about his findings.³

In carrying out this research, Greg Marinovich fulfilled the role of investigative journalist, which is to monitor the state’s activities and, in the best-case scenario, help to further democracy. It was not until he published his conclusions that the significance of the incident for South African society became clear. The fact that virtually no perpetrators were named in the governmental Marikana report published a few weeks ago after an investigation lasting two and a half years says a great deal about the current state of democracy in South Africa. However, what is truly extraordinary about this story is something else: Marinovich’s report did not appear in a newspaper or an investigative radio program. Instead, it was published in the *Daily Maverick*, an online portal, which offers a mix of news, opinions and analyses. Or, in the words of the motto displayed on the website: “For people with brains. And an internet connection.”

AFRICA IS TURNING MORE DIGITAL – FROM TUTORING TO ELECTORAL ROLL

In fact, there have been increasingly clear signs of changes taking place in the area of information delivery in Sub-Saharan Africa over the last few years. It is still the exception rather than the rule that important news is not first available in the “traditional media” – mainly the radio but also newspapers and television. But digital outlets are increasing in importance. This is closely linked to the proliferation of the Internet in Africa. According to *Internet World Stats*,⁴ every fourth person on the continent had access to the Internet by the end of 2014.

This means that the access rate is still some 15 percentage points below the global average of 42.4 per cent. But when one looks at Africa’s rural areas, it becomes clear that having an Internet connection no longer represents a phenomenon restricted to urban areas and the elites. This trend has been encouraged by increasingly

3 | Cf. Greg Marinovich, “The murder fields of Marikana: The cold murder fields of Marikana”, *Daily Maverick*, 8 Sep 2012, <http://dailymaverick.co.za/article/2012-08-30-the-murder-fields-of-marikana-the-cold-murder-fields-of-marikana> (accessed 24 Jul 2015).

4 | Cf. “Internet Users in the World: Distribution by World Region”, *Internet World Stats*, 2014, <http://internetworldstats.com/stats.htm> (accessed 24 Jul 2015).

declining prices of mobile handsets as well as decreasing data charging rates. In a study on communication costs, the LINK Centre of the University of the Witwatersrand in Johannesburg collaborated with five focus groups from South Africa, whose participants predominantly represented the rural regions as well as the townships. The average monthly income of the respondents was below 400 euros. Nevertheless, over three-quarters of them stated they had access to the Internet on their mobiles, and that they used this predominantly to search for educational and job opportunities.⁵

One should not necessarily conclude that the Internet is predominantly used for obtaining useful information in Africa. No doubt, people from Dakar to Durban also watch cat videos, update their Facebook profiles and send chat messages. But the less disposable income a household has, the more selective its members are with respect to data downloads. And there

are, in fact, some impressive examples of how helpful the Internet can be for furthering development on the continent. In South Africa with its struggling education sector,

In South Africa there is *Dr Math*, a maths tutoring service that people access on their mobiles. Each question only costs a fraction of a euro cent.

for instance, there is *Dr Math*,⁶ a maths tutoring service people access on their mobiles. This service is integrated into the chat platform Mxit, which is extremely popular with school children; and because of the low data usage, each posed question only costs a fraction of a euro cent. Similar applications help farmers in Ghana with setting their prices⁷ or voters in Kenya with the registration process and with locating the nearest polling station.⁸ The last-mentioned project was realised by Code for Africa, one of the numerous non-profit-making software developing initiatives on the continent. Before its programmers had taken on the task of making the register of the Kenyan polling stations accessible, the information was only available as a download of the entire

5 | Cf. Luci Abrahams/Kiru Pillay, *The Lived Costs of Communications*, LINK centre, 2015, S. 11 f., <http://r2k.org.za/wp-content/uploads/R2K-lived-cost-communications.pdf> (accessed 24 Jul 2015).

6 | Cf. "Mixing it with Dr Math: Mobile tutoring on demand", *eLearning Africa*, 2 Feb 2012, http://elearning-africa.com/eLA_Newsportal/mixing-it-with-dr-math-mobile-tutoring-on-demand (accessed 24 Jul 2015).

7 | Cf. How we made it in Africa (ed.), "How Esoko bridges the information gap faced by farmers across Africa", 1 Jul 2015, <http://howwemadeitinafrica.com/how-esoko-bridges-the-information-gap-faced-by-farmers-across-africa/50066> (accessed 24 Jul 2015).

8 | Cf. Justin Arenstein, "Data journalism boosts voter registration in Kenya", *Code for Kenya*, 3 Dec 2014, <http://code4kenya.org/?p=396> (accessed 24 Jul 2015).

file from the website of the Kenyan Electoral Commission, which exceeded one gigabyte.



Farmers in Ghana: Today there are apps for mobile phones which help farmers in Ghana determine the prices for their goods. | Source: International Institute for Communication and Development (IICD), flickr ©.

The Wikimedia Foundation, which handles the ongoing development of the online knowledge repository *Wikipedia*, responded to the internet usage growth in Africa by initiating project “Wikipedia Zero” in 2012. The aim is to enable people in developing countries and emerging economies to obtain free access to *Wikipedia* via the Internet. Thanks to collaboration with mobile service providers Orange, Airtel and MTN, people in eleven countries of the Sub-Saharan Region can now access *Wikipedia* without incurring any data transmission costs. The project includes South Africa and Kenya, both of which are at the forefront of connectivity development in the region with an Internet access rate of over 50 per cent.

These are also the countries where the large media companies are based, which are viewing the upcoming digital revolution with the same perplexed apprehension as their European counterparts did a few years ago. Many are working on digital strategies; and there is hardly a sizable newspaper in Sub-Saharan Africa now that does not have its own website. At the same time, there are hardly any examples of how these websites in particular and the digital sector in general can be managed as profitable operations.

In most African countries, the advertising market is too weak, and the introduction of payment barriers or “plus” contents such as those offered by the German newspapers *Bild*, *Welt* or the *Süd-deutsche Zeitung* is inconceivable considering the readers’ modest purchasing power. The well-respected South African weekly newspaper *Mail & Guardian*, which has probably been most consistent in going down the digital route over the last few years, is, in fact, now suffering considerable financial difficulties.

MORE OPINIONS, FEWER CONVENTIONS

That said, the media operators on the continent are aware that they must continue their search for a viable digital model to underpin their continued existence. A third of the 44 workshops and panels at this year’s Radio

A third of the 44 workshops and panels at this year’s Radio Days Africa, the largest conference related to radio broadcasting on the continent, had a specific digital focus.

Days Africa, the largest conference related to radio broadcasting on the continent, had a specific digital focus. A presentation by former radio moderator Gareth Cliff drew particular attention. He had turned his back on the traditional radio sector and founded an online radio station with associated podcast production. Cliff gave a very positive account of what had been achieved in the year since he took the step. He reported that *Cliff Central* had attracted a loyal customer base within a very short space of time through the use of unconventional formats and that the strongest programs reach up to 100,000 listeners. Thanks to advertising revenues, he can now pay the salaries of seven permanent staff, while the modest production costs continue to allow plenty of scope for experimentation and niche topics. “I’m glad that I already took the step into a digital medium a year ago and became one of the trendsetters, because others will inevitably have to take this step as well”, he concluded his presentation at the Radio Days 2015.⁹

Cliff Central and the *Daily Maverick* are two digital media success stories from Africa, which have several things in common. Both place emphasis on opinion. The *Daily Maverick* has a prominent list of “Opinionistas”, i.e. opinion leaders, on its landing page, who comment on current events from unusual perspectives and with well-argued texts. Gareth Cliff, for his part, reported with some obvious pride that there was true hatred between Leeds

9 | For further information on Gareth Cliff’s presentation cf. “Gareth Cliff shares the joy of taking his content online”, *Wits Journalism*, 5 Jul 2015, <http://www.journalism.co.za/blog/gareth-cliff-shares-joy-content-online> (accessed 10 Aug 2015).

and Liverpool fans among his sports commentators and that this occasionally led to verbal abuse on air. The second common aspect is the disregard of conventions. One reason why Greg Marinovich's Marikana story appeared in the *Daily Maverick* was that its editorial team was the only one that could guarantee the article would be published in full, accompanied by numerous photos. In his presentation, Gareth Cliff stressed repeatedly how much the contents and the flow of a broadcast benefit from no longer having to fit into the fixed pattern of a classic radio program with slots for news, weather, traffic and advertising. Finally, both projects are managed by "digital natives", i.e. an editorial team consisting predominantly of young people who have grown up with the Internet and social networks and therefore have a better understanding of the delivery of information in the digital sphere.

In Angola, Malawi and Zambia, the media output is influenced very strongly by the government. The radio stations with the greatest reach are those operated in the public sector or under government control.

However, it is precisely these three common areas – strength of opinion, willingness to experiment and digital thinking – where most established media companies in Sub-Saharan Africa are struggling. This is mainly caused by the ownership structure. Particularly in countries such as Angola, Malawi and Zambia, the media output is influenced very strongly by the government. The radio stations with the greatest reach are those operated in the public sector or under government control, and many of the larger newspapers are also subject to influence either via their owners or via government advertisements. In these cases, strong opinions are only in demand when the objective is to support the government line. True diversity of opinion is different. Another issue is the way the staffing policy is affected by the links with government. Many public radio stations in particular are not headed by media professionals; instead, the top executives are selected on the basis of their political convictions and connections. This has the effect of stifling innovative power and digital thinking in the great majority of cases. One can see the amount of damage that this approach can have in the case of South Africa. There, Frans Matlala was recently presented as the new CEO of the public broadcasting corporation SABC – already the ninth to occupy this post since 2009.¹⁰

10 | Cf. Thinus Ferreira, "Frans Matlala appointed as new SABC CEO", *fin24tech*, 1 Jul 2015, <http://fin24.com/Tech/News/Frans-Matlala-appointed-as-new-SABC-CEO-20150701> (accessed 24 Jul 2015).

NEW HOME FOR NEW DIVERSITY OF OPINION

Notwithstanding this state of affairs, an unprecedented diversity of opinion and information has been developing in the publicly accessible digital sphere in Sub-Saharan Africa over recent years. However, this diversity is to be found not so much on the websites of established media brands but instead in blogs and social networks. The Arab Spring in North Africa suddenly brought home the effect the latter can have on political processes. Even if the phrase “social media revolution” is ultimately not applicable to the upheavals in the Maghreb, social media undoubtedly played a role in the rapid proliferation of information and in the protestors’ efforts to organise. This potential has now also expanded to the region south of the Sahara.¹¹



The “Walk to Work” campaign protested against rising petrol prices in 2011. The protest degenerated into rampages leaving several people dead and numerous injured. | Source: © Yannick Tylle, picture alliance/dpa.

One case in point is the “Walk to work” campaign, which Ugandan civil society initiated in protest against the persistent increases in food prices and living costs after the 2011 presidential elections. In order to express people’s dissatisfaction with the development of fuel prices in particular and to put the government under pressure, the group “Activists for Change” had called upon all Ugandan

11 | Cf. Arthur Chatora, “Encouraging political participation in Africa. The potential of social media platforms”, Institute for Security Studies, 15 Mar 2012, <http://dspace.cigilibrary.org/jspui/bitstream/123456789/32998/1/15Mar2012SocialMedia.pdf> (accessed 24 Jul 2015).

citizens to walk to work. The call spread above all via the country's social networks and blogs and quickly gained in popularity. On 11 April 2011, the first high-profile walks to work took place; however, security forces stopped leading opposition politicians in particular and arrested them. The brutality shown on these occasions resulted in a proliferation of the protests, which led to further use of force. Two weeks of protest activities throughout the country sadly resulted in nine people being killed, over one hundred being injured and close to 1,000 activists being arrested.¹²

Ruth Aine Tindyebwa represents a group of young Africans who see themselves as journalists, but for whom a career in the traditional media is out of the question.

Ruth Aine Tindyebwa is a Ugandan blogger, who commented on the events at the time as part of her training at Deutsche Welle.¹³ She represents a group of young Africans who see themselves as journalists, but for whom a career in the traditional media is out of the question for the reasons mentioned above. Instead, they have found online platforms to publish their comments, often simultaneously in blogs, on Facebook pages, on Twitter channels and on other local social media sites. And this is also the case for Ruth. With her blog entitled *In Depth*,¹⁴ she has become one of the country's leading bloggers on issues relating to political processes and developments in society. When the Ugandan police shut down the editorial offices of media company Monitor Publications in Kampala in May 2013 for ten days to search them for confidential sources and documents, Ruth's Twitter channel was the best source for obtaining an overview of events during the first few days. It is therefore not without good reason that she has some 13,000 followers on the microblogging site. Editor in Chief of *Spiegel* magazine, Klaus Brinkbäumer, has a significantly smaller Twitter following of some 7,500 by comparison.

Particularly in the numerous African countries where traditional media cannot adequately fulfil the role of Fourth Estate, Ruth and her fellow bloggers therefore definitely represent interesting actors in the area of information delivery and diversity of opinion. One cannot assume that bloggers will one day be the better journalists in Africa. There is still a demand and a need for good journalism

12 | Cf. Human Rights Watch, "Uganda: Launch Independent Inquiry Into Killings", 8 May 2011, <http://hrw.org/news/2011/05/08/uganda-launch-independent-inquiry-killings> (accessed 24 Jul 2015).

13 | Cf. Ruth Aine, "Uganda walks to work with social media", *onMedia*, 19 May 2011, <http://onmedia.dw-akademie.de/english/?p=911> (accessed 24 Jul 2015).

14 | Ruth Aine, *Ruth Aine's Blog: In Depth*, <http://aineruth.blogspot.com> (accessed 24 Jul 2015).

with high investigative standards and a solid ethical foundation. But on a continent where these characteristics are not always guaranteed even in well-established media companies, bloggers and social media activists increasingly function as important actors. This applies in the area of information delivery, because they address issues and topics that the established media will not touch for various reasons. They do, however, tend to treat subject matter more subjectively than one would expect from a purely journalistic product. Bloggers are therefore even more important where diversity of opinion is concerned; they provide us with well-founded opinions and assessments beyond the African media mainstream. One go-to source in this context is the weekly overview entitled "Tops of the Blogs",¹⁵ in which every Friday the Media Programme Sub-Sahara Africa of the Konrad-Adenauer-Stiftung compiles blogs from the region that are worth reading. It also provides a good idea of the different types of actors within the political blogosphere in the region.

LONE WARRIORS, NETWORKERS AND EXPERTS

The first group encompasses actors such as Ruth, who define themselves first and foremost as bloggers. They regularly publish opinions, comments and news on their blogs.

As the blogs do not generate sufficient income, some actors frequently work as social media consultants. Some have also gained a qualification in the media or technology sector.

The blogger's personality plays an important role as it defines their brand. The topics covered therefore typically range from personal experiences and everyday observations to current affairs. As the blogs do not generate sufficient income, the actors from this group frequently work as social media consultants or guest authors. Some have gained a qualification in the media, communication or technology sector. Besides strong personal opinions and good analytical skills, many of these bloggers benefit from a good network, which may well reach beyond national borders.

The second category involves blogs operated by experts from other fields. For these people, blogging represents something of a hobby or an additional channel to offer their own expertise to the public. The topics they cover tend to be more restricted and relate to the area the author works in, with personal experiences and everyday observations being the exception rather than the rule. One case in point is the South African constitutional law scholar

15 | Konrad-Adenauer-Stiftung, "Tops of the Blogs", <http://kas.de/medien-afrika/de/pages/12530> (accessed 24 Jul 2015).

Pierre de Vos. The 52-year-old is a lecturer in constitutional law at the University of Cape Town. He began writing a blog entitled *Constitutionally Speaking*¹⁶ back in October 2006, in which he examines current political and social issues from a constitutional law perspective. In his posts, he frequently comments on these issues with considerably less agitation than the traditional media but also frequently with much more well-founded arguments – be it on the security upgrade at South African President Jacob Zuma’s private residence in Nkandla, the costs of which are put at 15 million euros, or on the fact that Sudan’s President al-Bashir was allowed to leave South Africa unchallenged after attending the AU summit in June this year despite his being subject to an international arrest warrant.



Regularly chosen for “Tops of the Blogs” – young political bloggers from sub-Saharan Africa attending a workshop of KAS Media Africa in Nairobi in November 2015. | Source: KAS Media Africa.

In the third category the lines between the blogging sphere and the academic and journalistic sphere are even more blurred than in the first two categories. Bloggers belonging to this group are associated with the larger blogger networks, which operate with a regional or global outlook and act as an umbrella brand for individuals. The texts published on these platforms generally attract a fee, although this is rarely sufficient to fund the person’s livelihood.

16 | Cf. Pierre De Vos, “Why the ad hoc Committee on Nkandla is legally irrelevant”, *Constitutionally Speaking*, 22 Jul 2015, <http://constitutionallyspeaking.co.za> (accessed 24 Jul 2015).

Good examples of such networks operating in Sub-Saharan Africa are *African Arguments*¹⁷ and *Global Voices*.¹⁸ The latter is a network for bloggers and citizen journalists, which was founded back in 2006 and operates worldwide, although it focuses predominantly on developing countries with a poorly developed media landscape. In the Sub-Saharan section of this website, which is translated into up to 43 languages, one to two articles are published each week, dealing mainly with current affairs as well as human rights and cultural topics. In the case of *African Arguments*, the focus is slightly different. This platform, which is operated by the Royal African Society based in London, mainly features academics, who may not write in a style entirely suitable for social media, but at least aspire to a journalistic standard. The text commenting on al-Bashir's trip to South Africa published there, for instance, was penned by a PhD candidate and visiting lecturer at the University of the Witwatersrand in Johannesburg. One recently established platform in this category, which is of particular interest from a German perspective, is the online news portal *JournAfrica!*.¹⁹ This was founded last year by journalists from Leipzig and collaborates with a network of over 50 African contributors to improve reporting about the continent in Germany.

There is a fourth and last category covering blogs that are directly associated with established media brands. These often serve to convert the editorial section of a newspaper into Internet-compatible form, albeit with more space for detailed texts and analyses as well as for experiments. There is also more scope for the authors to come to the fore than on the classic editorial page. At the same time, however, expectations with respect to journalistic standards are higher than in the case of independent blogs of individuals, for instance. One media brand that is particularly active in this area is the above-mentioned South African weekly newspaper *Mail & Guardian*, which set up not just one but two such platforms in recent years, namely *Thoughtleader*²⁰ and *Voices of Africa*²¹. *Thoughtleader* features a truly impressive list of South African thought and opinion leaders in its author index, very few of whom are in the paper's direct employ. The idea of the blog is to find a genuine authority in the relevant field to write about

17 | Cf. *African Arguments*, <http://africanarguments.org> (accessed 24 Jul 2015).

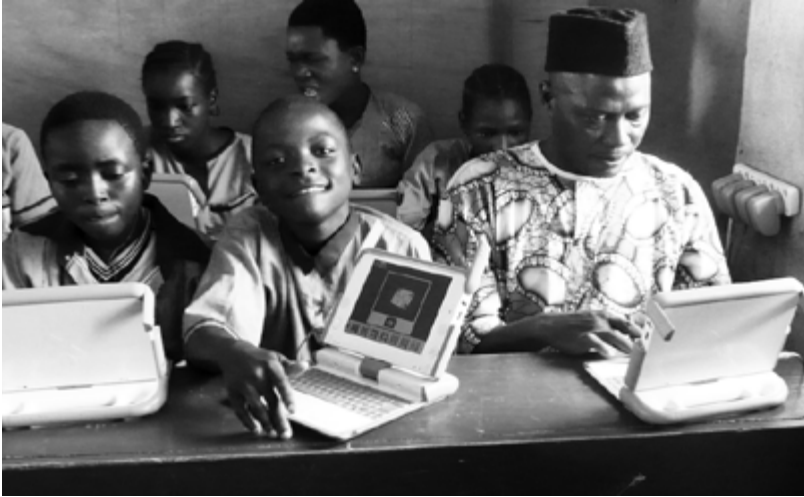
18 | Cf. "Subsahara-Afrika", *Global Voices*, <http://de.globalvoicesonline.org/category/world/sub-saharan-africa> (accessed 24 Jul 2015).

19 | Cf. *Journ Africa!*, <http://journafrika.de> (accessed 24 Jul 2015).

20 | Cf. *Thoughtleader*, <http://thoughtleader.co.za> (accessed 24 Jul 2015).

21 | Cf. *Voices of Africa*, <http://voicesofafrica.co.za> (accessed 24 Jul 2015).

any particular topic to be investigated. This regularly turns into a controversial and interesting enterprise when an author attempts to make an assessment of the relationship between blacks and whites in the rainbow nation. *Voices of Africa*, for its part, focuses on unusual stories from the continent – similar to the approach taken by *JournAfrica!* – and therefore does not include texts relating to current affairs. Instead, readers learn about a rapping news reader in Uganda or the lack of inspiration in the African Union's vision for the continent.



The initiative “One Laptop per Child” aims to enable children and teenagers to participate digitally – an important step in training future generations’ media competence. | Source: Carla Gomez Monroy, flickr ©¹.

GROWING INTEREST IN REGULATING THE DIGITAL SPHERE

Blogs and websites from all four above-mentioned categories are already making significant contributions to the diversity of opinion on the continent. This does, however, also bring them more strongly to the attention of the authorities, who are keen to define the grey area involving journalism, blogging and the voicing of opinions in social media more clearly. This interest first came to light when the *Zone 9* bloggers were arrested in Ethiopia. *Zone 9* is a network of Ethiopian bloggers, who repeatedly voiced criticism of the government in relation to issues of legal certainty and social change in their country on their website. In April 2014, six members of this group were arrested, together with three Ethiopian journalists, under anti-terror legislation. Despite a great deal of international attention, the court proceedings have dragged

on for over a year.²² While the three journalists and two of the bloggers were released from custody in mid-July, presumably in connection with the impending visit to the country by U.S. President Obama, four of the bloggers remain incarcerated without a valid conviction.²³

But even if this case represents an inglorious exception in Sub-Saharan Africa to date, there are increasing indications of greater regulation in the digital sphere. In March of this year, the South African Film and Publication Board presented a Draft Online Regulation Policy,²⁴ which the Electronic Frontier Foundation, which defends freedom of expression on the Internet, immediately denounced as “Africa’s Worst New Internet Censorship Law”.²⁵ The draft includes a provision for the Board to have the power to remove any content from the Internet that it may deem “to be potentially harmful and disturbing”. Seen in the context of the highly opaque decision-making process within the Board, this extremely broad definition gives justified cause for concern that the planned legislation could be used as a weapon to limit freedom of speech. However, observers assume it will not be introduced following the massive criticism, at least not in the form presented in the current draft.

In any case, it becomes clear that the digital opinion formers of the continent around Greg Marinovich, Gareth Cliff and Ruth Aine Tindyebwa deserve greater attention and support. Greater attention, because they offer a genuine alternative to the frequently “dependent” journalists on the continent as they help to modernise the African media landscape and, not least, because their contributions are more easily accessible from Europe as well.

22 | Information on the latest state of the proceedings is available here: Endalk Chala/Melody Sundberg, “We blog because we care!”, *Trial Tracker Blog*, <http://trialtrackerblog.org> (accessed 24 Jul 2015).

23 | Cf. William Davison, “Ethiopia courts scepticism after freeing imprisoned writers ahead of Obama visit”, *The Guardian*, 9 Jul 2015, <http://theguardian.com/global-development/2015/jul/09/ethiopia-releases-imprisoned-writers-obama-visit-financing-for-development-addis> (accessed 24 Jul 2015).

24 | Accessible under Republic of South Africa, *Government Gazette*, 4 Mar 2015, <http://fpb.org.za/profile-fpb/legislation1/514-draft-online-regulation-policy-2014/file> (accessed 24 Jul 2015).

25 | Jeremy Malcolm, “Africa’s Worst New Internet Censorship Law Could be Coming to South Africa”, *Electronic Frontier Foundation*, 21 May 2015, <http://eff.org/deeplinks/2015/05/africas-worst-new-internet-censorship-law-could-be-coming-south-africa> (accessed 10 Aug 2015).

Greater support, because they are subject to pressure from the efforts of several governments to impose greater regulation and because they have a special responsibility for the ethical use of what is a relatively new technology on the continent in their role as early adopters.

In line with these aspirations, the Konrad-Adenauer-Stiftung introduced the blogger network #africablogging at this year's re:publica. This is a platform intended to fulfil precisely the objectives referred to above: making interesting political bloggers of the continent visible and helping them to perform their work as well as possible. And this ties in with a statement Kenyan author Brenda Wambui made about her motivation for blogging during the re:publica panel discussion: "No-one can speak for us but us. No-one will fight for us but us."²⁶

26 | Konrad-Adenauer-Stiftung, "#AfricaBlogging-Panel auf der re:publica 2015 in Berlin", 12 May 2015, <http://kas.de/wf/de/33.41306> (accessed 24 Jul 2015).

NICARAGUA'S DREAM TO BUILD ITS OWN CANAL

**CHINESE INVESTOR BEGINS MEGA PROJECT –
OUTCOME UNCERTAIN**

David Gregosz / Mareike Boll

INTRODUCTION

Crises, wars and conflicts are focusing Germany's political attention on Greece, Ukraine and Islamist terrorism in the Middle East. This is understandable given the challenges associated with these regions. The difficulty is that at the same time, new developments are taking place in seemingly remote corners of the world. Carefully observed by Germany's foreign policy actors, these issues are as yet unknown to the wider German public.

One such region is Latin America. Generally ignored by the media in Germany, state and non-state actors from Mexico's borders to southern Cape Horn are pursuing their own interests. Many of these are linked with trade and security issues of great significance to Germany, as a decision-making power and export nation. One prominent example: a Chinese investor has plans to develop a trade route between the Atlantic and the Pacific in Nicaragua, the poorest country in Central America. This article discusses this development, placing the construction of what is often called the 'Nicaragua Canal' in historical context, and examining the bidding process and the relevant stakeholders. The project's economic, social and environmental impacts are addressed, and we present some conclusions are presented for discussion.

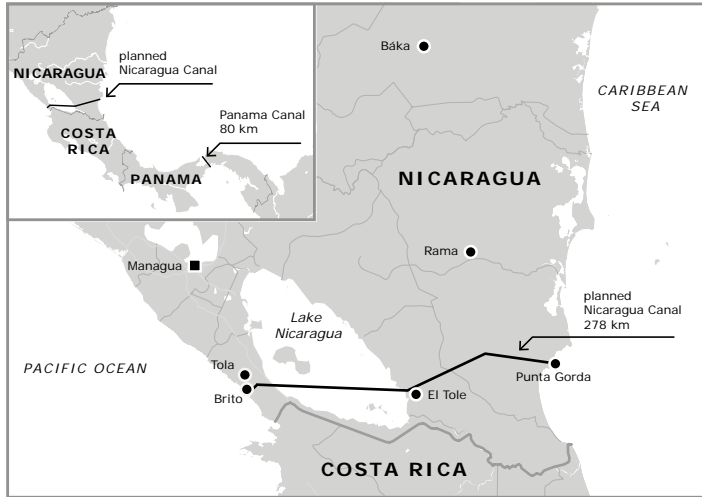


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Fig. 1

Planned route of the Nicaragua Canal

Source: Own illustration. | © mapz.com, racken.

THE NICARAGUA CANAL: REVIVING AN ALMOST FORGOTTEN IDEA

The search for a sea route between the Atlantic and Pacific, and the accompanying dream of an interoceanic waterway, entranced even the first conquerors to arrive in Central America. Ever since then, the land that forms present-day Nicaragua has been coveted as a possible site to facilitate and expand maritime world trade via a transoceanic shipping lane. Nicaragua seems to be inching ever closer towards this dream, most recently, with the aid of a Chinese investor. Construction work began a few months ago on a truly “mega” project.¹ Were the project to be completed, the Nicaragua Canal created as a result would be three times as long as its more famous “brother”, the Panama Canal, and much, much larger (see Fig. 1).

Government representatives close to current Nicaraguan President José Daniel Ortega Saavedra, of the “Frente Sandinista de Liberación Nacional”, expect the investment to provide a developmental boost to Nicaragua’s currently weak economic perfor-

1 | “Nicaragua presenta su proyecto de Canal como complementario al de Panamá”, *El Nuevo Diario*, 29 Jan 2015, <http://elnuevodiario.com.ni/nacionales/340499> (accessed 31 Jul 2015).

mance² present the project as the realisation of an almost forgotten dream of national significance on the world stage; something, which would make Nicaragua another hub for global trade. The country's 5.8 million inhabitants are, by contrast, divided regarding the plans. Some citizens welcome the Chinese involvement, and hope it will bring jobs and prosperity. However, human rights activists and environmentalists are apprehensive about the project's high social, environmental and economic costs and the profound transformations it may create in the country. The doubts raised by opponents of the canal appear to have some justification: the concession process for the construction and operation of the Nicaragua Canal was organised without a public invitation to tender, and laws were changed to allow the operating licence to be granted to a Chinese billionaire. Critics also lament the fact that they have not been sufficiently informed about the project, let alone consulted.³ All of these are strong arguments for taking a more detailed look at events in the Nicaraguan capital, Managua.

Human rights activists and environmentalists are apprehensive about the project's high social, environmental and economic costs and the profound transformations it may create in the country.

THE CANAL AND ITS HISTORICAL SIGNIFICANCE

Even during the early colonial period, Spanish conquerors pondered a possible canal route in Nicaragua for transporting gold and silver to Europe. They quickly rejected this idea as technically unfeasible. Following Nicaragua's newly won independence from Spain, in 1821, the idea of constructing a canal was however reconsidered, this time with all the possibilities offered by the technologies of the dawning Industrial Age. The project's planners found motivation in the California gold rush. People were looking for new routes to transport the resources unearthed there to the East Coast, avoiding the long and dangerous sea journey southwards around Cape Horn. Nevertheless, the plans never got beyond the drawing board.

In the mid-19th century, Louis Napoléon Bonaparte once again brought the idea of a shipping route through Nicaragua into play. His aim was to facilitate French trade with China and Japan while

2 | Claudia Casal, "Nicaragua – Gran Canal: tiempo de 'canalizar' sueños y cortinas de humo", *Alterinfos América Latina*, 28 Jun 2013, <http://alterinfos.org/spip.php?article6233> (accessed 31 Jul 2015).

3 | Alejandro Aguilar, "Aspectos jurídico-contractuales de la concesión canalera", in: Academia de Ciencias de Nicaragua, "El canal interoceánico por Nicaragua, Aportes al Debate", *Academia de Ciencias de Nicaragua*, 2014, p. 105 ff.

simultaneously weakening U.S. influence in Latin America. But, once elected French President in 1848, Bonaparte simply never had the time to implement his canal project. The idea of trans-oceanic trade lived on: in the late 19th century, then President of Nicaragua José Santos Zelaya wanted to strengthen his country economically and militarily. He negotiated with the U.S. government over the construction and concession of the canal. At the time, the Americans were investigating alternative ways of crossing Central America. However, investors and the corporate conglomerate intent on building the canal did not favour construction through Nicaragua: for various reasons, they planned to use the Panama route. U.S. lobbyist William Nelson Cromwell got involved: a report was published warning of possible volcanic activity along the Nicaragua route, in order to convince the U.S. Congress of the merits of building the canal in Panama instead. The U.S. legislature enshrined its firm commitment to the construction of a canal in Panama in the form of the "Spooner Act",- adopted in 1902.

Military interventions in Nicaragua between 1909 and 1925, intended to secure U.S. trade interests in the region, succeeded in preventing the construction of another canal.

Despite the U.S.'s decision, Zelaya could not be dissuaded from attempting to construct his own waterway. This led to serious conflicts with the U.S. Subsequent U.S. military interventions between 1909 and 1925, intended to secure U.S. trade interests in the region, were sufficient to prevent the construction of another canal. That project was considered a rival to the Panama Canal, and the U.S. moreover feared that it could potentially fall into the hands of other major powers. As the Americans had previously supported Panama's secession from Colombia, they were able to secure their interests in the region. Nicaragua looked on, humiliated, as the Panama Canal was opened in 1914.⁴ The project idea was left to gather dust, but was never quite forgotten.

THE QUESTIONABLE CONCESSION TO A CHINESE INVESTOR

Today, Nicaraguan President José Daniel Ortega Saavedra is appealing to history, as did his predecessors before him. With the revival of the canal project, Ortega, a Sandinista who was president from 1985 to 1990 and regained power in 2006, aims to compensate for the perceived past humiliation of his country. On 21 February 2012, in a speech commemorating the assassination

4 | Volker Wunderlich, "El nuevo proyecto del Gran Canal en Nicaragua: más pesadilla que sueño", *Encuentro* 97, 2014, p. 27.

of General Augusto Sandino, he announced the construction of the “Gran Canal de Nicaragua”. Sandino led the rebellion against the U.S.’s military occupation of the country. Ortega has therefore deliberately positioned the canal as a patriotic project continuing Sandino’s legacy, because Sandino too dreamt of a waterway as a strategic project for Latin America and one that could limit the influence of Europe and the U.S.⁵ In 2010, the Nicaraguan National Assembly even proclaimed Sandino a national hero. He is seen by the majority of Nicaraguans as a resistance fighter, a symbol of national identity and a champion of Latin American interests.⁶

President Ortega’s party has held the majority in the country’s National Assembly since November 2011, after general elections in which Ortega was also re-elected as president. In fact, according to the Constitution as it then stood Ortega, now 69 years old, should not have been eligible to stand for re-election. His candidacy was however allowed by an extremely controversial court decision.⁷ Once re-elected, he introduced a constitutional amendment in 2014 that would allow him to run for unlimited re-election.⁸ International organisations point out that the country’s democratic institutions (the judiciary, legislature, executive) have been weakened under Ortega,⁹ while his family has gained political influence. Ortega’s children own several television channels, and his wife, Rosario Murillo, is the government’s spokesperson.

Just one year after Ortega’s inauguration, the National Assembly approved Law 800, which established the ownership structure with respect to the future canal.¹⁰ Under this law, a legally guaranteed

5 | Ibid.

6 | Auxiliadora Rosales, “Sandino declarado héroe nacional, por diputados”, *La Prensa*, 2 Oct 2009, <http://www.laprensa.com.ni/2009/12/02/nacionales/9337-s> (accessed 31 Jul 2015).

7 | Carlos Salinas Maldonado, “Debaten ‘fraude’ de Ortega en congreso EE.UU.”, *Confidencial*, 4 Dec 2011, <http://confidencial.com.ni/articulo/5510/debaten> (accessed 31 Jul 2015).

8 | “Reforma constitucional que permite reelección de Ortega logra entrar en vigor en Nicaragua”, *La Tercera*, 11 Feb 2014, <http://latercera.com/noticia/mundo/2014/02/678-564941-9-reforma-constitucional-que-permite-reeleccion-de-ortega-logra-entrar-en-vigor-en.shtml> (accessed 31 Jul 2015).

9 | Ivan Briscoe, “El Estado corroído en Nicaragua”, FRIDE Comentario, 2006, http://fride.org/download/COM_EstaNica_ESP_nov06.pdf (accessed 31 Jul 2015).

10 | Asamblea Nacional de Nicaragua 2012: “Ley No. 800. Ley del Régimen Jurídico de el Gran Canal Interoceánico de Nicaragua y de Creación de la Autoridad de el Gran Canal Interoceánico de Nicaragua”, came into force on 3 Jul 2012, Managua, [http://legislacion.asamblea.gob.ni/SILEG/Iniciativas.nsf/0/1c79b32dfa494db906257a14007fb07f/\\$FILE/Ley%20No.%20800%20EI%20Gran%20Canal.pdf](http://legislacion.asamblea.gob.ni/SILEG/Iniciativas.nsf/0/1c79b32dfa494db906257a14007fb07f/$FILE/Ley%20No.%20800%20EI%20Gran%20Canal.pdf) (accessed 31 Jul 2015).

51-per-cent equity share would remain in state hands. Nonetheless, a subsequent resolution contained in the “Special Law for the Development and Infrastructure of Nicaraguan Transport Related to the Canal” (Law 840)¹¹ completely privatised the project entirely privatised on 13 June 2013, while overriding or modifying individual articles of Law 800.¹² These two laws together established a legal foundation to facilitate infrastructure expansion and the granting of a concession being granted to an operating company.

Next, in June 2013 the president awarded the concession to large-scale Chinese manufacturer Wang Jing, the owner of one of the fastest growing telecommunication companies in the world (Xinwei). This was done without parliamentary or public consultation. Jing founded the private sector holding company

Ortega granted the HKND Group a concession to operate the canal, set at 50 years. Once the original term expires, the Group has the option to renew for a further 50 years.

Hong Kong Nicaragua Canal Development Group (HKND)¹³ in 2012 to finance the mega project. The company has no previous experience in canal construction or the implementation of other infrastructure projects.

The company is registered in the Cayman Islands, with a registered office in Hong Kong. Ortega granted the HKND Group a concession to operate the canal, set at 50 years. Once the original term expires, the Group has the option to renew for a further 50 years. In addition to the operator’s licence, the agreements provide the HKND Group with extensive rights of disposal and rights of use.¹⁴ By law, the Nicaraguan government will be issued a one per cent shareholding annually in the form of shares. This means it would take half a century for the government to acquire a majority stake in the Canal company.¹⁵ Critics therefore accuse the president of once again making the country dependent on

11 | Asamblea Nacional de Nicaragua 2013: “Ley No. 840. Ley Especial para el Desarrollo de Infraestructura y Transporte Nicaragüense Atingente a El Canal, Zonas de Libre Comercio e Infraestructuras Asociadas”, came into force on 14 JUN 2013, Managua, [http://legislacion.asamblea.gob.ni/SILEG/Gacetas.nsf/5eea6480fc3d3d90062576e300504635/f1ecd8f640b8e6ce06257b8f005bae22/\\$FILE/Ley%20No.%20840.pdf](http://legislacion.asamblea.gob.ni/SILEG/Gacetas.nsf/5eea6480fc3d3d90062576e300504635/f1ecd8f640b8e6ce06257b8f005bae22/$FILE/Ley%20No.%20840.pdf) (accessed 31 Jul 2015).

12 | Fernando Bárcenas, “Simbiosis parásita”, *Confidencial*, 18 Jul 2014, <http://confidencial.com.ni/articulo/18528/simbiosis> (accessed 31 Jul 2015).

13 | HKND Group/Nicaragua Canal Development Project, <http://hknd-group.com> (accessed 18 Aug 2015).

14 | Wunderlich, n. 4, p. 28 ff.

15 | Mónica López Baltodano, “25 verdades sobre la concesión del Canal”, *Confidencial*, 12 Aug 2013, Managua, <http://confidencial.com.ni/articulo/13199/25> (accessed 31 Jul 2015).

external actors – in this instance, China.¹⁶ Ortega however describes the awarding of the concessions to Chinese operators as a development opportunity.¹⁷ It may very well be that his ideological proximity to the People's Republic of China is a deciding factor here.

If we examine the concession agreement according to criteria set out by Transparency International, the results are sobering. As a matter of principle, criteria to measure economic efficiency and transparency should be established when granting large public contracts. Public participation should also be possible.¹⁸ In the case of the Nicaragua Canal, these conditions have not been met. The concession and planning process took place without a public invitation to tender, the public was not sufficiently informed about the project, and no independent experts were been consulted. As of 2013, more than 30 lawsuits had been filed in the Nicaraguan Supreme Court against Law 840. The complaints cite, inter alia, the lack of public tendering. Judges however rejected all the objections in a single judgement, thereby giving canal construction the green light.¹⁹

On 7 July 2014, Wang Jing and the Nicaraguan government announced that the Nicaragua Canal would run from the mouth of the Río Punta Gorda on the Caribbean coast, inland through Lake Nicaragua to the mouth of the Río Brito. Other project plans were announced at the same time.²⁰ In addition to the right to build, operate and use the canal, the HKND Group is permitted to implement additional projects. These include the construction of deep-sea ports,

In addition to the right to build, operate and use the canal, the HKND Group is permitted to implement additional projects, such as deep-sea ports, railways, oil pipelines and an international airport.

16 | Cf. Judith Muñoz, 2015: "La construcción del Canal de Nicaragua, una decisión con muchos claroscuros", *Mundiarío*, 24 Mar 2015, <http://mundiario.com/articulo/a-fondo/futuro-canal-nicaragua-lleno-claroscuros/20150324185100028542.html> (accessed 31 Jul 2015).

17 | Cf. Parlamento Centroamericano 2013: "Canal interoceánico de Nicaragua: Oportunidad de desarrollo para la región", Parlamento Centroamericano, 26 Sep 2013, <http://www.parlacen.int/Prensa/Prensa/tabid/145/EntryId/728/Canal-interoceanico-de-Nicaragua-oportunidad-de-desarrollo-para-la-region.aspx> (accessed 31 Jul 2015).

18 | Cf. Transparency International, "Curbing Corruption in Public Procurement, A Practical Guide", 24 Jul 2014; http://issuu.com/transparencyinternational/docs/2014_antirruption_publicprocureme?e=2496456/8718192 (accessed 31 Jul 2015).

19 | Wunderich, n. 4, p. 28 ff.

20 | Leonor Álvarez, "HKND presenta ruta del Gran Canal", *La Prensa*, 7 Jul 2014, <http://www.laprensa.com.ni/2014/07/07/nacionales/202195-hknd> (accessed 31 Jul 2015).

railways, and oil pipelines; the establishment of a special economic zone and the construction of an international airport.²¹ The HKND Group was also granted tax exemptions for foreign employees and overall canal trade. It remains to be seen what obligations, if any, were placed on the construction company regarding working conditions or environmental protection.²² The overall picture nonetheless seems to indicate that the HKND Group has acquired no obligations to the Nicaraguan state or public other than to build the canal.



In 2014 Chinese investor Wang Jing met with Laureano Ortega Murillo, one of President Ortega's sons, to discuss the future of the canal construction project. | Source: César Pérez, picture alliance/dpa.

It is worth noting that the Nicaragua Canal was approved before publication of any feasibility or impact studies. Consultancy firm Environmental Resources Management is shortly expected to publish studies on the project's environmental impact. These studies, commissioned by the HKND Group, will be submitted to the National Commission for the Development of the Canal (Comisión Nacional de Desarrollo del Canal) for review and approval.²³ To

21 | Ismael López, "La lotería de sub proyectos", *Confidencial*, 9 Nov 2014, <http://confidencial.com.ni/articulo/20102/loteria> (accessed 31 Jul 2015).

22 | Guillermo Áreas Cabrera, "Responsabilidad por delitos contra el medio ambiente", *La Prensa Opinión*, 17 Mar 2015, <http://www.laprensa.com.ni/2015/03/17/opinion/1800048-responsabilidad> (accessed 31 Jul 2015).

23 | Brianna Lee, "Nicaragua's Canal Project Pushes Forward Despite Economic, Environmental Questions", *International Business Times*, ▶

date, however, no feasibility studies have been placed in the public domain. Notwithstanding these wide-ranging social concerns, the Ortega government announced in late December 2014 that the construction of the canal had begun.²⁴ Investor Wang Jing promised to make the Nicaragua Canal the “Silk Road of the 21st century”, claiming that the canal would be completed in just five years’ time, i.e. by 2019.²⁵ For the sake of comparison, the 80-kilometer Panama Canal took ten years to build, at a cost of 386 million U.S. dollars at the time. Some 75,000 labourers worked on the canal, an estimated 20,000 of whom died during the process. The construction of the Nicaragua Canal today is set to devour this amount of money many times over, which is why the HKND Group is planning a stock market flotation.²⁶ In view of the risks and returns involved, however, it is likely to prove difficult to win over additional private investors for the project.

ECONOMIC, SOCIAL AND ENVIRONMENTAL CONSEQUENCES OF CANAL CONSTRUCTION

All ships that are currently unable to pass through the Panama Canal’s locks (i.e. ships more than 32 metres wide and/or 275 meters long) are called Post-Panamax ships. These large vessels can each transport more than

18,000 standard shipping containers. The world’s largest shipping companies are increasingly manufacturing ships of this size, leading to considerable investments in capacity expansion along sea routes in port cities and on the world’s major waterways. The Panama Canal has been undergoing expansion since 2007 to enable the super-sized freighters to transit its route in future. The expansion, due for completion in 2014, was delayed by spiralling costs and industrial action. Strikes sought better working

The expansion of the Panama Canal, under way since 2007, should have been completed in 2014. It was delayed by spiralling costs and strikes for better working conditions.

15 Aug 2014, <http://ibtimes.com/nicaraguas-canal-project-pushes-forward-despite-economic-environmental-questions-1655176> (accessed 31 Jul 2015).

24 | “Nicaragua comenzó histórica construcción de canal interoceánico”, *Emol*, 22 Dec 2014, <http://www.emol.com/noticias/internacional/2014/12/22/695833/nicaragua-comenzo-historica-construccion-de-canal-interoceanico-con-protestas.html> (accessed 31 Jul 2015).

25 | Rezaye Álvarez, “Wang Jing: Gran Canal de Nicaragua es la ruta de la seda del SXXI”, *La Prensa*, 22 Dec 2014, <http://www.laprensa.com.ni/2014/12/22/nacionales/1668709-wang-jing> (accessed 31 Jul 2015).

26 | Rezaye Álvarez/Lucía Navas, “HKND se financiará en Bolsa”, *La Prensa*, 24 Dec 2014, <http://www.laprensa.com.ni/2014/12/24/nacionales/1669438-hknd> (accessed 31 Jul 2015).

conditions and wage increases.²⁷ Plans are now in place for the work to be completed in 2016. Even after the expansion, the Panama Canal will nevertheless still be too narrow to accommodate giant container vessels such as the CSCL Globe (400 meters long, 58 meters wide). Here is where supporters of the Nicaragua Canal see a business opportunity: they believe the two projects will not be in direct competition because only the Nicaraguan canal aims to accommodate the container giants. Only around four per cent of the world's current freighter fleet has structural dimensions that exceed the capabilities of the Panama Canal. HKND Group planners estimate the costs of the Nicaragua Canal mega project in the range of 30 to 50 billion U.S. dollars,²⁸ although their calculations cannot be verified readily. If this is really the amount involved, and if it is genuinely currently available, entrepreneur Wang Jing (possibly together with co-investors) is planning to invest a sum approximately three to four times the current gross domestic product of Nicaragua (11.8 billion U.S. dollars). Against this backdrop it is clear that there is a significant imbalance between private and public (political) decisionmaking power. Many observers are unclear as to how the costs are to be recouped, even in purely economic terms. Whether Nicaragua as a whole will truly benefit is even less clear.

After a trip to China, Panama Canal manager Jorge Luis Quijano announced that Chinese state enterprises in China would not be interested in investing in the Nicaragua Canal. He predicted that the project would be unable to compete economically with the Panama Canal, due to the latter's high costs.²⁹ However, Francisco J. Miguez, finance and administration vice president of the Panama Canal, stressed that the construction of the Nicaragua canal was being taken seriously, to the point where Panama was willing to invest in a fourth set of locks should there be a sharp increase in the demand for freighters exceeding the dimensions of the Panama Canal.³⁰

27 | "Panamá retrasa a 2016 conclusión de obras de Canal", *La Estrella*, 9 Sep 2014, <http://laestrella.com.pa/panama/nacional/23803258> (accessed 31 Jul 2015).

28 | "Canal de Nicaragua será presentado en foro latinoamericano de infraestructura", *El Economista*, 21 May 2015, <http://eleconomista.net/2015/05/21/canal-de-nicaragua-sera-presentado-en-foro-latinoamericano-de-infraestructura> (accessed 31 Jul 2015).

29 | "Quijano dice que China no quiere financiar el Canal de Nicaragua", *La Estrella*, 13 Apr 2015, <http://laestrella.com.pa/panama/nacional/23858122> (accessed 31 Jul 2015).

30 | Tim Johnson, "A skeptical Panama pays heed to possible rival Nicaraguan canal", 9 Feb 2015, McClatchy DC, <http://mcclatchydc.com/news/nation-world/world/article24779869.html> (accessed 31 Jul 2015).

President Ortega predictably continues to stress the economic benefits the project offers his country. According to the president's predictions, gross domestic product will double in just a few years, economic growth will triple,³¹ and unemployment will fall.³² This kind of a boost in economic modernisation would certainly be highly desirable to Nicaragua, where 40 per cent of the population are currently living below the poverty line and where economic activity is mainly centered around agriculture. However, in reality it is unlikely that the country will see this level of development through the construction of the Nicaragua Canal. Such a large project requires trained specialists, which Nicaragua does not have. Much expertise will therefore have to be recruited from abroad, although the government has promised to invest in training professionals over the coming years. It has initiated the development of new degree programs focusing on some of the skills needed for canal construction.³³ However, this will not solve the problem of a lack of specialist expertise in the short term. According to government figures, canal construction will initially create one million jobs,³⁴ though these figures have been revised downward in recent months. A total of approximately 50,000 workers are needed immediately, although only half of these posts are to go to Nicaraguans.³⁵ Even basic issues such as providing these workers with sufficient amounts of food are currently the object of controversy and debate.³⁶

According to government figures, the canal construction will initially create one million jobs, though these figures have been revised downward in recent months.

31 | "Ortega defiende Canal para salir de la pobreza", 14 Oct 2014, *Milenio Internacional*, http://milenio.com/internacional/Ortega-defiende-Canal-salir-pobreza_0_390560955.html (accessed 31 Jul 2015).

32 | "Dudas ambientales sobre Proyecto chino del canal de Nicaragua", 7 May 2014, *El Comercio*, <http://elcomercio.pe/ciencias/planeta/dudas-ambientales-sobre-proyecto-chino-canal-nicaragua-noticia-1727853> (accessed 31 Jul 2015).

33 | Jeniffer Castillo Bermúdez, "Promete duplicar carreras por Canal", 2 Oct 2014, *La Prensa*, <http://www.laprensa.com.ni/2014/10/02/nacionales/214043-aun> (accessed 31 Jul 2015).

34 | Jose Nain Jara Castellanos, "Canal de Nicaragua dará un millón de empleos", 29 Jun 2014, *La Prensa*, <http://laprensa.hn/economia/laeconomia/724302-98/canal-de-nicaragua-dará-un-millón-de-empleos> (accessed 31 Jul 2015).

35 | Génesis Hernández Núñez, "Mejores trabajos del Canal para extranjeros", 7 Jan 2015, *La Prensa*, <http://www.laprensa.com.ni/2015/01/07/nacionales/1693632-mejores-trabajos> (accessed 31 Jul 2015).

36 | Carlos Salinas, "¡Fuera de Nicaragua, Chinos!", *El País Internacional*, 15 Oct 2014, http://internacional.elpais.com/internacional/2014/10/14/actualidad/1413318757_518678.html (accessed 31 Jul 2015).



"Ortega sells out the nation": Demonstrations like these reflect the population's displeasure. | Source: Jorge Mejía Peralta, flickr ©¹.

In addition to the issue of how to feed and house labourers, a further source of explosive social contention is the resettlement of indigenous peoples along the canal route that the project will require. Law 840 stipulates that it is in the public interest to expropriate any land HKND deems necessary for the implementation of the canal project.³⁷ The Canal Commission estimates 30,000 people will have to be resettled, though alternative sources state that 100,000 people will be directly affected by the construction.³⁸

These threats of resettlement sparked numerous civil demonstrations protesting against the construction. The slogan "Fuera chinos!" ("Chinese, out!") was often heard. These protests were not always peaceful: as the government set up roadblocks, and protesters from affected villages were prevented from passing through to join the marches. 50 Nicaraguans were injured, and dozens were arrested, during protests in December 2014.³⁹ The 47th protest march, the largest to date, took place on 13 June

37 | Asamblea Nacional de Nicaragua: "Ley No. 840", in: La Gaceta – Diario Oficial, 14 Jun 2013, [http://legislacion.asamblea.gob.ni/SILEG/Gacetas.nsf/5eea6480fc3d3d90062576e300504635/f1ecd8f640b8e6ce06257b8f005bae22/\\$FILE/Ley%20No.%20840.pdf](http://legislacion.asamblea.gob.ni/SILEG/Gacetas.nsf/5eea6480fc3d3d90062576e300504635/f1ecd8f640b8e6ce06257b8f005bae22/$FILE/Ley%20No.%20840.pdf) (accessed 31 Jul 2015).

38 | "Audiencia sobre el canal en la CIDH de la OEA", *Confidencial*, 14 Mar 2015, <http://confidencial.com.ni/articulo/21210/audiencia> (accessed 31 Jul 2015).

39 | Carlos Salinas, "Hasta 50 heridos en Nicaragua en las protestas contra el canal oceánico", *El País Internacional*, 24 Dec 2014, http://internacional.elpais.com/internacional/2014/12/24/actualidad/1419444251_610241.html (accessed 31 Jul 2015).

2015. An estimated 15,000 Nicaraguans taking part. The protests were primarily organised by the non-governmental organisation the “National Council for the Defence of the Land, the Lake and Sovereignty”, which was founded by farmers. The majority of protesters come from rural areas directly affected by the canal route.⁴⁰

Yet it is not only local people who would have to make way for canal construction. The environmental consequences of an intervention on this scale will be enormous. Plans specify that the canal will be 278 kilometers long, between 200 and 530 meters wide, and 27 to 30 meters deep.⁴¹ The European Union in general, and Germany in particular, strive to promote environmental protection and sustainable development efforts internationally (both issues were on the agenda at the G7 Summit in Elmau). In this respect, the approach taken in Nicaragua is giving cause for concern. The Nicaragua Canal will wend its way through a biological corridor that is home to both indigenous populations and fragile ecosystems, such as rainforests and wetlands. Although the government promises to engage in reforestation efforts, environmentalists worry that clearing approximately 400,000 hectares of rainforest will negatively impact biodiversity on Lake Nicaragua and the Caribbean coast.⁴² Lake Nicaragua is the largest drinking water reservoir in Central America and plays an important role in the country’s water supply. The country’s predicted population growth alone may lead to a water shortage in the country, a situation which could only be exacerbated by the construction of the canal.⁴³ Until now the lake has been protected under the general law on national waterways and water supply. This stated that the “Gran Lago Cocibolca”, Lake Nicaragua, is vital to national security.⁴⁴ This

40 | “Miles marchan en Nicaragua contra el proyecto de canal interoceánico”, *El Confidencial*, 14 Jun 2015, http://elconfidencial.com/ultima-hora-en-vivo/2015-06-14/miles_607156 (accessed 31 Jul 2015).

41 | “Canal Interoceánico de Nicaragua tendrá 278 kilómetros de longitud”, *Deutsche Welle*, 8 Jul 2014, <http://dw.com/p/1CY7r> (accessed 31 Jul 2015).

42 | Pedro J. Alvarez / Jorge A. Huete-Perez / Axel Meyer, “Rethink the Nicaragua Canal”, *sciencemag*, 22 Jan 2015, http://researchgate.net/profile/Axel_Meyer/publication/271335181_Rethink_the_Nicaragua_Canal/links/54d0fe150cf28959aa7a51ca.pdf (accessed 31 Jul 2015).

43 | Salvador Montenegro Guillén, “Aprovechamiento óptimo y protección del gran lago Cocibolca”, in: Academia de Ciencias de Nicaragua, “El canal interoceánico por Nicaragua, Aportes al Debate”, *Ciencia, Técnica y Sociedad*, 2014, p. 50 ff.

44 | “Canal en Nicaragua podría dejar a Centroamérica sin agua potable”, *Noticias Caracol*, 25 Oct 2014, <http://noticiascaracol.com/mundo/canal-en-nicaragua-podria-dejar-centroamerica-sin-agua-potable> (accessed 31 Jul 2015).

protection clause was however repealed in 2013 with the adoption of Law 840. Scientists fear that the freshwater lake, which has an extension of over 8,000-square-kilometers, will gradually fill with salt water as a result of the two oceans being joined. This would have unknown and unpredictable consequences for the natural landscape.⁴⁵ Because the lake is only approximately 15 meters deep, whereas the canal will need to be 30 meters deep if it is to accommodate Post-Panamax ships, excavations will be necessary. This, coupled with the introduction of salt water, will pose a major threat to the flora and fauna in and around the lake and therefore a real threat to habitats and food sources.⁴⁶ The channel will constitute an insurmountable barrier for wildlife, and will therefore cause a change in migration patterns and a shift in ecological dynamics.⁴⁷

THE GEOPOLITICS OF WATERWAYS

Increasing globalisation, the associated trade growth, and the rising purchasing power of emerging markets all tend to drive infrastructure projects on the massive scale currently planned for Nicaragua. In the first place, governments expect these prestigious projects to stimulate economic growth, especially if they succeed in attracting foreign direct investment. Secondly, Latin American countries are far from playing a mere walk-on role in the globalisation process. They are political partners, trading centers, suppliers of resources, and sales markets.

We should not, in other words, lose sight of geostrategic aspects of present trends. Latin America has a history as the setting for numerous geopolitical conflicts between superpowers: a history that now seems to be in danger of repeating itself under a new guise.

The remarkable engagement of the Chinese in the region is striking in itself. Latin American trade with the People's Republic of China has risen from 120 billion U.S. dollars, in the year 2000,

45 | Jean-Michel Maes, "Canal interoceánico: impacto sobre la biodiversidad", in: Academia de Ciencias de Nicaragua, "El canal interoceánico por Nicaragua, Aportes al Debate", *Ciencia, Técnica y Sociedad*, 2014, p. 76 f.

46 | Axel Meyer, "Importancia de los ecosistemas acuáticos y la potencial amenaza del canal interoceánico", in: Academia de Ciencias de Nicaragua, "El canal interoceánico por Nicaragua, Aportes al Debate", *Ciencia, Técnica y Sociedad*, 2014, p. 39.

47 | Jorge A. Huete Pérez, "Canal Interoceánico: una visión anacrónica del desarrollo", *Revista Envío*, 8 Apr 2014, <http://envio.org.ni/articulo/4821> (accessed 31 Jul 2015).

to 262 billion U.S. dollars in 2013.⁴⁸ Furthermore, China has invested more than 100 billion U.S. dollars in the region and has granted generous credit terms to leftist governments. The Chinese president announced last year that China would massively expand its trade with Latin America over the next decade, a project that would be impossible without upgrades of the region's ports and shipping routes. For this reason, partnership agreements between China and Latin America are not simply limited to energy and commodity agreements, significant as these are. Such agreements deserve further attention and analysis: German and other European industrial companies are dependent, like their Chinese counterparts, on prized Latin American resources, including rare metals, for their manufacturing processes. The Chinese commitment to major projects in Latin America is evident, with involvement in railways, ports, canal construction, and exploration projects. These could certainly be seen as providing a strategic counterweight to Western-located, owned or controlled infrastructure.⁴⁹ Such projects also form the necessary basis for an intensification of South-South trade.



Lake Nicaragua: Conservationists predict catastrophic consequences for the country's fragile ecosystem, if the canal is constructed. | Source: Ary Chst, flickr ©©.

48 | Jan D. Walter, "Neuer Partner, altes Problem", *Deutsche Welle*, 18 Apr 2014, <http://dw.com/p/1BkUY> (accessed 31 Jul 2015).

49 | Ralf Streck, "China mischt den Hinterhof der USA auf", *heise online*, 25 Jan 2015, <http://heise.de/tp/artikel/43/43935/1.html> (accessed 31 Jul 2015).

It is probably safe to conclude that the impetus behind the Nicaragua Canal should be read as part of this trend. Current resource supply routes from Latin America to China, transporting fundamentals including Venezuelan oil or Brazilian pig iron pass through the Panama Canal.⁵⁰ Chinese investors are also represented quite prominently in the Panama canal expansion project. Nevertheless, Chinese investment in Nicaragua would be a welcome alternative because the Panama Canal, still considered part of the American sphere of influence, is therefore deemed a factor of uncertainty for Beijing. President Ortega is undoubtedly well aware of this fact and the potential geopolitical conflicts it implies. This may explain the fact that he has also openly and publicly approached the U.S. about possible American participation in the construction of the canal.⁵¹ As early as July 2013 Walter Bastian, Deputy Assistant to

In early January 2015, the American Embassy in Nicaragua drew attention to the fact that the project was still suffering from a lack of information and transparency.

the U.S. Secretary of Commerce, made clear during a visit to Nicaragua that American companies are interested in investing in the project.⁵² However, Bastian almost immediately went on to stress the importance of transparency and legal certainty guarantees for any possible U.S. participation. In early January 2015, the U.S. Embassy in Nicaragua drew attention to a continuing lack of information and transparency, affecting all of the important aspects of the canal project. This criticism was rejected by spokespersons for the Nicaraguan authorities, who described the construction of the canal as a national project and contended that no other country was therefore owed or entitled to any right of disclosure.⁵³

The offer to participate in the Nicaragua Canal was not extended to other Central American countries. The fact that Nicaragua is attempting to carry out the project single-handedly is however unsurprising, given the various conflicts of interest that exist between the country and its neighbours. Ortega, who sees himself as a champion of the ALBA countries and the CELAC community,

50 | Constantino Urcuyo, "Chinas Engagement in Costa Rica und Zentralamerika", *Zentral: Amerika*, No. 1, 2014, p. 2, http://kas.de/wf/doc/kas_39984-544-1-30.pdf (accessed 31 Jul 2015).

51 | Christian Galloy/Pilar Valero, "Canal de Nicaragua: logro estratégico de China en América", *Latin Reporters*, 9 Feb 2015, <http://latinreporters.com/nicaraguaeco09022015kbes.html> (accessed 31 Jul 2015).

52 | "EE.UU. interesado en el canal interoceánico de Nicaragua", *La Prensa*, 30 Jul 2013, <http://www.laprensa.com.ni/2013/07/30/nacionales/156777-ee-uu> (accessed 31 Jul 2015).

53 | "Críticas de EE.UU. a canal de Nicaragua genera reacciones encontradas", *La Página*, 7 Jan 2015, <http://lapagina.com.sv/internacionales/102760/2015/01/07/Criticas-de-EEUU> (accessed 31 Jul 2015).

shows no interest in involving neighbouring countries in the project. On the contrary, a protracted territorial dispute is currently ongoing between Costa Rica and Nicaragua is currently before the International Court of Justice in The Hague, in which Costa Rica has accused its neighbour of invading its border via the San Juan River. Nicaragua, for its part, claims that a Costa Rican road construction project has caused serious environmental damage along the river which forms part of the border.⁵⁴ Ortega had previously announced that the Nicaragua Canal will run at a reasonable distance from the Costa Rican border, as a preventative measure.⁵⁵ The significance of these kinds of such intergovernmental conflicts in border areas should not be underestimated: they may become a destabilising factor in the region, which is already known for its drug transit routes.

With respect to the influence of Chinese officials, the Nicaraguan president has pointed out that the investor, Wang Jing, is not a political actor, but an independent, private entrepreneur, and, that the project would moreover be open to investors from around

the world.⁵⁶ As yet, no direct links between the Chinese investor and the government in Beijing have been detected, beyond the facts that Wang's telecommunications company has received funding for overseas projects from the Chinese Development Bank, and the Chinese government is a co-owner of the telecommunications group Xinwei. As one might expect, the Chinese government has so far remained resolutely silent on the Nicaragua Canal. Any assumption that private companies hailing from the Hong Kong Special Administrative Region of the People's Republic of China are not subject to political interference must, however, be questioned. Observers have suspected for some time that Beijing is looking to increase its influence in Central America. Nicaragua, Cuba and Venezuela form important cornerstones of these plans (Cuba harbours the Mariel deepwater port, while China holds shares in Venezuela's largest port Puerto Cabello). This interest is logical not only from an economic standpoint, but also because

So far, no direct links between the Chinese investor and the government in Beijing have been detected, although Wang's company received funding from the Chinese Development Bank.

54 | "Corte de La Haya celebrará nuevas audiencias por la disputa limítrofe entre Costa Rica y Nicaragua", *La Tercera*, 13 Apr 2015, <http://latercera.com/noticia/mundo/2015/04/678-625277-9-corte-de-la-haya-celebrara-nuevas-audiencias-por-la-disputa-limitrofe-entre.shtml> (accessed 31 Jul 2015).

55 | "'Construcción del Canal no afecta a Costa Rica', dice Kamilo Lara", *Confidencial*, 16 Jul 2015, <http://confidencial.com.ni/articulo/18488> (accessed 31 Jul 2015).

56 | Galloy/Valero, n. 51.

the U.S. is deliberately excluding China from trans-Pacific free trade negotiations, seeking to enforce its own Pacific claims with Asian partners virtually on China's doorstep.⁵⁷

CONCLUSIONS

Whether the Nicaragua Canal will in fact be completed and opened within the next five to ten years, as planned, remains highly ques-

Dozens of experts, including some from Nicaragua, doubt the Canal will in fact be completed and opened since the technical feasibility and long-term financing are dubious.

tionable. Dozens of experts, including some observers in and from Nicaragua, doubt this will be the case. Domestically, the project is highly controversial. Its technical feasibility and long-term financing are also dubious.⁵⁸ It is likely that the Nicaraguan government will

do all it can to secure the project, given the president's extensive powers, and the fact that the project's wealthy Chinese investor, Jing, is apparently guaranteeing the necessary start-up funding. The reaction of the population however remains unpredictable, particularly if the bulldozers do indeed roll into action, the initial effects become clear and the impacts on prosperity Nicaraguans were hoping for fail to materialise. The Nicaragua Canal has so far been only a pipe dream, or a promised future horizon.

However, the plans of the Chinese investors – whose preparatory construction work has, after all, already begun – deserve greater attention. This is so on the one hand because of the high environmental and social impacts this mega project may have in Nicaragua.⁵⁹ On the other hand, the project has significant geostrategic components and associations. The widespread assumption that this project will ultimately fail should be tempered, as the ambitions of the Chinese should not be underestimated. Whether this project will pay off economically may therefore be of secondary importance.

Regrettably, the issue of the Nicaragua Canal was not addressed during the CELAC-EU Summit in June 2015. If the European Union and Germany are to meet their own standards of global

57 | Daniel W. Drezner, "The Trans-Pacific Partnership is about more than trade", *The Washington Post*, 7 May 2015, <http://wapo.st/1NnPLim> (accessed 31 Jul 2015).

58 | "Aumentan dudas sobre canal de Nicaragua con financiamiento chino", *Gestión*, 27 Dec 2014, <http://gestion.pe/economia/aumentan-2118641> (accessed 31 Jul 2015).

59 | "Sin estudio ambiental empiezan obras de Canal", *La Prensa*, 22 Nov 2014, <http://laprensa.hn/mundo/770107-410/sin-estudio-ambiental-empiezan-obras-de-canal> (accessed 31 Jul 2015).

responsibility, they must take a clear position must be taken on this issue. The purposes and rationale of the canal should be questioned, particularly as the negative impacts of its high costs and civil society resistance are likely to greatly outweigh potential gains, whether in terms of prosperity for Nicaraguan state and society or for Chinese investors in the short and medium term. Is the canal project an example of Chinese long term interests being secured, with all the foresight and the “long view” that comes more easily to a planned economy? In this regard it is interesting to reflect that the project dovetails neatly with a whole series of announcements made by Chinese investors or government officials over the past few months regarding Latin America. These include the announcement of a railway line between Brazil and Peru.⁶⁰

In order for the Nicaragua Canal to truly pay off and be competitive, global cargo volumes would have to increase significantly.⁶¹ The World Trade Organization assumes a quite moderate growth in trade between the national economies, of three to four per cent in 2015 and 2016.⁶² These projections are unlikely to significantly change in the medium term. One may assume that the share of world goods passing through the Panama Canal will therefore continue at around its current level of approximately five per cent of world trade. The Panama canal transit route will likely therefore remain the most economical, time-saving route between the Atlantic and Pacific for the foreseeable future. Its utility has been tried and tested over the past 100 years. The modernisation of the Panama waterway, competitive toll charges, and the existing expertise there ensure that a second route will not provide realistic competition in the medium term. Construction of a second route does not therefore seem advisable in that light. Closer examination of the history of the “project of the century”, the construction of the Panama Canal, makes it if anything even harder to believe that Nicaragua will manage in the medium term to realise its dream of building its own canal. Even if it does, there is every indication that Managua faces a rude awakening.

60 | Raúl Mendoza, “El tren que China quiere”, *La República*, 24 May 2015, <http://larepublica.pe/imprensa/politica/2267-el-tren-que-china-quiere> (accessed 31 Jul 2015).

61 | The main cargoes are crude oil, oil products, coal and iron ore.

62 | “Modest trade recovery to continue in 2015 and 2016 following three years of weak expansion”, press release of the World Trade Organization, 739/2015, 14 Apr 2015, https://wto.org/english/news_e/pres15_e/pr739_e.htm (accessed 31 Jul 2015).

POSITIVES AND NEGATIVES

DAYTON PEACE AGREEMENT 20 YEARS ON

Karsten Dümmel



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Dayton brought peace and Dayton brought chaos. Bosnia and Herzegovina is generally considered a failed state. Failed because it is ungovernable, with obstacles to progress erected by all parties involved in the country's war: the Bosniaks, the Serbs and the Croats.

It was in Bosnia and Herzegovina that the breakup of the Socialist Federal Republic of Yugoslavia experienced its bloodiest conclusion. This conclusion, which could have represented a new start, was also a great temptation to establish Bosnia and Herzegovina as an independent state comprising three integrated, constituent ethnic groups. The last attempt to create peace by political means after almost four years of bloody trench warfare. While the Dayton Agreement confirmed the front lines as they were when fighting stopped as the internal borders and as the country's division along ethnic lines, it also guaranteed the sovereignty of the state of Bosnia and Herzegovina within its existing external borders. The moment the agreement was signed, wide areas of responsibilities were assigned to the two constituent Entities (the Federation of Bosnia and Herzegovina and the more centralist Republika Srpska), while the state as a whole was assigned more limited areas of responsibility. This structure was the basis on which all the impending transition, integration and globalisation processes on the way to establishing a modern democracy were to be implemented. This is the underlying cause of all that is wrong with the country's present-day national and international politics: a weak state and strong Entities, which fail to fully implement decisions made at state level out of indifference or ignorance.¹ There are too

1 | Over the last 20 years, 80 decisions by the highest, state-level constitutional court a year on average have not been implemented in one or other of the two Entities. There are hardly any sanctions that can be applied. This means that some 1,600 decisions have remained unimplemented since Dayton.

many actors involved in agreeing measures concerning political, economic and international negotiations; and these actors are fundamentally – seemingly on principle – opposed to each other and unwilling to cooperate. To onlookers, the country seems too complex, too difficult to understand, too contradictory, which is why there has been little in the way of investments or new businesses, and it has not been possible to move forward with negotiations for accession to the EU – unlike almost all other former federal states of Yugoslavia. The longed-for EU candidate status lies in the distant future.

Looking back, one is immediately reminded of the situation of the reunited Germany, but only for a moment. To think that Germany might not have signed a 2+4 treaty in 1990 but founded two Entities encompassed within one overall state with international assistance, namely the Federal Republic of Germany and the centralist GDR, including both ten federal states and 15 districts, the Bundestag and the SED Central Committee, the Bundesrat and the Volkskammer, as well as a social market economy and a socialist command economy, this idea provides a glimpse of the problems Bosnia and Herzegovina is facing today. However, this comparison is not entirely accurate; it simplifies matters and ignores additional divisive factors. The question of ethnic affiliation and the way in which ethnicity is intrinsically bound up with religion did not feature in Germany at the time of reunification, nor had there been the collective trauma of four years of civil war.

BACKGROUND TO THE DAYTON PEACE AGREEMENT

The General Framework Agreement for Peace in Bosnia and Herzegovina (subsequently referred to as the Dayton Peace Agreement) is the last in a series of plans by the international community to find a political solution to the crisis in the Balkans, specifically the war in Bosnia and Herzegovina. It was preceded by several proposals, which all shared certain characteristics: they resulted from efforts by the international community to create a political solution to the crisis; they were all based on a division of Bosnia and Herzegovina along ethnic lines, and they all came to nothing – until Dayton.

All international plans to find a solution to the crisis in the Balkans were based on a division of Bosnia and Herzegovina along ethnic lines, and they all came to nothing – until Dayton.

These were the plans:

- The Vance-Owen Plan (1993) – This envisaged the territory of Bosnia and Herzegovina to be divided into ten provinces. Three provinces had a predominantly Bosniak population and comprised 26.36 per cent of the overall territory. Three provinces had a predominantly Croat population and comprised 25.87 per cent of the overall territory, and three were predominantly Serb, covering 42.23 per cent of the Bosnia and Herzegovina territory. According to this plan, Sarajevo would receive special status, covering 5.54 per cent of state territory.
- The Owen-Stoltenberg Plan (1993) – This was based on the concept of three ethnic (constituent) republics: one Croat (16.59 per cent of total territory), one Serb (52.08 per cent of total territory) and one Bosniak (28.29 per cent of total territory). This plan assigned Sarajevo and Mostar special status as divided cities.
- The Washington Agreement (1994) – This was a peace plan, which created a federation of Croats and Bosniaks. The Federation of Bosnia and Herzegovina was and is divided into ten cantons: five predominantly Bosniak cantons, three predominantly Croat cantons and two cantons of mixed ethnicity.
- The plan put forward by the Contact Group (1994) – This was based on the idea of dividing the territory of Bosnia and Herzegovina, creating the Federation of Bosnia and Herzegovina on one side and Republika Srpska with a majority Serb population on the other. According to this plan, the Federation was to make up 49 per cent and RS 48 per cent of the territory of Bosnia and Herzegovina. Sarajevo was to be assigned special district status, covering three per cent of the territory.

After all these plans had come to nothing, it was finally the Dayton Peace Agreement (November 1995) which succeeded in getting all negotiating parties and opponents to accept a new organisation, division and administrative structure for Bosnia and Herzegovina. This model is based on two Entities of equal status and one district: the Federation of Bosnia and Herzegovina with ten cantons and Republika Srpska; the area around the town of Brčko, which acts as a corridor, was assigned district status.

THE STATE OF BOSNIA AND HERZEGOVINA FOUNDED ON THE BASIS OF THE DAYTON PEACE AGREEMENT

After the negotiations in November 1995, which lasted for a total of 21 days, the Peace Agreement was initialled on 21 November in Dayton and signed on 14 December 1994 in Paris. The constitution of Bosnia and Herzegovina forms part of the Dayton Agreement as one of the eleven annexes which are attached to it in total.² In Annex 10, the institution of the High Representative (OHR) was created, with the aim of re-establishing trust between the peoples and countering any incorrect interpretations by one of the two Entities. To this day, the High Representative has the responsibility of acting as the final authority with respect to the interpretation of the civil section of the Dayton Agreement and of intervening immediately in response to violations or breaches of the agreement.³

The Dayton Peace Agreement thus laid down the legal foundation for the future development of Bosnia and Herzegovina. The name of the state changed from the Republic of Bosnia and Herzegovina to Bosnia and Herzegovina, of which the two Entities form integral parts. However, more important than the change in name was the modification of the internal state structure, which would henceforth have to function with two Entities and one district, namely the Entity of the Federation of Bosnia and Herzegovina, with ten relatively independent cantons, and the Entity of Republika Srpska – without cantons – plus Brčko District. The two Entities are not to be regarded as autonomous (sub-) states in a loose confederation, nor as federal states or (sub-) republics of some sort. But their responsibilities are defined as if they were federal units in a

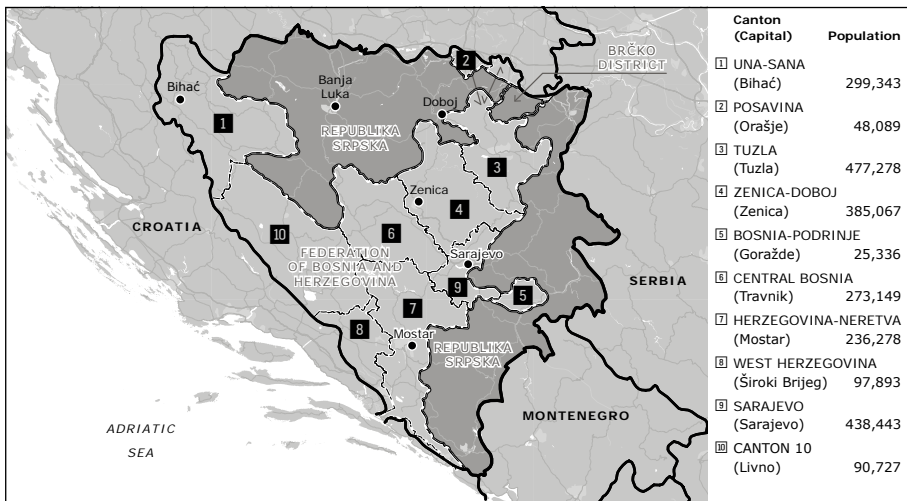
More important than the change in name was the modification of the internal state structure, which would henceforth have to function with two Entities and one district.

- 2 | Annex 1A: Military Aspects of the Peace Settlement; Annex 1B: Regional Stabilisation; Annex 2: Inter-Entity Boundary Line and Related Issues; Annex 3: Elections; Annex 4: Constitution; Annex 5: Arbitration; Annex 6: Human Rights; Annex 7: Refugees and Displaced Person; Annex 8: Commission To Preserve National Monument; Annex 9: Establishment of Bosnia and Herzegovina Public Corporations; Annex 10: Civilian Implementation of Peace Settlement; Annex 11: International Police Task Force.
- 3 | The High Representative is nominated by the Steering Board of the PIC (Peace Implementation Council), and the appointment is confirmed by the UN Security Council, which also approves the Dayton Agreement. The PIC in Bosnia and Herzegovina comprises 55 countries and organisations. The members of the PIC Steering Board comprise France, Italy, Japan, Canada, Germany, Russia, the USA, the UK, the EU Presidency, the European Commission and the Organisation of Islamic Cooperation (OIC) represented by Turkey.

regulated democratic confederation of states. In addition, there are 147 municipalities, although the number varies slightly from one year to the next. These figures alone indicate the enormous efforts required in terms of organisation and personnel as well as the associated costs involved in managing close to 3.7 million citizens with one state, two Entities, one special district and ten canton governments plus 147 municipal councils.

Fig. 1

Bosnia and Herzegovina – Distribution and Decentralisation



Source: Population data from: Federation of Bosnia and Herzegovina, Institute for Statistics, "Census of Population, Households and Dwellings in Bosnia and Herzegovina 2013", *Statistical Bulletin* 195, Dec 2013, p. 15, <http://fzs.ba/PopisNaseljenaM.pdf> (accessed 27 Aug 2015). Own illustration. | © mapz.com, racken.

Each Entity also has its own administrative units as well as legislative, executive and judiciary bodies (parliaments, governments, courts) and its own capital as well as economic and academic centers. These Entities have now been passing their own laws, conducting sometimes diametrically opposed politics and maintaining their separate administrative apparatuses for twenty years, without there being any overall coordination. Bosnia and Herzegovina therefore has 14 governments and 14 parliaments with a gigantic superstructure of administration and public authorities supposedly responsible for the 3.7 million citizens. It is impossible for foreign governments, for the EU, but also for international companies to determine the right parties with whom to negotiate or agree contracts, not to mention the question of whether these

would then be recognised and respected and could be legally enforced throughout both Entities and all cantons.

The majority of the countries of the international community have recognised Bosnia and Herzegovina; but the majority of the citizens of Bosnia and Herzegovina have not done so in their hearts.

It has proved impossible to this day to precisely define the country of Bosnia and Herzegovina on the basis of its state structure. Since Dayton, the definitions have wavered between that of a federal state and a highly decentralised, unitary state structure. Based on its form of government, Bosnia and Herzegovina is a semi-presidential state. The collective office of the head of state (President) is held by three directly elected members corresponding to the three constituent ethnic groups. The post is held by each of the three members in turn for eight months. The Presidency has territorial responsibility for the state as a whole. But its members are not legitimised by votes from all the state's citizens. In terms of its system of government, Bosnia and Herzegovina is a highly complex state, comprising firstly the Federation of Bosnia and Herzegovina with its ten cantons, secondly Republika Srpska, which is organised according to the unitary principle, and thirdly Brčko District, which is not affiliated to either of the two Entities and represents a direct constituent part of the state of Bosnia and Herzegovina. In terms of its political system, Bosnia and Herzegovina is a democratic state, which has all the elements of a formal democracy: separation of powers into legislature, executive and judiciary. The stated principle is adherence to the constitution and the rule of law. There is a plurality of political parties and there are general, indirect and secret elections, a diverse media landscape, an independent justice system and a catalogue of human rights. Where the relationship between central and local government bodies is concerned, Bosnia and Herzegovina is strongly decentralised, comprising one decentralised Entity, the Federation, and one centralised one, Republika Srpska.

The collective office of the President is held by three directly elected members corresponding to the three constituent ethnic groups. The post is held by each of the three members in turn for eight months.


DISTRIBUTION OF RESPONSIBILITIES IN BOSNIA AND HERZEGOVINA

The distribution of responsibilities between the state and its Entities and between the cantons and municipalities was laid down in advance in general terms by the Dayton Agreement, in which

Bosnia and Herzegovina is defined as a sovereign state with two Entities through its constitution.

Article III of the constitution lists the responsibilities of the institutions of Bosnia and Herzegovina which are reserved exclusively to the state: foreign policy; foreign trade policy; customs policy; monetary policy; finances of the institutions and for the international obligations of Bosnia and Herzegovina; immigration, refugee and asylum policy and regulation; international and inter-Entity criminal law enforcement, including relations with Interpol; establishment and operation of common and international communications facilities; regulation of inter-Entity transportation; air traffic control.



A goods depot in Doboj: Due to the areas of jurisdiction and veto rights written down in the Dayton Agreement, the country is hampered in its political, societal and economic development. | Source: Patrick Rasenberg, flickr 

All matters that do not come explicitly under the responsibility of the state are assigned to the respective Entities. These in turn are bound to comply fully with the constitution of Bosnia and Herzegovina, which supersedes all inconsistent provisions of the law and the constitutions and laws of the Entities. Consequently, the Entities are bound to provide all necessary assistance to the state to enable it to honour its international obligations. Unfortunately, extensive veto rights, which were explicitly enshrined in the Dayton Agreement, supposedly for the protection of the ethnic groups

and Entities, have had exactly the opposite effect in both Entities: namely the state being obstructed and blocked in its development and its stability at all levels.

The majority of the politicians who have taken on governmental responsibility over the last 20 years have been hiding behind the division of responsibilities between state and Entities to avoid having to make efforts to tackle any of the country's ills, pushing forward with reforms and making effective use of the powers of the Constitutional Court.

AMENDMENTS AND UPDATES TO THE DAYTON AGREEMENT

The Dayton Peace Agreement also envisages ways to strengthen the state in terms of its functioning. This includes above all possibilities of extending its responsibilities with the aim of integrating the country within the region's legal framework as well as furthering a Euro-Atlantic rapprochement. The Constitutional Court plays a crucial role in this. Its decisions are (theoretically) binding on the Entities. This could, in principle, allow a harmonisation of the legal system across the state territory at any time. Both the problem and the solution are rooted in the Dayton Agreement. The two Entities interpret the provisions in totally different ways.

Constitutional Court's decisions are (theoretically) binding on the Entities. This could, in principle, allow a harmonisation of the legal system across the state territory at any time.

There have, in fact, been some very minor amendments to the agreement over the last 20 years, such as a new provision for the state institutions to take on some international tasks as a result of a stronger rapprochement to and involvement with the European Union, as well as some very small changes to the constitution in the course of the process of constitutional harmonisation of the Entities in line with the Dayton Agreement.

Annex IV comprises a whole raft of issues and terms that were left unresolved:

- The question of sovereignty,
- the question of international law and self-determination,
- the question of parallel relationships with other states,
- the responsibilities of the presidents of the Entities (Republika Srpska as well as the Federation of Bosnia and Herzegovina),
- the question of the official languages and scripts, etc.

All these questions required harmonisation between the state constitution and the constitutions of the two Entities. In 1998, the Constitutional Court announced Decision 5/98, which resolved these and other outstanding questions from Annex IV of the Dayton Agreement. Other questions included: the term used to describe the boundaries between the Entities, the responsibilities of the Central Bank, the nationality, the appointment of diplomats, as well as the two Entities' right to self-determination. These decisions by the Constitutional Court demonstrate both the supremacy of the Constitutional Court as a Bosnia and Herzegovina state authority as well as the fact that the Dayton Peace Agreement could be amended by a state institution.

Both Entity governments put forward wording that would improve the Dayton Agreement in their view and achieve the best possible benefit for their own ethnic group.

Today, any amendment of the constitution of Bosnia and Herzegovina is equated with an amendment of the Dayton Peace Agreement.

Of course, both Entity governments – as well as the three representatives of the ethnic groups, each following their own interests full of conviction – put forward wording that would improve the Dayton Agreement in their view and achieve the best possible benefit for their own ethnic group in the country while limiting or curtailing the influence of the other ethnic groups. In many cases, it is about power, influence, positions and nepotism. The “common good” relating to Bosnia and Herzegovina as a whole remains an alien concept. In some cases a – justified or unjustified – demand for a separate TV channel for one of the three ethnic groups, for instance, can block the approval of reforms necessary in the process of EU accession negotiations for months. The population has been watching these goings on helplessly for two decades. Occasional protests, most recently in February 2014, quickly die down and are ineffective. Added to this is a belief born from bitter experience, which has been handed down through the generations, that it is ethnic (party) loyalty and nepotism that are rewarded rather than creativity and performance. These politics have resulted in mass unemployment (officially over 50 per cent in 2014), businesses relocating elsewhere, rampant youth unemployment (over 60 per cent), a lack of prospects, and a brain drain to neighbouring countries. The country seems to have fallen into a deep twenty-year slumber in the middle of Europe and no one is waking up.

DIFFERENT VIEWS

The Dayton Peace Agreement came about under the specific circumstances of the civil war in the disintegrated Yugoslavia. It was drawn up and signed within a relatively short period. There are widely differing views about this agreement. The term "Dayton" itself has negative connotations in the country, both among the population and media representatives. Only politicians from Republika Srpska regularly make reference to the agreement because it guarantees the existence of the Republic.⁴ They have sought to use Dayton to strengthen the autonomy of Republika Srpska vis-à-vis the state and the Federation. Croats resent the agreement insofar as it did not grant them their own Entity within the Federation of Bosnia and Herzegovina. They feel disadvantaged compared to Bosniaks and Serbs. There are those with a positive view who frequently state that the purpose of Dayton was mainly to end the war and to maintain the unified state of Bosnia and Herzegovina. However, they generally also stress that this agreement has some structural deficiencies that have been hindering the country's development fundamentally right up to the present. The blame for this is laid at the doorstep of the international community in a one-sided manner. Other views home in on the existence of the Entities based on ethnicity. They stress the right to ethnic self-determination and prioritise this right over the right of people as citizens of the state of Bosnia and Herzegovina. Yet other views focus on the idea that the state is ungovernable and describe its configuration as an unnatural state system, which was imposed on Bosnia and Herzegovina from outside, with a massively oversized government and administrative apparatus that virtually encourages corruption and nepotism rather than curbing them. They consider the inefficiency and unprofitability of the state, which expends around half of its GDP on administration,⁵ as proof that Dayton has failed. However, increasing numbers of people maintain that the agreement provides the foundation for the continued existence of Bosnia and Herzegovina and that the

The term "Dayton" has negative connotations in the country, both among the population and among media representatives. Only politicians from Republika Srpska regularly make reference to the agreement because it guarantees the existence of the Republic.

4 | The President of RS regularly calls upon the state or the Federation to "return to the Dayton Agreement". Cf. "Bosnia will return to Dayton, or RS will move towards Independence: Dodik", *Bosnia Daily*, 9 Jun 2015, p. 2. What he means by that is more rights and greater sovereignty for RS.

5 | Cf. among others "Opasnost od bankrota bh. političare bi trebala natjerati na reforme", *KLIX*, 5 Apr 2013, <http://klix.ba/vijesti/eu-integracije/130404042> (accessed 4 Aug 2015).

presence of the two Entities guarantees peace in the region. One opinion shared by virtually all sides is that Bosnia and Herzegovina does not possess full sovereignty and that Dayton has forced Bosnia and Herzegovina into a “straight jacket”. This is due to the existence of the institution of the High Representative (OHR) and the fact that numerous international organisations, the EUSR, the UN, the OSCE, the European Council, the USA as well as other Western countries acting through their embassies are exerting a great deal of influence on the political institutions and their actors in the country. Having said that, there are a great many people who would like to see the OHR make greater use of its so-called Bonn Powers to overcome the various blocking manoeuvres by the governing parties in all the country’s parliaments. However, this would mean a loss of sovereignty and voluntarily relinquishing some responsibility – loosely in line with the motto: Engage in development with us.



Construction work at the EU’s office in Sarajevo: The influence of international organisations and foreign embassies on politics in Bosnia-Herzegovina is strongly criticized by some. | Source: Andreas Lehner, flickr ©¹.

Hardly any politician still believes in a “Dayton 2” agreement, a term frequently encountered during the first post-war decade. A degree of pragmatism has entered the parliaments. Amendments to the constitution would require a broad consensus. This is currently not yet in sight.⁶ Instead, efforts are being made to

6 | RS has been threatening for years to hold a referendum as a means of seceding from Bosnia and Herzegovina. In the final run-up to the 2010 and the 2014 elections, this topic was permanently in the media. On 25 April 2015, Bosnia Today reported that this referendum was ▶

fully exploit the options available under the Dayton Agreement and the powers of the Constitutional Court. The idea of a return to the Republic of Bosnia and Herzegovina with its centralist constitutional system, as the one that existed from 1992, is being dismissed as totally unrealistic.

20 YEARS ON FROM THE DAYTON PEACE AGREEMENT

20 years have passed since the agreement was signed. At that time, Bosnia and Herzegovina was in an extremely difficult situation. The country was divided along ethnic lines; its government included war criminals and war profiteers, who were meant to implement the peace agreement and the constitution with its guarantees for fundamental human rights overnight. But the state of Bosnia and Herzegovina had not been given anywhere near enough powers to carry out this remit and drive developments forward against the opposition of the Entities.

POSITIVE RESULTS OF THE DAYTON AGREEMENT

The direct positive results of the agreement include the immediate ceasefire on all fronts in Bosnia and Herzegovina and the end to the war, allowing the country to return to a state of relative normality. After some 50 per cent of the total 1992 population of Bosnia and Herzegovina,⁷ i.e. 2.2 million citizens,⁸ were driven out of their home villages and towns to other parts of the country due to their ethnicity, thereby becoming internally displaced persons,

to be held before the 2018 elections. In June and July, the People's Assembly of RS achieved partial success in paving the way for such a referendum, which should not be possible in principle according to the national constitution. Cf. "Republika Srpska to hold independence referendum in 2018", *Bosnia Today*, 25 Apr 2015, <http://bosniatoday.ba/republika-srpska-to-hold-independence-referendum-in-2018> (accessed 4 Aug 2015).

- 7 | When the Republic of Bosnia and Herzegovina was created in 1992, 4.4 million citizens were recorded in the census.
- 8 | The figures come from the 2010 statistics of the Bosnia and Herzegovina Ministry of Human Rights and Refugees. On 20 June 2015, World Refugee Day, the Ministry put out the following statement: "During the war, some 2.2 million people from Bosnia and Herzegovina found refuge in the region or in Western Europe or became internally displaced persons within. 20 years on from the signing of the Dayton Peace Agreement, half the estimated number of refugees and displaced persons still live away from their pre-war home towns or villages." Cf. Ministry of Human Rights and Refugees Bosnia and Herzegovina, "Ministarstvo za ljudska prava i Izbjeglice BiH obilježit će 20. juni – Svjetski dan izbjeglica", press release, *Novo Vrijeme*, 20 Jun 2015, <http://novovrijeme.ba/ministarstvo-za-ljudska-prava-i-izbjeglice-bih-obiljezit-ce-20-juni-svjetski-dan-izbjeglica> (accessed 4 Aug 2015).

or had fled abroad,⁹ one million citizens remained in Bosnia and Herzegovina or returned to their former home area.¹⁰ This had been facilitated by Annex VII of the agreement, the purpose of which was to allow the results of the systematic displacement to be (partly) reversed.¹¹ However, the number of people returning remained far below the expectations of all the parties to the agreement. This is frequently attributed to the following: the sluggish administration, misuse of office, corruption and harassment of returnees.

Annex VII included provisions whereby the victims of ethnic cleansing were to receive some restitution, through pensions, compensation payments or support programs (for house building).

Another positive result of the agreement was that citizens once more had freedom of movement throughout the country and were able to travel across ethnic borders after four years of "city arrest".¹² Annex VII also included provisions whereby the victims of ethnic cleansing were to receive some restitution, through pensions, compensation payments or support programs (for house building). This tied in directly with the prosecution and punishment of war criminals, who were either prosecuted and convicted in The Hague or brought before the court in the cantons of Bosnia and Herzegovina. It goes without saying that this is a difficult and slow process, which is still not complete and where the respective parties involved in the war are engaging in prevarication, procrastination and lies. Unfortunately, this section of the agreement has had little success in achieving reconciliation within society due to the obstructing efforts on all sides. The bereaved and victims frequently resign in desperation and feel humiliated when war criminals convicted in Sarajevo, Mostar or Banja Luka are released after having served two thirds of their sentences and are publicly welcomed and fêted as folk heroes¹³ or are able to live unmolested as free citizens in close proximity in the other Entity for years.

9 | Ibid. 1.2 million Bosnia and Herzegovina citizens have stayed in other countries, where they integrated into society. A total of over 100 countries accepted refugees from Bosnia and Herzegovina.

10 | Ibid.

11 | In 2010, there were still 7,000 Bosnia and Herzegovina citizens living in refugee camps. Ibid.

12 | Amongst others the close to 400,000 citizens of the City of Sarajevo, which was under siege for four years.

13 | Most recently involving the celebrations for war criminal Dario Kordic in June 2014 in Mostar. Cf. Siniša Puktalović, "Jubel für den Kriegsverbrecher", *da Standard.at*, 8 Jun 2014, <http://dastandard.at/2000001868816> (accessed 4 Aug 2015). Similarly, in September 2014 involving the celebrations during the installation of the ten meter metal cross for the Bosnian-Serb soldiers involved in the siege of Sarajevo in East Sarajevo. Cf. "It is a taunt for the siege victims: Major", *Bosnia Daily*, 22 Sep 2014, p. 1.



20 years later: The ethnic cleansings and the war shape Bosnia-Herzegovina's society to this day. | Source: © Talha Ozturk, picture alliance / Anadolu Agency.

The creation of several institutions that guarantee the protection of human rights on the basis of legislation is another positive result from the agreement. Such institutions did not exist either in Yugoslavia or in the Republic of Bosnia and Herzegovina. The same applies to the legislation on the protection of private property. Finally, the successful reforms in the areas of the judicial system, the education system, the military and the police can also be listed on the plus side. The rule of law rather than despotism is now guaranteed to a very large extent at all levels of the state. The courts are independent and their staff is well-trained, even though their decisions are occasionally ignored at the level of the Entities due to differences in interpretation. Dayton has also been responsible for sensitising the population to the process of coming to terms with the past and to the culture of remembrance as well as to the need for constitutional reform. There are currently over

12,000 NGOs registered in Bosnia and Herzegovina, although only a very small number of these are truly active. A sizable number of the active NGOs offer regular training and encounters to encourage reconciliation, dialogue and a culture of remembrance.

WEAK POINTS OF THE DAYTON AGREEMENT

Among the failures of Dayton is first and foremost the ineffective state, which is not adequately equipped to meet the challenges of European integration. This is directly linked to the obvious lack of the state's effectiveness in all reform processes. The lack of progress originates partly in the Dayton Agreement as well as the constitutional discrimination against citizens who do not belong to the ethnic groups of the constituent peoples, namely Serbs, Croats and Bosniaks.¹⁴ In effect, no citizen belonging to an ethnic group other than those three can become a member of the Presidency of Bosnia and Herzegovina. Discrimination against ethnic minorities in wide swathes of the country and the limited active and passive voting rights are further weak points. Deficiencies in the rule of law and a lack of legal certainty in some areas of the state (e.g. business and investment development) also have to do with the complex administrative structure Dayton created. Ultimately, the extremely costly and greatly oversized administrative system of the state with its two Entities, ten cantons, numerous districts and municipalities created by Dayton acts like a millstone around the neck of a state that has been trying to swim free for years.

Twenty years on from Dayton, Bosnia and Herzegovina is still in the phase of moving from a post-conflict society to a gradually stabilising society, which is trying to manage its crises itself.

In the course of the integration process, the EU expects Bosnia and Herzegovina to finally speak with "one voice". This means that the process of constitutional change must be accelerated and a large number of political decisions, to be based on a broad consensus in both Entities and fulfilling the criteria of the Stabilisation and Association Agreement (SAA) applying to an aspiring EU member, must produce the urgently required reforms in the country to produce a significant rise in the citizens' living standards in the twentieth year after the end of the war and to enable the country to make its way into the Community of Europe.

14 | Sejdic-Finci ruling at the European Court of Human Rights of 2010, which confirmed the constitutional discrimination against Jews and Roma and called upon Bosnia and Herzegovina to reform the constitution. This has yet to be acted upon.

RICH IN RESOURCES – YET STILL POOR

SENEGAL'S MINING PROJECTS AS A CHALLENGE FOR GOVERNMENT AND CIVIL SOCIETY

Ute Gierczynski-Bocandé

INTRODUCTION

Senegal is a country that has truly been blessed by nature: gold, iron, marble, phosphates, titanium, zircon and oil are coveted resources on the world market. Targeted and sustainable mining and processing could see the country become an emerging economic powerhouse in Africa. Senegal is already one of the world's leading producers of phosphates. Its gold deposits are enormous, and according to the Senegalese development plan PSE (Plan Sénégal Émergent), the country will be counted among the largest zircon exporters in the world within just a few years.¹ At the International Mining Conference held in Dakar in November 2014,² President Macky Sall stressed that the development and modernisation of the mining sector was one of the PSE's six priority sectors. He presented the ambitious "major mining projects",³ describing them as a "key engine for growth" in Senegal.⁴ The



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- 1 | République du Sénégal, "Plan Sénégal Emergent", Feb 2014, <http://www.gouv.sn/IMG/pdf/PSE.pdf> (accessed 6 Aug 2015).
- 2 | SIM (Salon international des Mines) Sénégal, <http://fr.simsenegal.com> (accessed 6 Aug 2015). Information on Senegal and its resources is available on this online portal.
- 3 | SIM Sénégal, "Programmes, structures et projets miniers du Sénégal", <http://fr.simsenegal.com/industry-info/programs-political> (accessed 6 Aug 2015). The major mining projects are presented here: phosphates, gold, iron and heavy minerals.
- 4 | Macky Sall, Président Senegals; quoted in: "Macky Sall au salon international des mines: 'Faire du secteur minier un moteur de croissance'", *Le Soleil*, 5 Nov 2014, <http://news.adakar.com/h/22032.html> (accessed 6 Aug 2015).

projects include the intensification and systematisation of the mining of phosphates, gold, iron and heavy minerals, such as zircon.⁵

Implementing these plans in a socially responsible manner is of great importance for the social and political stability of the country, as Senegal has until now faced a potentially dangerous development gap. Serious warning signals of this were made manifest in the violent unrest in the capital of the “Gold Region”, Kédougou, in December 2008. The ongoing controversy surrounding the mining law reforms reveals deep problems between the government’s vision and the population’s expectations. This balancing act between the economic boom the country has been hoping for and a socially just strategy of profit redistribution in terms of sustainable, balanced and environmentally friendly development represents a challenge for the government. If it fails to succeed, the social climate in Senegal could deteriorate and the country, like many other countries rich in resources, could drift into political and social instability, if not into chaos.

GOLD: BLESSING OR CURSE? FROM THE GOLDEN RICHES OF THE MEDIEVAL EMPIRES TO A CRISIS REGION

Given its vast and hitherto under-utilised resources and the extant and endemic poverty of the country’s population, Senegal appears to have inherited a poor legacy from the medieval golden riches of the Sahel belt.⁶ The region of Kédougou on the edge of the so-called Birimian belt is known as the “Gold Region” in Senegal;⁷ gold has been mined here for centuries.⁸

- 5 | Cf. Aly Ngouille Ndiaye, “Le PSE a fait l’option de place les mines au cœur des secteurs porteurs...”, *Senepius*, 16 Nov 2014, <http://www.senepius.com/article/le-pse-fait-l%E2%80%99option-de-placer-les-mines-au-c%C5%93ur-des-secteurs-porteurs> (accessed 24 Jul 2015).
- 6 | Cf. Joseph Ki-Zerbo, *L’Histoire de l’Afrique Noire*, Paris, 1972 sowie Djibril T. Niane, “Le Mali et la deuxième expansion manden”, in: Djibril T. Niane (ed.), *L’Histoire Générale de l’Afrique IV*, UNESCO, 1987, pp. 155-179, <http://unesdoc.unesco.org/images/0018/001843/184313f.pdf> (accessed 6 Aug 2015).
- 7 | Cf. Hervé Théveniault/Claude Delor, “Paleoproterozoic evolution of Senegal in the Birimian Framework”, Brisbane (Australien), 34th International Geological Congress, presentation, Aug 2012, <http://hal-brgm.archives-ouvertes.fr/hal-00711189> (accessed 6 Aug 2015).
- 8 | Cf. Khaly Niang, *Dans les mines d’or du Sénégal oriental. La fin de l’orpaillage?*, Paris, 2014 and Ibrahima Diallo, “Dans les mines d’or du Sénégal oriental. La fin de l’orpaillage?”, 198 pages chronique de la disparition ‘ineluctable’ d’une civilisation millenaire...”, *L’Harmattan-Sénégal*, http://harmattansenegal.com/hs.php?page=art&id_article=178 (accessed 6 Aug 2015).

This region is home to more than 90 traditional gold mines. They are operated by an estimated 50,000 private individuals who dig shafts and tunnels to a depth of up to 40 meters without any shoring-up,⁹ from which the auriferous earth is conveyed above ground in buckets and is then washed out with mercury, cyanide and other chemicals. The unprotected handling of these chemical substances has led to numerous illnesses and even malformations and furthermore leads to contamination of the waterways, rivers and groundwater in many places; the environmental problems here are acute.¹⁰

Labourers are often children and young people attracted by the “gold rush” in the Kédougou Region,¹¹ as they are able to move more easily through the underground labyrinths. Since gold discoveries are neither reported nor taxed, the state gets nothing.¹²

At the same time, drug sales and consumption, prostitution and human trafficking are all on the rise. Crime is endemic.¹³ And the influx of prospectors from neighbouring countries leads to conflicts with local labourers. These sometimes take on a dramatic dimension, for example, in late 2014, when things came to a violent clash between prospectors from Mali and Burkina Faso resulting in several deaths.¹⁴ Not infrequently, the number of inhabitants at a new prospect swells from a few hundred to tens of thousands, as it did in September 2014 in Kharakhena, forcing people to then live in unspeakable conditions. The headline in the *Walf Grand Place* newspaper aptly outlines the situation: “Kharakhena, a gilded

The influx of prospectors from neighbouring countries leads to conflicts. For example, in late 2014, when things came to a violent clash between prospectors from Mali and Burkina Faso resulting in several deaths.

9 | Cf. Diallo, n. 8.

10 | Aliou Kandé, “Recul du couvert végétal, dégradation des sols...: A Kédougou, l’orpaillage met en péril l’environnement”, *Le Soleil*, 18 Dec 2014, <http://business-humanrights.org/en/node/108394> (accessed 6 Aug 2015).

11 | Cf. Rémi Barroux, “Au Sénégal, l’enfer des mines d’or pour des centaines d’enfants”, *Le Monde*, 16 Jun 2014, http://lemonde.fr/planete/article/2014/06/16/a_4438916_3244.html (accessed 28 Jul 2015).

12 | Cf. Mareike Schamee, “Kedougou, eine Region Senegals im Gold-rausch”, KAS-Länderbericht, Mai 2013, <http://kas.de/senegal-mali/de/publications/35068> (accessed 28 Jul 2015).

13 | Cf. Carim Camara, “Kédougou: Enquête: Drogue, alcool, sexe, sida, violence... pour avoir de l’or”, *Alkuma Info*, 2 Apr 2013, <http://alkuma.info/spip.php?article41> (accessed 6 Aug 2015).

14 | Papa Demba Sidibé, “Affrontements entre maliens et burkinabés à Bakel: 6 morts et 50 blessés dans les zones d’orpaillage”, *Le Soleil*, 8 Mar 2013, http://lesoleil.sn/index.php?option=com_content&view=article&id=26705:affrontements-entre-maliens-et-burkinabes-a-bakel-6-morts-et-50-blesses-dans-les-zones-dorpaillage-&catid=59:house-design&Itemid=108 (accessed 25 Aug 2015).

powder keg".¹⁵ The boom in demographics furthermore leads to the spread of infectious diseases, such as AIDS and tuberculosis.

STATE FORMALISATION OF TRADITIONAL GOLD MINING SECTOR

When Senegalese President Macky Sall visited the Kédougou Region in May 2014, he was shocked by the working conditions in the gold-mining prospects and unceremoniously closed all 90 mining locations. However, this show of strength met with scepticism in the region. The opinion was that although more stringent regulation is necessary, the strict closure of the gold prospects was not a solution.¹⁶



Ngouille Aly Ndiaye is Minister for Industry and Mines: Decisions of the influential ministry have an impact on many realms of Senegalese society. | Source: United Nations Industrial Development Organization (UNIDO), flickr ©©©.

As part of several rounds of negotiation between prospectors, the government and civil society representatives, traditional gold mining has now been regulated and formalised by mandatory

15 | Fodé Kaba Dabo, "Kharakhena. Une poudrière dorée", *Walf Grand-Place*, 2 Oct 2014, p. 3.

16 | Cf. Ousmane Laye Diop, "Les communautés minières affamées", *Senepius*, 2 Mar 2015, <http://seneplus.com/article/les-communaut%C3%A9s-mini%C3%A8res-affam%C3%A9es> (accessed 28 Jul 2015).

rules and conditions.¹⁷ In November 2014, the sale of licences for artisanal miners began.¹⁸ In addition, the Minister of State for Mines wants to set up a government-organised gold buying office to control the volumes of gold mined.¹⁹ It remains to be seen whether these measures will in fact help to clean up traditional gold mining. Does the government truly possess the necessary options for exercising control or will the mining of gold continue to be played out primarily in the informal sector?

INDUSTRIAL GOLD MINING

Sabodala is the name of the village that has become synonymous with industrial gold mining in Senegal. Located 750 kilometers to the southeast of the Senegalese capital, near the Malian border, the outstanding quality of gold in this region has led to a significant influx of exploration companies. The mineable gold is estimated at 1.63 million ounces of fine gold, with resources of up to 3.55 million ounces of fine gold.²⁰

Another of President Macky Sall's major mining projects is the Golouma gold mine at Sabodala, with an estimated 2.25 million ounces of fine gold deposits to be processed in a new production unit. This project is intended to increase state budget revenues by 85 million dollars, rising to 110 million dollars between 2015 and 2017.²¹

17 | Cf. Adama Diaby, "Kédougou, les orpailleurs sont appelés à respecter la réglementation", *Echos des Collines*, 17 Feb 2015, <http://echosdescollines.com/?m=201502&paged=2> (accessed 6 Aug 2015).

18 | Cf. Boubacar Demba Tamba, "Kédougou: Enfin les cartes d'orpailleur numérisées!", 16 Feb 2015, <http://tambacounda.info/2015/02/16/kedougouaudio-enfin-les-cartes-dorpailleur-numerisees> (accessed 28 Jul 2015).

19 | Cf. Adama Diaby, "Kédougou: date de réouverture des diouras repoussée, les orpailleurs craignent le pire", *Echos des Collines*, 17 Feb 2015, <http://echosdescollines.com/?p=2844> (accessed 6 Aug 2015).

20 | These projections are published in the special edition of *Jeune Afrique Investir Sénégal 2015*, "Doing Business in Africa", *Paris Jeune Afrique*, Feb 2015, p. 40; in the professional journal *Africa Diligence*, "Doing Business in Africa 2015: Dakar vise les sommets", 14 Feb 2014, <http://africadiligence.com/doing-business-in-africa-2015-dakar-vise-les-sommets> (accessed 6 Aug 2015) and by Agence ECOFIN, "Doing Business 2015: classement des pays africains et rapport à télécharger", 29 Oct 2014, <http://agenceecofin.com/gestion-publique/2910-23890-doing-business-2015-classement-des-pays-africains-et-rapport-a-telecharger> (accessed 6 Aug 2015).

21 | Cf. "Sénégal, une nouvelle politique d'exploitation minières sur les rails", *Afrimag*, No. 77, Nov 2014, <http://afrimag.net/senegal-nouvelle-politique-dexploitation-miniere-rails> (accessed 28 Jul 2015).

IRON ORE AND THE PROBLEM OF INFRASTRUCTURE

The mining of large iron ore deposits in the Falémé River Valley in the same region, Kédougou, has led to economic and political conflicts in recent years that are still ongoing. The mineable iron ore resources there are estimated at 25 million tonnes per year.

Senegalese President Macky Sall, who is also a geologist and held the post of Minister of State for Mines, Energy and Hydraulics from 2001 to 2003, has made the iron ore mining project in the Falémé River Valley a priority. The task now is to find reliable and financially strong partners who will not shy away from investing heavily in infrastructure.

The Dakar-Bamako line has become almost impassable as a result of permanent neglect. The construction of a new line between Tambacounda and Kédougou to Falémé would be of great importance for the mining industries.

Given the prevailing infrastructure problems in Senegal, especially in the border regions that are home to most of the natural resources, the construction of a railway line is of primary importance. The existing Dakar-Bamako line has become almost impassable

as a result of permanent neglect. The construction of a new line between Tambacounda and Kédougou to Falémé would be of great importance for the gold and iron ore mining and steel production industries in Senegal.

PHOSPHATES AND LIMESTONE: EXPORT CHAMPIONS

An overview of Senegal's mining resources presented in the catalogue for the International Mining Conference and Exhibition in Dakar last November reveals that phosphates are one of the most important mineral resources and products mined and exported by Senegal.²² Senegal's phosphate reserves are estimated between 500 million and one billion tonnes.²³ It was only a few years ago that a phosphate potential of 40 million tonnes of directly mineable phosphate and a further estimated 100 million tonnes was discovered in the Matam Region (eastern Senegal on the Malian border); mining began recently. In November 2014, the director of the Société d'Études et de Réalisation des Phosphates de

22 | SIM Sénégal, "Ressources minérales", <http://fr.simsenegal.com/industry-info/senegal-resources> (accessed 6 Aug 2015); Cf. also Direction des Mines et de la Géologie, "Catalogue roche", http://www.dirmingeol.sn/pages_utiles/ressources_minieres.php (accessed 6 Aug 2015).

23 | Cf. United Nations, "Mines", http://un.org/esa/dsd/dsd_aofw_ni/ni_pdfs/NationalReports/senegal/Mining.pdf (accessed 6 Aug 2015).

Matam (SERPM) announced that the production capacity of phosphate from Matam of 500,000 tonnes per year would triple by 2016.²⁴ According to the Senegalese Agency for Investment Promotion (APIX), Senegal will therefore soon be counted amongst the world's top ten largest producers of phosphates.²⁵

Limestone deposits span an approximately 15-kilometer-wide strip along the coast between Mbour and Bargny. It is now being mined, exported and, in some cases, processed by three cement plants in the Dakar and Thies regions. Thanks to Senegal's own demand for cement and that of its neighbouring countries, the nearly five million tonnes produced annually can be sold without any problem.²⁶

A BEACON OF HOPE IN THE WEST: HEAVY MINERALS ON THE GRANDE CÔTE

Another of the major mining projects of Macky Sall's government began on the Grande Côte (Great Coast) to the north of Dakar in 2014 with a planned duration of 25 years. If the prospection findings are correct, Senegal could soon become the world's third largest producer of heavy minerals: large deposits of zircon and titanium ilmenite have been found along the coast between Dakar and Saint-Louis. Here, the Senegalese government hopes for annual profits of six billion FCFA (CFA franc), 75 billion in tax revenue over the next 25 years and the creation of 1,000 direct jobs.²⁷

If prospection findings are correct, Senegal could soon become the world's third largest producer of heavy minerals: large deposits of zircon and titanium ilmenite have been found along the coast between Dakar and Saint-Louis.

In connection with the project, a 36 megawatt electric power station and a 22-kilometer railway line with a direct link from Diogo to Dakar are to be constructed, and the road network to Dakar is set to be upgraded.

24 | Cf. Agence ECOFIN, "Sénégal: la production du phosphate de Matam passera de 500.000 tonnes au triple à partir de 2016", 12 Nov 2014, <http://agenceecofin.com/phosphate/1211-24259-senegal-la-production-du-phosphate-de-matam-passera-de-500-000-tonnes-au-triple-a-partir-de-2016> (accessed 28 Jul 2015).

25 | Cf. Invest in Senegal, "Investir au Sénégal. Fiche technique sur les mines au Sénégal", Nov 2010, http://investinsenegal.com/IMG/pdf/fiche_technique_secteur_miner.pdf (accessed 28 Jul 2015).

26 | Cf. "Hausse de près de 7% de la production de ciment au Sénégal", *Senenews*, 15 Sep 2014, http://senenews.com/2014/09/15/hausse_90314.html (accessed 28 Jul 2015).

27 | Cf. SIM Sénégal, n. 2.

OIL DISCOVERIES: HOPE FOR ENDING DEPENDENCE ON IMPORTS

Beginning in October 2014, new oil discoveries sparked the hope that Senegal could become independent from oil imports in the long term. However, the location in which the oil reserves have been found is relatively volatile, located in the Saloum Delta region, not far from Gambia. Since the most recent attempted coup in Gambia in late December 2014, tensions have risen once again between Senegal and the Anglophone enclave of Gambia.²⁸ The prospecting will initially be continued for another five years to enable production in the three offshore oil wells to begin.²⁹ A sensational discovery was made off the Grande Côte on the northern coast of Senegal between Kayar and Saint-Louis in late April 2015: the American company Kosmos Energy found the largest oil reserves ever discovered in Senegal and even all of West Africa, equivalent to or possibly even exceeding Nigeria's reserves.³⁰ As a result, within just a few years Senegal could grow to be counted amongst the oil-producing countries and is already beginning to attract investors on a massive scale.

RESOURCE WEALTH VERSUS DEVELOPMENT GAPS

However, the country's highly promising resource wealth is not viewed entirely positively by many observers. The majority of the population is poor and social disparities have only deepened in resource-rich regions. Only a small segment of the population is involved in this resource boon, leading to social tensions. Of Senegal's more than 13.5 million inhabitants, one-quarter live in the capital region of Dakar, another quarter in the major cities and the remainder in rural areas; the rate of urbanisation is 45.2 per cent.³¹ In terms of economic development, there is a huge discrepancy between urban and rural areas, between the west and

28 | Cf. "Dozens Arrested and Weapons Cache Found after Failed Gambia Coup", *The Guardian*, 2 Jan 2015, <http://gu.com/p/44h9p/stw> (accessed 28 Jul 2015).

29 | Cf. Jean Pierre Malou, "Découverte de pétrole offshore à Sangomar – Cairn Energy annonce un deuxième puits", *SUD Quotidien*, 16 Oct 2014.

30 | Cf. Mohamed Gueye, "Un important gisement de pétrole et de gaz découvert entre Saint-Louis et Kayar", *Le Quotidien*, 29 Apr 2015, <http://www.lequotidien.sn/index.php/economie/un-important-gisement-de-petrole-et-de-gaz-decouvert-entre-saint-louis-et-kayar-eldorado-sur-la-grande-cote> (accessed 28 Jul 2015).

31 | Agence nationale de la statistique et de la démographie, "Indicateurs synoptiques", <http://www.ansd.sn/ressources/publications/indicateurs/synoptique-RGPHAE.htm> (accessed 6 Aug 2015).

the east of the country and between the capital city and the rest of the country. The capital, Dakar, accounts for only 0.3 per cent of the country in terms of land area,³² but is home to one-quarter of the population; the majority of industry and services are located there, and the infrastructure is comparable to that of emerging or even developed countries. Of the national tax revenues, 70 per cent is spent on Dakar, whilst the “rest” of the country receives only 30 per cent. This clear focus on the capital region gives rise to an equally extreme development gap, and promotes the exodus of rural populations to urban centers.³³

As part of the decentralisation reforms introduced last year, Macky Sall and his government have announced the creation of “development poles” in order to develop the regions through targeted investments in infrastructure and incentives for economic actors.³⁴ However, its implementation is slow in coming, whereas the intensive development of infrastructure in and around Dakar over the past few years indicates that the capital region continues to be prioritised.³⁵

A comparison of a few indicators of the provision of basic services between the capital region of Dakar and the “Gold Region” of Kédougou, which is representative of other equally poor regions, reveals the discrepancy in standards of living. In actual fact, the most resource-rich region in Senegal has the lowest standard of living.³⁶ The region lags behind in everything: schools, health clinics, roads, apprenticeships, employment, and even in the capital region electricity and water supply are not yet guaranteed. The large and hitherto uncontrolled exported quantities of gold lead to bitterness and frustration amongst the population, which suffers

The most resource-rich region in Senegal has the lowest standard of living. The region lags behind in everything and even in the capital region electricity and water supply are not yet guaranteed.

32 | Gérard Francois Dumont/Seydou Kanté, “Géopolitique du Sénégal: une exception en Afrique”, *Diploweb*, 15 Jan 2012, <http://diploweb.com/Geopolitique-du-Senegal-une> (accessed 4 Apr 2015).

33 | Cf. World Bank, “Sénégal Présentation”, 7 May 2015, <http://banque mondiale.org/fr/country/senegal/overview> (accessed 28 Jul 2015).

34 | Cf. Andrea Kolb/Ute Gierzynski-Bocandé, “Senegal nach zwei Jahren Regierung Macky Sall”, KAS Country Report, May 2014, pp. 75-76, <http://kas.de/senegal-mali/de/publications/37763> (accessed 28 Jul 2015).

35 | Cf. Abdourahmane Bade Sene, *Dynamiques de l'aménagement du territoire au Sénégal*, Université de Ziguinchor, 2013, pp. 9-10.

36 | Cf. Ute Gierzynski-Bocandé, “Der lange Weg zur Bildung im Bassari-land”, KAS event contribution, Jun 2011, <http://kas.de/senegal-mali/de/publications/23131> (accessed 28 Jul 2015).

the collateral side effects of gold mining and receives no significant share, if any, of the wealth generated.³⁷



Gold mining under difficult conditions: Despite its significance for the economy, the “Gold region” Kédougou faces serious problems with regards to infrastructure. | Source: © Romain Laurendeau, picture alliance/Wostok Press/MAXPPP.

Riots broke out in Kédougou on 23 December 2008 and were violently suppressed.³⁸ Students in the region had organised a sit-in in front of the town hall to draw attention to their plight: the Ministry of Mines, which manages the mining social fund in Dakar, was months in arrears in rent payments on the residential accommodation that had been rented for the students in the Kédougou Region. For the more than 100 residents there, the closure would have meant the end of their studies. But the population of Kédougou also joined in on a massive scale and took to the streets to express their anger and anxieties.³⁹ The few police forces in place were overwhelmed and the violent death of a demonstrator led to further escalation. The prefecture office, local

37 | Cf. Mouhamadou Lamine Diallo, “Mine d’or et développement durable”, *EchoGeo*, Mar-May 2008, <http://echogeo.revues.org/11103> (accessed 28 Jul 2015).

38 | Cf. Ute Gierzynski-Bocandé, “Hohe Haftstrafen nach Unruhen in Kedougou. Rechtsstaat in Senegal auf dem Prüfstand”, KAS Country Report, Jan 2009, <http://kas.de/senegal-mali/de/publications/15600> (accessed 28 Jul 2015).

39 | Cf. Mahamadou Lamine Barro, “Kedougou. Quand l’exploitation des mines est source de colère”, *seneweb.com*, 31 Jan 2009, http://seneweb.com/news/Politique/kedougou-quand-l-exploitation-des-mines-est-source-de-col-re_n_20868.html (accessed 28 Jul 2015).

education authority building and police station were vandalised by the protesters as symbols of the unpopular government. Although revolts of this kind have yet to be repeated, the trauma of 23 December 2008 remains a warning sign for both the government and investors.

LAND GRABBING, ENVIRONMENTAL PROBLEMS, UNEMPLOYMENT

Whilst employees working for the prospecting and extraction companies are living in a “golden ghetto” in Sabodala or in new luxury villas in Kédougou, the situation for the people living in the surrounding villages is dramatically different. They have been and continue to be repeatedly “relocated” to make room for new gold mining operations, and face constant uncertainty as to whether they will be able to stay somewhere new for more than a year.⁴⁰ The mining, which takes place from the surface and requires vast amounts of space, leaves behind a trail of environmental devastation. In exchange for little compensation, residents of Sabodala and other villages in the Gold Region are losing their houses, plots and arable lands. Agriculture and livestock breeding are often no longer possible, and the increasing unemployment has led to frustration and a lack of prospects.

And on the Grande Côte, in the Falémé River Valley, in the limestone mining areas of Taiba near Thies and Ndiass near Bandia, people continue to voice their displeasure at selling their lands to the extraction companies in exchange for insufficient compensation or even having their lands expropriated without any compensation at all.⁴¹ And so the rural exodus marches on unabated towards Dakar.

TiZir Ltd., operating on the Grande Côte, stresses its corporate responsibility for the environment and population in its project documentation.⁴² It has done so particularly in the wake of strong protests in different parts of the Grande Côte, specifically in Diogo: zircon and titanium ilmenite production involves intensive

40 | Cf. “L’Etat Vend Les Cimetières De Sabodala Aux Exploitants De Mines À 27 Milliards”, *Leuk Senegal*, 30 Jul 2013, <http://leuksenegal.com/politique/item/18533> (accessed 28 Jul 2015).

41 | Cf. Agence Presse Sénégalaise, “Les expropriés de Diogo entre incompréhension et fatalism. Par Mansoura Fall”, *Sen360*, <http://sen360.com/actualite/-239716.html> (accessed 6 Aug 2015).

42 | “Un axe de diversification: L’exploitation d’un gisement de titane et de zircon”, *ERAMET*, <http://eramet.com/projets/grande-cote-senegal> (accessed 28 Jul 2015).

land use and requires villages to be relocated.⁴³ Hundreds of vegetable farmers have lost their farmland, but the compensation they have received is not enough for them to start over.⁴⁴ Various civil society organisations have published documents on the negative effects on the environment in particular and the cultivation of vegetables in the area, which had previously been flourishing, and have called for companies to take the fears and expectations of the population seriously.⁴⁵ Intensive talks and mediation have led to some residents accepting the now irreversible geographical and social changes,⁴⁶ especially since there is a new major local employer with the zircon mining group.⁴⁷

Dust emissions from surface mining in many cases lead to health hazards: in places like Taiba and Bandia, respiratory diseases have increased proportionately as limestone mining has increased.

One serious problem in all the affected areas is the environmental impact of mining activities. The dust emissions from phosphate and limestone surface mining in many cases lead to health hazards amongst residents: in

places like Taiba and Bandia, respiratory diseases have increased proportionately as limestone mining has increased.⁴⁸ Matam, the new phosphate Eldorado, is called “Phosphate Hell” by locals.⁴⁹ The industrial gold mining in Kédougou is probably destroying the region’s hilly and wooded landscape for centuries to come.

Just as is the case on the Grande Côte, the ground-level gold mining taking place in Kédougou requires extensive amounts of space; giant excavators plough hectares upon hectares of earth and it remains to be seen whether Sabodala Gold Operations (SGO) will truly fulfil its corporate responsibility and restore the landscape to its original character as required by the new Mining

43 | Cf. Michael Pauron, “Sénégal – Mines: naissance d’un géant, au nord de Diogo”, *Jeune Afrique*, 22 Mar 2012, <http://jeuneafrique.com/142429/archives-thematique/s-n-gal-mines> (accessed 28 Jul 2015).

44 | Cf. Mansour Fall, “Exploitation du zircon. Entre terre et sable, les paysans n’y voient que de la poussière”, *Journalistes des droits de l’homme*, Mar 2015, pp. 9-13.

45 | Cf. Oumar Kande, “Les habitants de Diogo exigent la fin de l’injustice. Dépossédés de leurs terres, insuffisamment indemnisés et intimidés”, *Senepius*, 9 Jul 2013, <http://senepius.com/article/les-habitants-de-diogo-exigent-la-fin-de-l%E2%80%99injustice> (accessed 6 Aug 2015).

46 | Cf. “GCO et Diogo se donnent la main”, *Wal Fadjri*, 9/10 May 2015, p. 2.

47 | Cf. Pauron, n. 43.

48 | Cf. Samba Niebe Ba, “Sénégal: Communauté rurale de Diass – Sous la menace d’un danger écologique”, *Sud Quotidien*, 23 Jul 2012.

49 | Cf. Yacine Cissé, “Exploitation minière: Dans l’enfer des phosphates de Matam”, *Seneweb*, 20 Aug 2011, http://seneweb.com/news/Economie/exploitation-mini%C3%A8re-dans-l-enfer-des-phosphates-de-matam_n_49921.html (accessed 28 Jul 2015).

Law. Meanwhile, economic interests are clearly the prime considerations here as is apparent from an interview with the General Manager of SGO: "When we begin mining Niakhafiri, the village of Sabodala will once again be relocated."⁵⁰

In addition, the extraction companies repeatedly face accusations of not hiring enough or even any local labourers and of hiring not just skilled workers but also unskilled labourers from Dakar and other regions. Particularly bitter are the graduates of the technical secondary school in Kédougou, whose training should make them ideal candidates for incorporation in the gold industry. However, a technical secondary school education is not enough to guarantee a skilled workforce, and no other institutions for training mining engineers or offering other necessary qualifications exist yet. At least a university focusing on extractive industries is being planned for Tambacounda.



Schools only rarely train specialists: Hence the lack of qualified engineers in the mining for resources. | Source: tagon, flickr ©📷.

Under the *responsabilité sociétale des entreprises* (RSE, corporate social responsibility), SGO is obligated to invest one million U.S. dollars each year in various social funds and projects, including those involving training young people, while Randgold is promising Kédougou's young people work and social

50 | Aziz Sy, General Manager of Sabodala Gold, quoted in: El Hadj Coly, "Sabodala, la responsabilité sociétale des sociétés minières", *Le Quotidien*, 2 Jun 2015, p. 12.

commitment.⁵¹ In its agenda, the Torogold Group has established the company's environmental and social responsibilities in the form of a social investment program.⁵² As yet, there have been no signs of a massive implementation of these statements of intent. At the very least what is striking here is that the media frequently reports on the social engagement of the mining corporations in this context: clinics and schools are receiving equipment, women's groups are being given fields for growing vegetables and figures reflecting the number of newly recruited trainees and labourers are being disclosed. However, in reality there remains a wide gap between these declarations of intent and the plight of the affected population, especially since the amounts invested in social issues bear no relationship to the quantities of minerals extracted.

Six years after the revolts, the students of Kédougou once again returned to the political arena in 2014. The regional students' organisation summed up all of the issues in a single plea on behalf of the population and accused the government of limiting the traditional gold mining with which the people in the region earned their livelihood whilst the multinational mining corporations are stretching their "tentacles" ever wider and displacing the population from its lands. They argue that the government's invitation for traditional gold prospectors to return to agriculture was cynical as there is now scarcely any land to be found. At the same time, the students lamented the lack of hospitals, social housing and scholarships for pupils and students. "Do not touch our gold – only over our dead bodies";⁵³ this allusion to the bloody unrest in 2008 makes clear that the need for action and dialogue in Kédougou is now of the utmost urgency.

GOOD GOVERNANCE IN THE EXTRACTIVE INDUSTRIES SECTOR, PROSPECTS

Macky Sall's government is facing a number of challenges, and their solutions are crucial to the country's development towards becoming either an emerging developing nation or an increasingly

51 | Cf. Adama Diaby, "Kédougou: Rand Gold embauche les fils de Kedougou et fait du social", *Xibaaru*, 29 Jun 2015, <http://xibaaru.com/societe/kedougou-rand-gold-embauche-des-fils-de-kedougou-et-fait-du-social> (accessed 6 Aug 2015).

52 | "Projet Mako", Toro Gold Limited, <http://torogold.com/fr/projects/project?id=1> (accessed 6 Aug 2015).

53 | Cf. Khalil Dieme, "Fermeture des zones d'orpaillage. Les étudiants de Kédougou sur le pied de guerre", *Rewmi*, <http://rewmi.com/fermetures-zones-dorpaillage-les-etudiants-kedougou-pied-guerre.html> (accessed 28 Jul 2015).

unstable country. The PSE is sending positive signals, but the prompt and timely implementation of its objectives is now essential. Various instruments are being used, in particular to make the extractive industries sector more transparent and governable: the mining legislation and the Extractive Industries Transparency Initiative (EITI), paying close attention to corporate social and environmental responsibility (RSE).

The “Senegalese Mining Law” of 1988 had already been rewritten in 2003,⁵⁴ primarily with a view to simplifying the administrative procedures for awarding exploration and production licences to stimulate investors from at home and abroad. Furthermore, focus was placed on the development of local capacities, and environmental protection was emphasised.

Although corporate responsibility was set out in some of the provisions of the Mining Law, they have been interpreted relatively flexibly or have simply been ignored. In this same vein, a mining social fund had already been set up under the government of Abdoulaye

A mining social fund, into which extraction companies paid a percentage of their revenues has been set up. However, this fund is not managed by the local communities that are affected by the negative impact of mining.

Wade into which extraction companies paid a small percentage of their estimated revenues.⁵⁵ However, this fund is not managed by the local or rural communities that are affected by the negative impact of mining activities, but centrally by the Ministry of Mines.

This arrangement is based on the code of local authorities; even after its reform in 2013 (“Acte 3 de la décentralisation”), it stipulates that the local authorities will only manage what is above ground (land and soil management, forestry, water, etc.), but not the mineral resources – those are included in the sovereign tasks of the central government. The central government, in turn, is the only actor that deals with the mining companies. Given its low investment shares, the state finds itself in a weak position here.⁵⁶

54 | Cf. Gouvernement du Sénégal, “Code minier. Loi n° 2003-36 du 12 novembre 2003 portant Code minier”, <http://www.gouv.sn/Code-minier.html> (accessed 28 Jul 2015).

55 | Cf. auch Karim Diakhaté, “Nouvelles réalisations du programme social minier dans la région de Kédougou”, *Seneweb*, 9 Dec 2010, http://seneweb.com/news/Economie/_n_38377.html (accessed 6 Aug 2015).

56 | Ministère de la Gouvernance Locale, du Développement et de L'aménagement du Territoire, “L'acte III de la décentralisation”, <http://matcl.sn/spip.php?article29> (accessed 28 Jul 2015).

Extractive industry companies will pay recalculated licence fees and annual taxes; 20 per cent will go to the regional authority, and a further 20 per cent will go into a fund for financial compensation.

The State Committee for the Revision of Mining Contracts has declared that the state is losing billions in tax revenues as a result of the mining companies enjoying considerable fiscal and customs advantages.⁵⁷ The Senegalese head of state, Macky Sall, lamented in June 2015 that “we only receive three per cent of the gold (revenues) for the gold mined in our country”.⁵⁸ The new Mining Law of 2015 should remedy this.⁵⁹ In the future, the extractive industry companies will pay recalculated licence fees and annual taxes to the state; 20 per cent of the proceeds will go directly to the respective regional authority, and a further 20 per cent will go into a fund for financial compensation, which the state can also use to make socially motivated investments, even outside the affected community. One key innovation is the provision set out in the EITI requiring all extractive industry companies to publish their profits and revenues. In doing so, the government hopes to see a significant increase in tax revenue.

The new Mining Law also includes a provision requiring companies to respect human and environmental rights, and to restore exploited areas to their original condition following their departure or to restore them to a habitable and usable state. Senegal's Mining Law is largely based on the international “Extractive Industries Transparency Initiative” (EITI).⁶⁰

A presidential decree was issued on 20 June 2013 establishing a national EITI committee and defining its responsibilities and tasks.⁶¹ According to the international requirements of the EITI,

57 | Cf. Aminatou Ahne, “Exploitation de l’or de Sabodala: Comment les sociétés minières se sucent sur le dos des populations et de l’Etat”, *Seneweb*, 2 Aug 2013, http://seneweb.com/news/Economie/_n_102207.html (accessed 28 Jul 2015).

58 | Youssouf Sane, “Macky Sall: ‘Nous n’avons que 3% sur l’or qu’on exploite chez nous’”, *Seneweb*, 1 Jun 2015, http://seneweb.com/news/Economie/_n_156263.html (accessed 28 Jul 2015).

59 | Cf. Boubacar Tamba, “Révision du code minier. L’avant projet laisse apparaître des innovations majeures”, *Sud Quotidien*, 26 Jan 2015. http://sudonline.sn/l-avant-projet_a_22789.html (accessed 28 Jul 2015).

60 | Cf. German Federal Ministry for Economic Cooperation and Development, “EITI. A global standard”, http://www.bmz.de/en/what_we_do/issues/godgovernance/EITI/hintergrund/index.html (accessed 28 Jul 2015).

61 | Cf. Ministère de L’Énergie et des Mines, “Décret n° 2013-881 du 20 juin 2013 portant création, organisation et fonctionnement du Comité National de l’Initiative pour la transparence dans les Industries Extractives (CN-ITIE)”, *Journal Officiel du Sénégal*, http://www.jo.gouv.sn/spip.php?page=imprimer&id_article=10051 (accessed 28 Jul 2015).

good governance in the mining sector is of the essence. Greater transparency in the mining sector is expected to increase government revenue through various taxes and fees. But citizens are also supposed to gain additional opportunities to exercise control over the revenues earned from the extractive industries by enjoying greater participation and primarily by being able to have their say in the extractive industries' modalities of implementation: sustainable mining and environmental protection, hiring local workers, training and educational opportunities. The initiative is designed to reduce poverty and increase sustainable development.

Senegal has now been an official candidate for EITI committee-ship since July 2013 and should have submitted an EITI report in the first half of 2015 showing the corporations' revenues and the taxes received by the state; this would be the first measurable step towards transparency in managing the mining sector. However, the report is still lacking details for several major companies who have so far steadfastly refused to disclose their data. Because of this, the national EITI committee has already appealed to the president and asked him to issue sanctions for not complying with the pledge for transparency in the mining sector.⁶² According to observers, there is an acute risk that Senegal will be removed from the EITI candidate list.⁶³

The national EITI committee has already appealed to the president and asked him to issue sanctions for not complying with the pledge for transparency in the mining sector.

However, this raises the question of whether the state possesses the necessary instruments, leverage and ultimately even the political will to demand the necessary corporate information. Is the priority rapid economic growth without regard to "collateral damage" or is it socially and environmentally sustainable resource extraction?

A workshop held in Thies in late December 2014 for national stakeholders and representatives of civil society compiled a number of recommendations for implementing the EITI conditions in

62 | Cf. Abdoulaye Fall, „Production du rapport Itie 2012-2013: Des sociétés minières refusent de déclarer leurs données”, *Le Quotidien*, 13 Jul 2015, <http://www.lequotidien.sn/index.php/economie/production-du-rapport-itie-2012-2013-des-societes-miniieres-refusent-de-declarer-leurs-donnees> (accessed 6 Aug 2015).

63 | Cf. Abdoulaye Fall, “Statut de pays conforme à l’Itie: Le Sénégal risqué d’être suspendu”, *Le Quotidien*, 26 Jun 2015, <http://www.lequotidien.sn/index.php/economie/statut-de-pays-conforme-a-l-itie-le-senegal-risque-d-etre-suspendu> (accessed 28 Jul 2015).

Senegal, with special emphasis placed on the structuring of the process and the implication of all stakeholders involved.⁶⁴ The aim is to convey the content and importance of the EITI to the affected residents in mining areas, and to engage in a dialogue together with citizens, economic actors and political leaders.



The EITI Conference in Paris: Senegal's Mining Law is significantly geared towards the international initiative to improve transparency in the extractive industry. | Source: Herve Cortinat, EITI, flickr ©©©.

However, given the current difficulties faced in implementing the Transparency Initiative in the extractive sector, more and more residents of the mining areas are expressing their scepticism of the political will of the government and the willingness of the industrial companies to engage in transparency.

Were it to be well structured and consistently applied and followed, the initiative could solve many problems in Senegal. One such problem is that of high unemployment, which leads to dissatisfaction and a lack of prospects, especially amongst the younger population, resulting in many of them emigrating or even joining extremist movements. Its long-term goals are to effectively increase the standard of living for the population, provide better

64 | Cf. "Thiès: les acteurs des industries extractives invités à la transparence", Agence de Presse Sénégalaise, 28 Jun 2015, <http://aps.sn/actualites/societe/societe/article/thies-des-acteurs-de-la-societe-civile-expriment-leurs-preoccupations-sur-la-validation-de-l-itie> (accessed 6 Aug 2015).

opportunities for incorporating young graduates into the extractive industries, all coupled with responsible use of the environment. In this respect, the success of Senegal's economic growth and lasting social peace depend on the credible and consistent implementation of these objectives.

CLEAR ELECTION WINNERS – UNCERTAIN OUTLOOK

A REVIEW OF THE GENERAL ELECTION IN THE UK

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PRE-ELECTION SITUATION

A general election was held in the United Kingdom on 7 May this year. In all 650 constituencies in England, Scotland, Wales and Northern Ireland, whichever candidate received the largest number of votes in their constituency was elected to the House of Commons (first-past-the-post principle).

The House of Commons elected in 2010 was dissolved on 30 March, initiating the official election campaign. Due to the Fixed-Term Parliaments Act passed in 2011 and the long-term predictability of the election date, it had, in fact, already begun back in January 2015. At that time, the Conservatives headed by David Cameron were hoping to continue in government, ideally with an absolute majority and therefore without the unpopular coalition partner, the Liberal Democrats; Labour under Ed Miliband was looking to prevent precisely that and take hold of the government reins with an absolute majority of its own.

The objective for the Liberal Democrats was to stabilise the party after the disastrous election results in the 2014 European Elections and remain a relevant "kingmaker" in Parliament. The United Kingdom Independence Party (UKIP), for its part, was intent on translating its election victory at the same European elections into seats in the House of Commons; and the Scottish National Party (SNP), notwithstanding its defeat in the Scottish Referendum in September 2014, was looking to strengthen its position of power in the House of Commons, building on the surge in its approval ratings and membership numbers since the referendum, potentially joining a coalition with the Labour Party to create a majority. Because of the British electoral system, other parties, such as the

Greens, the Welsh Plaid Cymru and the regional parties of Northern Ireland, had no prospects of gaining a substantial number of new seats in Parliament.

ELECTION CAMPAIGN AND POLLS

The level of polling activity was extremely high during the entire election campaign, right up to election day. One or several of the most important polling organisations (YouGov, ICM, Lord Ashcroft, ComRes, Ipsos Mori) published updated figures virtually daily, all of them forecasting a hung parliament,¹ i.e. a stalemate (in a range of 32 to 35 per cent) between the two major parties (Labour and Conservatives), with neither party likely to secure an absolute majority.

Even during the most heated phase of the election campaign, which involved increasingly harsh attacks on political opponents, an entire palette of election promises to the (voting) public, non-stop public appearances by the leading candidates and intensive press reporting, the polls did not show any substantial or enduring changes.

The occasional outliers, which gave either the Conservatives or Labour a four to six per cent lead for a few days (causing premature speculation on a shift in trend), were regularly refuted by the next poll a few days later. The forecasts remained unchanged right up to the eve of the election, and it is worth taking another look at them in the light of the subsequent election results:² Conservatives 34 per cent, Labour 34 per cent, UKIP 12 per cent, Lib Dems ten per cent, Greens four per cent (support for the SNP was listed under “Others” and was therefore not a relevant percentage variable at a national level). With respect to the distribution of seats, the predictions were as follows on the day before the election: Conservatives – 273, Labour – 268, SNP – 56, UKIP – 2, Lib Dems – 28, Greens – 1.

Against this backdrop, it is understandable that the political debate immediately before the election focused entirely on the questions of which coalitions or alliances would have to be forged

- 1 | “Hung parliament” describes the situation where no one party has an overall majority after a parliamentary election conducted according to the first-past-the-post principle.
- 2 | Anthony Wells, “Election 2015 polling: a brief post mortem”, YouGov, 8 May 2015, <https://yougov.co.uk/news/2015/05/08/general-election-opinion-polls-brief-post-mortem> (accessed 20 Aug 2015).

to form a government with a parliamentary majority or how stable a minority government would be.

With all the criticism raining down on the polling organisations subsequent to the election, one should point out in their defence that the British unrepresentative first-past-the-post electoral system requires complex analyses in all constituencies to obtain truly reliable projections about the distribution of seats, particularly as the large number of marginal seats makes for a high degree of uncertainty. Added to this is the fact that all polls put the proportion of undecided voters between 20 per cent and 25 per cent right up to election day.



Paddy Power – one of London's numerous bookmakers: Those betting on a majority for Conservatives were able to decuple their money. | Source: Ewan Munro, flickr ©①②.

In a country considered the home of betting, it is logically worth taking a look at the bookmakers, who had incidentally predicted the outcome of the Scottish Referendum with great accuracy and were also right in their predictions regarding the first name of the latest addition to the British royal family (Charlotte Elizabeth Diana).

The odds Ladbrokes offered for potential coalitions on the last day before the election predicted a Labour minority government (without official coalition with the SNP but with its acquiescence) as being the most likely (2/1, all the following odds as

at 6 May 2015), followed by a coalition between Conservatives and Lib Dems (11/4) and a Conservative minority government (4/1). More unlikely predicted outcomes were a Labour-Lib Dem coalition (11/4), an absolute Conservative majority (10/1) or an official Labour-SNP alliance (12/1). The highest odds were offered for an absolute Labour majority (33/1) and for a coalition between the Tories and UKIP (33/1). Significantly, the bookmakers did not even consider a grand coalition. The election results thus allowed solid Tory supporters in very optimistic mood to reap a tenfold reward from their bets.

TV DEBATES

Because there was little by way of publicly visible canvassing (there was no widespread poster campaign, and personal canvassing concentrated on the 80 to 100 marginal seats), most attention focused on the televised debates between the party leaders.

After weeks of wrangling about the form these TV debates should take, with endless discussions and mutual accusations between campaign teams, top candidates and TV stations, a relatively complex, multi-format concept was finally agreed. For a long time, David Cameron refused to take part in a head-to-head debate with Ed Miliband. In view of his position, this was totally understandable from a tactical point of view as the polls generally placed him well ahead of Miliband with respect to his leadership qualities and his personal authority and he therefore had little incentive to offer his direct opponent a platform to potentially reduce this lead. His proposal focused on a debate involving all seven top candidates (a rather awkward format, but one which was ultimately accepted) to avoid the direct head-to-head. Miliband as well as Farage (UKIP) therefore unsurprisingly accused him of "cowardice" and "double standards" (after all, when he was the challenger in the 2010 election campaign, he had admonished then Labour Prime Minister Gordon Brown, saying that he should not try to avoid such a head-to-head as voters had a right to make a direct comparison).

For a long time, Cameron refused to take part in a TV debate with Miliband. He focused on a format involving all top candidates to avoid the direct head-to-head.

Ultimately, an agreement was reached to go ahead with a total of four different formats:

- 25 March: Appearances by Cameron and Miliband being interviewed separately by Jeremy Paxman for 20 minutes each, followed by a question and answer session with the studio audience which lasted another 20 minutes.
- 2 April: A TV debate with all seven party leaders: David Cameron, Ed Miliband, Nick Clegg (Lib Dem), Nigel Farage (UKIP), Nicola Sturgeon (SNP), Leanne Wood (Plaid Cymru) and Natalie Bennet (Greens).
- 16 April: A TV debate between the “challengers” (representatives of the opposition parties SNP, Labour, UKIP, Greens and Plaid Cymru).
- 30 April: Separate 30-minute interviews with David Cameron, Ed Miliband and Nick Clegg as part of the *BBC Question Time* program.

While one might be justified in criticising this somewhat confusing variety of formats and long for the big head-to-head battle, the arrangements do reflect the current political situation, with a decrease in the importance of the major parties, fragmentation of the party landscape, and a rise in the importance of smaller parties.

The first truly noteworthy confrontation, which also drew wide media attention, took place in the form of the first TV debate on 25 March.

Previous media stunts, such as the “kitchen appearances”³ by Ed Miliband and David Cameron, can probably be rated as own goals by the campaign teams. In Miliband’s case, the main message that came across was that he has two kitchens (!) in his home rather than the “down to earth” image that was meant to be conveyed. Cameron’s statement that he did not intend to stand for a third term as Prime Minister (mentioning Teresa May, George Osborne or Boris Johnson – in that order – as potential successor) elicited general puzzlement and quite some consternation among his campaign team.

3 | These were TV interviews staged in each interviewee’s private home environment, in Miliband’s case his London home, in Cameron’s case his house in his Witney constituency in Oxfordshire.

The first “battle” of 25 March had one clear winner: moderator Jeremy Paxman, a veteran of the British TV landscape (he presented the *BBC Newsnight* program for 25 years). He grilled both candidates with direct, uncomfortable and personal questions and made them look like “two naughty pupils ... caught smoking behind the bike sheds” according to one snide comment.

While surveys carried out immediately afterwards placed Cameron slightly ahead, Miliband had achieved his goal: he had undoubtedly reduced Cameron’s lead where image is concerned by displaying great confidence in front of the studio audience and responding to Paxman’s questioning in quite a spirited, albeit ultimately not convincing manner. He exceeded expectations (or fears), while Cameron was more nervous than expected and less poised than his supporters would no doubt have wished for. Of course Paxman focused his probing questions on his interviewees’ most vulnerable traits: Miliband’s leadership qualities and Cameron’s elevated social status. Those who had expected the politicians to position themselves on specific issues or to clarify their stance were disappointed; they only heard general slogans. “We have a long-term economic plan” (Cameron) and respectively “We’re the only party that will save the NHS [National Health Service]” (Miliband).



2nd TV debate in April 2015: In order to avoid a direct confrontation with Miliband, Cameron advocated a debate with all seven party leaders. Nevertheless, Miliband found opportunities to attack his rival. | Source: © Ken Mckay, picture alliance/dpa.

The “fragmentation” of the party landscape was illustrated most clearly during the second TV debate, which pitted the leaders of no fewer than seven parties against one another. David Cameron (Conservatives), Ed Miliband (Labour), Nigel Farage (UKIP), Nick Clegg (Lib Dems), Nicola Sturgeon (SNP), Leanne Wood (Plaid Cymru) and Natalie Bennet (Greens).

While Miliband and Cameron tried to profile themselves as the only “prime ministerial candidates” through mutual attacks and it looked at times as if Cameron had to contend with six opponents (as his coalition partner Nick Clegg waded in with a frontal attack at the very beginning), in the end it was the three women on stage who were the secret winners: Nicola

There was a gruelling “question and answer session”, which lasted for two hours, but did not produce a clear winner. The surveys conducted afterwards indicated a varied public assessment on how the leaders had performed.

Sturgeon through her poise and because she attacked Ed Miliband from the left together with Wood and Bennet (to his obvious surprise), and Natalie Wood because she gave Nigel Farage a “very British” dressing-down in reference to an unspeakable statement

he made on HIV patients.⁴ There was a gruelling “question and answer session”, which lasted for two hours, but did not produce a clear winner. The surveys conducted afterwards indicated a varied public assessment on how the leaders had performed.

During the third TV debate, Miliband found himself isolated and on the defensive, being attacked from both the right (Farage) and the left (Sturgeon and Woods). During the 4th and final debate, interest focused on Cameron and Miliband once again (Clegg only played a minor role), with Cameron having the best opportunity to leverage his role as Prime Minister. Once again, no substantial new statements were made on specific issues beyond what had already been said ad infinitum.

MANIFESTOS

Labour was first to present its manifesto on Monday, 13 April, followed by the Conservatives and the Greens on 14 April, with UKIP, the SNP and the Lib Dems following suit a few days later.

4 | Nigel Farage complained during the TV debate that treating each foreign AIDS patient cost the NHS 25,000 British pounds and suggested it would be more appropriate for this money to be spent on British patients. Natalie Wood countered this statement with the comment “You should be ashamed of yourself”. *The Guardian*, “The ITV Leaders’ Debate”, http://cdn.theguardian.tv/mainwebsite/2015/04/02/150402HIV_desk.mp4 (accessed 17 Jul 2015).

The Labour Party presented its 86-page manifesto under the title “A better plan – a better future”.⁵ The key topics were the economy, taxation, healthcare, education, domestic security, social security, the environment, defence, transport and foreign policy. One significant aspect was the obvious intention to present the party as having a solid economic policy and a definitely positive stance towards business.

Where the unity of the UK was concerned, Labour proposed a Constitutional Convention with the ultimate aim of replacing the House of Lords with an elected Senate of the Nations and Regions, to represent every part of the United Kingdom; it further stated its intention to drive forward the devolution of power to city and county regions. While Labour pronounced itself fundamentally in favour of the EU where the question of EU membership was concerned, it expressed firm opposition to the euro. The party demanded reforms in the EU, albeit without spelling these out in detail. Labour would only be in favour of a referendum if a further transfer of powers to Brussels was on the cards.

The Conservatives presented their manifesto under the title “Strong leadership – a clear economic plan – a brighter, more secure future”.⁶ Its key topics included the economy, jobs and migration, healthcare and educa-

The Conservatives’ key topics included the economy, jobs and migration, healthcare and education, domestic security, pensions as well as foreign and security policy.

tion, domestic security, pensions as well as foreign and security policy. On a total of 83 pages, a whole raft of financial commitments and promises were made. The striking thing here was the effort to not only convey the image of a party concerned with economics, willing to make savings and cut social benefits, but also of a party prepared to make concessions to the lower and middle classes through financial benefits and tax concessions, particularly in the area of house building and home buying. There were distinct parallels apparent to the Thatcherite election campaigns of the eighties, with obvious efforts to revive the archetypically British concept of “my home is my castle”.

As regards EU membership (not until page 72), the manifesto stressed that there were no plans to join the Eurozone, that a referendum on EU membership should be held by 2017 and that

5 | “The Labour Party Manifesto”, 2015, http://b.3cdn.net/labouruk/e1d45da42456423b8c_vwm6brbvb.pdf (accessed 17 Jul 2015).

6 | “The Conservative Party Manifesto”, 2015, <https://conservatives.com/manifesto> (accessed 17 Jul 2015).

the party was in favour of Europe evolving as a “family of nation states” as opposed to one of “ever closer union”. There was an explicit commitment to the transatlantic relationship and to a common foreign and security policy with NATO, while the establishment of a European Army was clearly rejected.

Both parties showed clear signs of wishing to step out of their respective “ideological corner” and appealing to additional sections of the electorate. *The Guardian* published a critical commentary about this approach, stating that both Labour and the Tories were putting forward ideas that ran counter to what they truly stood for. This was illustrated particularly clearly on the front page of the *Daily Telegraph* of 14 April: “We are the true party of working people”, quoted from an announcement of the Tory manifesto. And the German newspaper *Frankfurter Allgemeine Zeitung* published a similar headline in relation to the manifesto, which translates as “Cameron’s wondrous conversion”.⁷

The criticism voiced in the *Financial Times* was significantly less emotive and consequently had more gravitas; it maintained that all parties were studiously avoiding the real major issues affecting the country, such as the enormous budget deficit.⁸

So while the Tories (“It’s the economy, stupid”) and Labour (“It’s the NHS, stupid”) were fighting over what were the “right” issues to focus on, the temptation was to counter both parties with the statement “It’s all about Scotland, stupid!”, considering the likely lack of an absolute majority at Westminster and the sustained rise of the SNP.

The First Minister of Scotland Nicola Sturgeon came across very positively and as a convincing leadership figure. The SNP seemed to be impervious to criticism and problems.

By the time of the election, the SNP had over 100,000 active party members, who conducted the election campaign on the ground enthusiastically and addressed voters directly and individually. Added to this was the influence of First Minister of Scotland Nicola Sturgeon, who came across very positively and as a convincing leadership figure. The SNP seemed to be impervious to criticism and problems. The huge drop in the oil price has, in principle, made the SNP’s central

7 | Cf. Jochen Buchsteiner, “Camerons wundersame Wandlung”, *Frankfurter Allgemeine Zeitung*, 15 Apr 2015, <http://faz.net/-hox-8260q> (accessed 17 Jul 2015).

8 | Cf. Janan Ganesh, “Good riddance to a carnival of nonsense and futility”, *Financial Times*, 4 May 2015, <http://on.ft.com/1IbUhx5> (accessed 17 Jul 2015).

referendum argument (economic autonomy thanks to North Sea oil) redundant; but neither this nor the party's performance in government, which has not exactly been overwhelming, has resulted in the support wavering.

With the presence of such a burgeoning regional party, which set out to gain a landslide victory (in which it subsequently succeeded) and whose declared aim was to lead Scotland out of the United Kingdom to independence, this general election took on a significance that went far beyond the question of who would be the next British Prime Minister. James Forsyth summarised this succinctly in *The Spectator*: "A Scottish revolution is coming and everyone's losing their heads."⁹

SURPRISE RESULTS

After all the polls had predicted a neck-and-neck race between the Conservatives and Labour for weeks right up to the eve of the election, as already mentioned, the exit polls at 10 p.m. on election day initially caused

incredulous amazement until confirmation of a clear election victory by the Conservatives and David Cameron came the following midday.¹⁰ A clear, albeit slender, absolute majority in the House of Commons enables David Cameron to remain in No. 10 Downing Street as Prime Minister without needing a coalition partner to form a majority. All speculation in that direction had become redundant.

A clear, albeit slender, absolute majority in the House of Commons enables Cameron to remain Prime Minister without needing a coalition partner to form a majority.

By around 4 p.m. on the day following the election, the official final results had been established after counting had been completed in all 650 constituencies.¹¹ The turnout was 66.1 per cent (46.6 million voters).

9 | James Forsyth, "A Scottish revolution is coming, and everyone's losing their heads", *The Spectator*, 11 Apr 2015, <http://spectator.co.uk/columnists/politics/9494592/scottish-revolution> (accessed 17 Jul 2015).

10 | At this point in time, the exit polls already placed the Conservatives ahead with 316 seats, just short of the 326 seats required for an absolute majority, but exceeding previous forecasts considerably.

11 | For further details see "Election 2015", *BBC*, <http://bbc.co.uk/news/election/2015> (accessed 17 Jul 2015).

Table 1

Results of the United Kingdom General Election of 2015

Party	Seats	Share of votes in per cent	Number of votes	Change in number of seats compared to 2010 election	Change in number of seats compared to 2010 election in per cent
Conservatives	331	36.9	11,334,576	+24	+0.8
Labour	232	30.4	9,347,304	-26	+1.5
SNP	56	4.7	1,454,436	+50	+3.1
Lib Dem	8	7.9	2,415,862	-49	-15.2
DUP	8	0.6	184,260	0	0
Sinn Fein	4	0.6	176,232	-1	0
Plaid Cymru	3	0.6	181,704	0	0
SDLP	3	0.3	99,809	0	0
UUP	2	0.4	114,935	+2	0
UKIP	1	12.6	3,881,099	+1	+9.5
Greens	1	3.8	1,157,613	0	+2.8
Others	1	0.5	350,005	-1	-2.4

Source: BBC, n. 11.

Table 2

Seats by Region

	England	Wales	Scotland	Northern Ireland
Total number of seats	533	40	59	18
Conservatives	319	11	1	0
Labour	206	25	1	0
Lib Dem	6	1	1	0
SNP	0	0	56	0
UKIP	1	0	0	0
Plaid Cymru	0	3	0	0
Northern Irish Parties	0	0	0	18
Greens	1	0	0	0

Source: BBC, n. 11.

According to these figures, the Conservatives attracted some two million more votes than Labour, gaining only an extra 0.8 per cent of votes but 24 seats. Labour, in fact, made gains of 1.5 per cent, but lost 26 seats. The Lib Dems lost 15.2 per cent of votes and 49 seats; UKIP gained 9.5 per cent in votes, but could only secure one seat. Finally, the SNP only gained an extra 3.1 per cent in votes, but secured an additional 50 seats.

These figures demonstrate once again the distortions the British first-past-the-post system produces, as the party that was clearly the third strongest in terms of votes (UKIP) received only one seat and the SNP with just under five per cent secured as many as 56 seats, becoming the third strongest parliamentary group and gaining considerable influence in the new parliament.

Once again, there were clear winners and losers:

The election winners included Prime Minister David Cameron and his Conservatives, who ultimately achieved a clear election victory against all expectation (even within the party). It was particularly satisfying for Cameron to have overcome his failure in the 2010 election (when he was not able to secure an absolute majority) and to show all his critics (above all those in his own party) that he was able to achieve a “proper” election victory. But the Tory MPs themselves, many of whom had to fear for their seats in the marginal constituencies, also performed unexpectedly strongly and even boosted the size of the parliamentary group by 24 seats.¹² Lynton Crosby, the Australian election campaign manager, must also be counted among the election winners on the Conservative side; his strategy of concentrating on economic competence and, during the final stages, on the threatening Labour/SNP alliance obviously paid off.

The Tory MPs themselves, many of whom had to fear for their seats in the marginal constituencies, performed unexpectedly strongly and even boosted the size of the parliamentary group by 24 seats.

The second clear election winner is the SNP and its leader and First Minister Nicola Sturgeon. Not only did she succeed in transforming the defeat in the referendum in September 2014 into an almost 100 per cent election victory in Scotland through a highly energetic and committed election campaign, she also managed to boost SNP membership numbers exponentially and turn into the

12 | Even in Scotland, the Tories were able to fend off the mighty SNP and hold on to their only constituency of Dumfriesshire, Clydesdale and Tweeddale.

true “shooting star” of the election campaign. Particularly towards the end of the election campaign, the advances she made to Miliband with respect to a potential coalition illustrated the influence the SNP intended to exert in Westminster (there in the person of former First Minister Alex Salmond as combative leader of the SNP group) in the event of the party providing active or passive support to a minority Labour government, a factor that has no doubt hindered rather than helped Labour’s election campaign.



Many were surprised by the unambiguous election results, among them the infamous Yellow Press. | Source: Clipp2nd, flickr ©©©.

Despite its good election results, the SNP has one regret: its hope that it would either be able to gain a hold over a Labour government as “kingmaker” or at least bring down a minority Conservative government in cooperation with Labour did not materialise. While the Scottish lion now roars in Westminster, as Alex Salmond put it, that is all it can do for now.

In various interviews she gave on the morning following polling day, Nicola Sturgeon also made clear how her party intended to proceed with respect to the issue of Scottish independence. In connection with the 2016 elections to the Scottish parliament, the SNP will once again promote the cause of Scottish independence. Should the SNP regain an absolute majority (which is to be expected as things stand), and particularly if the EU referendum in the UK were to end in a vote for leaving the EU, she would no doubt seek another independence referendum in the not too distant future.

Labour and the Lib Dems in particular are on the losing side, but so is UKIP to some extent. The Lib Dems have paid a high price for their role as junior coalition partner as well as for a lack of clarity about what the party stands for. A mere eight MPs remained from the 56 from the 2010 election. Prominent “victims” include the former minister Vince Cable as well as Danny Alexander (Chief Secretary of the Treasury), who lost their seats. One consequence of the poor result was the resignation of party leader Nick Clegg, who did, in fact, retain his seat, but drew the party-political consequences from the defeat.



Ed Miliband: As the unambiguous loser in the elections, the Labour top candidate resigned from the office of party leader after the elections. | Source: © Lewis Whyld, picture alliance/empics/PA Wire.

The second clear losers were Labour and Ed Miliband. Losing virtually all seats in Scotland (bar one) and losing numerous seats in England to competing Conservative candidates sealed a final result that, with 26 fewer seats, was considerably worse than even the 2010 result. Considering the widespread expectation of being able to move into No. 10 Downing Street in some sort of an alliance with the SNP, this was particularly painful. Individual defeats, such as those of Shadow Chancellor Ed Balls (losing to the young Conservative candidate Andrea Jenkyns) and of Shadow Foreign Secretary and Labour’s election campaign manager Douglas Alexander (he lost his Scottish seat to his SNP opponent Mhairi Black by a large margin),¹³ illustrate how serious a blow this defeat must be. Top candidate and party leader Ed Miliband too

13 | The politics student, who is only 20 years old, has thereby become the youngest MP since 1667.

immediately drew the consequences and declared his resignation as party leader the day the results were announced, foregoing the role of opposition leader in the House of Commons.

Finally, the election losers also include UKIP – judged by its own expectations. After riding high in the elections to the European Parliament in May 2014 (in which it emerged the winner with 27 per cent of the votes), the party experienced a slight but steady decline in the polls, interrupted only by two by-elections in 2014, where it succeeded in having two defectors from the Conservative Party elected to Parliament as UKIP candidates (Mark Reckless and Douglas Carswell). While UKIP ranked in third place in terms of total numbers with 12.6 per cent of the votes and came second in many English constituencies, the party did not succeed in achieving the hoped-for election victories in Thurrock, Rochester and Strood, and Thanet South. Only Douglas Carswell was able to repeat his by-election success and will return to Parliament

The most spectacular defeat was that of UKIP's party leader and MEP Nigel Farage, who lagged some 2,800 votes behind his Conservative opponent.

as UKIP's only MP. Mark Reckless lost his seat, which went back to his Conservative opponent. The most spectacular defeat was that of UKIP's party leader and MEP Nigel Farage, who lagged some 2,800 votes behind

his Conservative opponent. Prior to the election, he had loudly promised he would resign in that eventuality. Immediately after the election, he declared he would take a break and that he would review the situation at the next UKIP leadership election in the autumn. However, he withdrew his resignation two days later (according to Farage due to massive pressure from numerous party members), which prompted something of a leadership crisis in UKIP. That said, one should not ignore the fact the UKIP was able to attract almost four million votes and was undoubtedly disadvantaged by the electoral system. One needs to bear these votes in mind when contemplating the prospects for the upcoming EU referendum.

THE NEW GOVERNMENT LINE-UP AND INITIAL MEASURES

Freed from the need of having to conduct lengthy coalition negotiations, Cameron presented his new cabinet, the line-up of which had not changed greatly. The ministers who were confirmed in their posts as expected were George Osborne (Chancellor of the Exchequer), Philipp Hammond (Foreign Secretary), Michael Fallon (Defence Secretary) and Theresa May (Home Secretary). Also retained in their old posts were Iain Duncan Smith (Work

and Pensions Secretary), Jeremy Hunt (Health Secretary) and Justine Greening (International Development Secretary). Michael Gove returned to the cabinet in the new role of Justice Secretary. Noteworthy promotions to the cabinet include Sajid Javid (Business, Innovation and Skills Secretary), Nicky Morgan (Education Secretary), Amber Rudd (Energy and Climate Change Secretary) as well as Liz Truss (Environment, Food and Rural Affairs Secretary). With Chris Grayling as Leader of the House of Commons and Mark Harper as Chief Whip, Cameron also brought some Euro-sceptic hardliners to the cabinet table (thereby subjecting them to a certain level of cabinet discipline). Further appointments of significance to the EU debate are those of David Lidington as Minister of State for Europe at the Foreign Office and of James Brokenshire as Minister of State for Immigration at the Home Office.¹⁴ Another noteworthy development is that newly elected MP and incumbent Mayor of London Boris Johnson has received an invitation from the Prime Minister to attend the political cabinet, albeit without a ministerial remit. This can be seen as a significant gesture by Cameron to one of his potential successors, particularly as there is speculation that Johnson may well take on a formal ministerial post in government once his term as mayor has come to an end (May 2016).

With Chris Grayling as Leader of the House of Commons and Mark Harper as Chief Whip, Cameron also brought some Euro-sceptic hardliners to the cabinet table.

The next step was the traditional government policy statement at the Opening of Parliament. This highly compressed outline of the most important government plans is read out by the Head of State, Queen Elizabeth II, with great pomp and circumstance in front of both Houses of Parliament. This "Queen's Speech" delivered on 27 May included an announcement of the EU referendum "by the end of 2017", as expected, as well as plans to make improvements to the NHS and to increase state support for childcare and the construction of new homes. Furthermore, some taxes are to be cut or at least not increased, and further cuts are to be made to social benefits. The government intends to press ahead with devolution and subsidiarity, which will involve greater autonomy in planning and budgetary matters being given not only to the parliaments in Wales, Northern Ireland and Scotland but also to the major cities

14 | For a complete list of the most important government posts see: Prime Minister's Office, "Election 2015: Prime Minister and ministerial appointments", 8 May 2015, <http://gov.uk/government/news/election-2015-prime-minister-and-ministerial-appointments> (accessed 17 Jul 2015).

in Northern England (including Manchester and Liverpool), which are to be transformed into a “northern powerhouse” to act as a counterbalance to the magnet London represents.

Further key areas included immigration legislation and security measures as well as a clear vote in favour of a visible role for the UK on the international stage (Russia/Ukraine, Syria, Libya, Islamist terrorism).

However, the issue Cameron tackled first of all was Europe, or more precisely EU membership. His first whistle-stop tour abroad directly after returning to office took him first to the Netherlands, then to France, Poland and Germany, where he sounded out the respective leadership on where he could expect resistance or cooperation with respect to his reforming ideas on European policies. Two further visits drew a great deal of attention. The first of these involved Jean-Claude Juncker, whom Cameron received at Chequers, his rural retreat, before his own trip as a significant conciliatory gesture after previously having vigorously opposed his election to the post of President of the European Commission. The second involved Manfred Weber, Chairman of the EPP Group in the European Parliament, who was also received by Cameron.

The Cameron government demonstrated that it was prepared to make greater efforts to engage in dialogue, starting by listening to its European partners.

All this demonstrated that the Cameron government was prepared to make greater efforts to engage in dialogue,¹⁵ starting by listening to its European partners, although the response in Poland and France was rather cool, while Chancellor Merkel was once more conciliatory in her statements, reiterating her belief that “where there’s a will, there’s a way”.

Soon afterwards, the G7 summit at Schloss Elmau gave Cameron another opportunity to discuss his concerns with leading heads of state and government. The most noteworthy statement from this event came from U.S. President Obama, who made it very clear that he thought that staying a part of the EU was the right thing for the UK to do.

15 | For a representative article (in German) by Thomas Gutschker, “Prinz Charming auf Europa-Tournee”, *Frankfurter Allgemeinen Sonntagszeitung*, 31 May 2015.

However, this rather new and promising approach to the British EU negotiations did not remain without a backlash in Cameron's own camp. 50 notorious EU sceptics (among the backbenchers) formed a new grouping within the parliamentary group ("Conservatives for Britain") and threatened, as they had done in the past (with the usual support from large parts of the press), to mobilise against any EU reforms they considered too timid. They did so in the knowledge of the power they hold; the parliamentary majority is slim and this group could break it at any time. There were early indications of this potential dissent during the discussions on the EU referendum bill in connection with issues of voter eligibility (age, nationality) and the government's neutrality during the referendum. The Eurosceptic backbenchers are insisting that voting should ultimately be based on the general election franchise (over 18s, no EU citizens) and that the government should not fund campaign activities during the last few weeks. After Cameron announced that he wanted to force cabinet members to toe the government line in the referendum, he backtracked within hours under pressure from massive protests from the backbenches.



Group picture from the G7 summit in Elmau: Cameron (second from right) likes to present himself as a politician with an international profile but does not flatly preclude the so-called Brexit. | Source: blu-news.org, flickr ©①②.

OUTLOOK

Now that the general election is over, the UK is obviously facing considerable challenges, the outcome of which is anything but certain.

For one, it has become clear that “it is not just Parliament’s buildings that require extensive renovation”, as Oxford professor Timothy Garton Ash rightly remarked.¹⁶ The election results also demonstrate that the first-past-the-post principle is untenable, as there is a glaring discrepancy between the final distribution of seats and the actual distribution of votes across the individual parties. But a comprehensive review of the voting system would require a substantial parliamentary majority and, no doubt, also approval among the population, both of which are less than certain (see the 2011 Referendum on the UK Parliamentary Voting System), which makes it unlikely that the matter will be given immediate priority.

In the Labour party, a heated debate has broken out about the party’s orientation and its leadership, which will not be laid to rest until after the summer break.

While the Conservative party leadership is not in question for now thanks to the clear election victory, there are difficult and controversial decisions ahead for Labour and the

Lib Dems in the run-up to the party conferences in the autumn. In the Labour party, a heated debate has broken out about the party’s orientation and its leadership, which will not be laid to rest until after the summer break. Four candidates are contesting the leadership election: Andy Burnham, Yvette Cooper, Liz Kendall and Jeremy Corbyn.

Secondly, there is the question of the UK’s unity. An article in the Financial Times quotes Professor Vernon Bogdanor of King’s College London as talking of this development leading to “a growing divergence between the constitutional and political forms of an earlier age and the social and economic realities of today”, and states his opinion that what is required to prevent the UK breaking apart is a new constitutional settlement involving a redistribution of power between the four nations of the country. During his time at Oxford, Cameron was one of Professor Bogdanor’s students.¹⁷

16 | Cf. Timothy Garton Ash, “It is not just parliament’s buildings that require extensive renovation”, *The Guardian*, 27 Mar 2015, <http://gu.com/p/473fb/stw> (accessed 17 Jul 2015).

17 | Philip Stephens, “The End of the British Establishment”, *Financial Times*, 24 Feb 15, <http://on.ft.com/1WGiiUj> [17.07.2015].

And this same David Cameron made it clear during his first statements on the morning following the election that this was a high-priority issue; the powerful SNP will be a hard and uncompromising opponent, putting the British government under considerable pressure with extensive financial and political demands. It is likely that the promised concessions regarding fiscal autonomy will be granted, albeit linked to greater responsibilities in the area of spending policy and taxation. The territorial order of the UK and the question of how to deal with the burgeoning self-confidence and desire for autonomy or even independence both politically and socially will represent a central, complex and anything but simple task. A further election victory by the SNP during the 2016 Scottish regional elections will only exacerbate the situation.

Thirdly, there is the area of economic and welfare policy. There will probably be few surprises in this area. It is likely that the measures set out in the manifesto will at

The budget consolidation will likely remain the top priority, which is undoubtedly right and important in view of the enormous deficit.

least provide the guidelines for upcoming decisions. This would mean that budget consolidation would remain the top priority, which is undoubtedly right and important in view of the enormous deficit.¹⁸ The biggest unanswered question concerned the twelve billion budget cuts referred to in vague terms during the budget campaign, which Chancellor of the Exchequer Osborne then spelt out in greater detail in the budget he delivered to the House of Commons on 8 July. The Tory “stamp” on the budget was unmistakable insofar as the proposals included not only tax concessions and tax cuts for both businesses and employees but also significant benefit cuts. The underlying thrust: less welfare state, greater individual responsibility and self-determination.

Fourth and last, the UK must also realign its foreign policy. Political observers are commenting with increasing bluntness that the UK is in danger of manoeuvring itself onto the side-lines. Flirting with and threatening the UK’s exit from the EU, the minor role the UK is playing in connection with the political confrontation involving Russia and Ukraine, as well as the fact that the ties between the UK and the USA are weakening are clear indications of the UK’s diminishing importance.

18 | Chancellor of the Exchequer George Osborne confirmed this during his traditional Mansion House speech on 10 Jun 2015. “Mansion House 2015: Speech by the Chancellor of Exchequer”, <https://gov.uk/government/speeches/mansion-house-2015-speech-by-the-chancellor-of-the-exchequer> (accessed 17 Jul 2015).

EU policy will represent a key element in the area of foreign affairs. The UK at the heart of Europe, as John Major recently advocated once again in the election campaign, would be essential for both Europe and the UK. How and to what extent the Cameron government will retain this stance and conviction during its second term remains to be seen. But there is cause for cautious optimism.



Nigel Farage: Calls for Great Britain to exit the European Union will continue to keep the kingdom busy. | Source: © Jonathan Brady, picture alliance/empics/PA Wire.

As the clear winner, David Cameron emerged from the election in a stronger position, enjoying a level of authority the partial victory in 2010 had denied him. Presumably, this will not secure him 100 per cent support from his own parliamentary group, nor will it prevent his notorious backbenchers from keeping the pressure up as became clear soon after the election. But he is initially in a significantly stronger position and does not need to rely on tactical manoeuvres as was the case in the past because he did not command an absolute majority. However, he will have to take greater account of his party and the parliamentary group than previously. By making Mark Harper Chief Whip and by meeting with the 1922 Committee (many of whose members are Euro-sceptic) immediately after the election, he set clear signals of his intention to engage more with the party. At this early stage, there is a greater willingness to follow his lead, and he can and should take advantage of this to set out the objectives of his EU policy more clearly and more realistically, particularly within his party.

While it may not be an entirely straightforward matter for this invigorated party leader and Prime Minister to deal with the EU membership issue and guarantee a positive outcome, it is more promising than would have been the case with a weak Labour Prime Minister Ed Miliband acting under the influence of the SNP.

Contrary to all predictions, the UK election produced a clear and unequivocal result (thanks to the first-past-the-post system), the unpopular coalition option is off the table for now, and Cameron's government has a clear mandate. As he had made clear during the election campaign that he will not stand again in the 2020 election, he will be keen to prove over the next five years that he is not only able to win elections unexpectedly but can also "finish the job", as he kept promising during the election campaign.

The EU Referendum on the question "Should the UK remain a member of the EU?" will represent an important milestone. The date has not yet been fixed, but there are many indications that it could take place as early as the autumn of 2016. For those who advocate remaining in the EU, the wording of the question has the psychological advantage that they will be able to conduct a positive YES campaign. Both sides will now attempt to secure support for their cause from emblematic leadership figures. Most representatives from the UK's business and finance sectors have already positioned themselves clearly in favour of retaining membership. It remains to be seen what further actions the government will take and how it can square the circle by putting forward practicable demands (i.e. demands that do not require immediate treaty amendments and will be supported by a substantial majority of EU members) in Brussels and in the European capitals on the one hand and then trying to sell the reforms as sufficiently substantive within the UK on the other so that it can retain its credibility when recommending continued EU membership. This issue will place a strain on the Conservative Party and very probably cause a rift. Whether this will cause it to break apart is as uncertain as the outcome of the referendum itself. But even in the event of a positive outcome, i.e. a vote for continued membership, the discussion will not be over. The lessons learnt from the Scottish referendum make this clear. The losing side can also draw strength and momentum from a substantive vote. This may give UKIP an opportunity to set itself up as the only political proponent for the NO vote, comparable to the SNP in Scotland. One should not underestimate the potential that close to four million votes from 7 May represent in this context.

Despite these warnings and concerns, the outlook is ultimately positive. The clear election victory of the Conservatives and Cameron has produced the necessary political conditions for redefining the UK's role at home, within Europe and within the wider world through its domestic and foreign policies.

Buoyed by his impressive election victory and assuming he will manage his negotiations in Brussels and the other European capitals with sufficient prudence, Cameron may well be able to restrain his Eurosceptic backbenchers and thereby not only save the UK from a "Brexit" but also cement its unity, as it would then be at least less likely that Scotland would leave the UK.

Despite all the reasons to be cautious, it is therefore reasonable to conclude that the outcome of the election of 7 May was a good one for the UK and may therefore also turn out to be a good outcome for Europe.

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