

KAS INTERNATIONAL REPORTS

PROTESTS FROM THE MIDDLE CLASS



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Kristin Wesemann / Daniel Schlierenzauer

■ **Vociferous Protest Against the Old Elites: Bulgaria’s Young Middle Class Takes to the Street**
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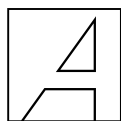
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Stefan Burgdörfer / Daniel Fuglestad



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EDITORIAL

Dear Readers,

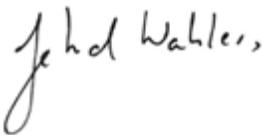
The middle class is growing in an increasing number of countries. According to the World Bank's definition, this class includes people with incomes between ten and 50 U.S. dollars per day depending on the country. While the middle class comprised approximately 300 million people around the world in 2005, forecasts envisage this number rising to 1.9 billion by 2030. And with its size, its political importance is growing as well. This trend has attracted public attention once again in recent times, particularly in connection with several emerging economies. In China, an expanding middle class with increasing access to technical equipment is exchanging opinions about social developments in digital space. In Brazil, demonstrators from the middle section of society are capitalising on the attention the country is attracting because of the World Cup to voice protests against the government and against rising prices. In Bulgaria too, an EU Member State that is still lacking in terms of political and economic development, there are signs of a new civil society slowly forming. In his article in this issue, Marco Arndt describes it as a "tender shoot in the process of growth, which has not taken deep root in society as yet".

However, it would be premature to assume that the rise of the middle classes would lead directly to positive effects on global democratic development. Various hopes linked to the middle class have so far not materialised. Economic growth and rising incomes by themselves do not result in progress in the areas of democracy, the rule of law and civic participation. If they feel that the governance in their country is deficient or if the economic upturn does not yield dividends in the form of democratic participation, members of the middle class frequently respond with annoyance, with withdrawal into the private sphere and into consumerism. In this issue, Kristin Wesemann and Daniel Schlierenzauer report that members of the Argentinian middle class share ideas "on what constitutes a good life: education, security and a better future for the children. However, these personal aspirations do not produce political will. People do not fight for a better school system, but send their child to a private school".

The middle classes can further political and socioeconomic change both at national and global level. However, once they have become established they can also block it just as easily. The middle classes can be agents of change, but they frequently do not seek to play this role. This is due to the fact that within wholly democratic, participative and socially integrated systems their own privileges and hard-earned status may become jeopardised – the middle classes are feeling the pressure from below.

These findings make for an uncertain prognosis about future positive developments. In many countries with a growing middle class, there is little effort to conduct structural economic and tax reforms or democratic reforms, and traditional power structures remain unchallenged. The Konrad-Adenauer-Stiftung therefore promotes the concept of the Social Market Economy in its international development cooperation. We encourage political approaches aimed at combatting poverty sustainably and at expanding and strengthening the middle classes. These two aims go hand in hand. The mostly quantitative growth of the middle class needs to be complemented by a more far-reaching agenda of structural change. This should include reforms in the education and health systems, in the area of social security, in the tax and banking systems, in bureaucracy and public administration, as well as the fight against corruption and efforts to strengthen the rule of law and good governance.

Through our political consultancy we want to support efforts to prevent a situation where we would face “growth without development” a few years down the line. Because then, the years of economic upturn would represent lost years in terms of our core objective – Mission: Democracy!



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POLITICS WITHOUT CENTER

ARGENTINA'S GOVERNMENT IGNORES THE DISSATISFACTION OF THE GROWING MIDDLE CLASS

Kristin Wesemann / Daniel Schlierenzauer

Argentina's middle class is anything but oversensitive. It has experienced too many economic and political crises for that. The *clase media* on the Río de la Plata is living in constant fear of a crash like the one it experienced in 2001/2002. However, its concerns have become more serious over the last two years. The economy has experienced hardly any growth, inflation is rising inexorably, and crime is also becoming a threat in the more affluent districts. So far, the middle class has reacted with astonishing acquiescence. The last major protests date back over a year; sometimes, it seems as if the middle class has gone into internal exile, waiting for the era of Kirchnerism to finally come to an end after more than a decade.

There have not been any mass protests lately. Large numbers of police and security force personnel nonetheless accompany every gathering, however small. There is a great fear of spiralling violence in the middle sector of society. It would be those who have most to lose that would be at greatest risk: the Argentinians from the middle class with their hard-earned wealth.

A look back at Argentina at the turn of the year 2012/2013: Large swathes of the country have been affected by extreme heat for weeks. Numerous urban districts and parts of the country are cut off from the electricity supply. Because of the dilapidated infrastructure, power and water supplies are nearing collapse; foreign currency funds to purchase fossil fuels from abroad are dwindling. Yet again, inflation rises to almost 30 per cent. The government decides to impose more and more new price and capital controls. Militant followers of President Cristina Kirchner

are donning blue T-shirts and marching through supermarkets. They aim to monitor whether the nearly 200 price edicts are being adhered to. The black market dollar rate is rising, and the value of the peso drops by 30 per cent within a few days in January. There are instances of mass looting in 20 provinces, and because the police are on strike, citizens take the law into their own hands, which results in 13 fatalities.¹ The President replaces one minister after another, but hardly surfaces herself. It is said that she only communicates with two, possibly three confidants now. It is still holiday time, and for now the violence is restricted to minor fits of rage, *piquetes* (street blockades) or minor *cacerolazos* (noisy protests with pots and pans) in urban areas.

ARGENTINA'S MIDDLE CLASS: LIFE STYLE AND LIFE GOAL

But who is this middle class that is demonstrating here? The first clue to be found in Argentinian writing consists of complaints about the difficulty of defining the middle class or even describing it. Middle class affiliation does not merely show in the household income; it is above all a political and social mindset. To be and to remain a member of the middle class is an aim in life.

Eight out of ten Argentinians consider themselves middle class (in 2012 it was as many as 90 per cent),² although there is a large discrepancy between self-image and reality.³

Ezequiel Adamovsky, a critic of the middle class concept, says that the classification is being used for purposes of "moral judgement" and delimitation.

Experts therefore look not just at income but also at the values that the Argentinian middle class has historically stood for. Ezequiel Adamovsky, author of the monograph *Historia de la clase media argentina* as well as a critic of the middle class concept, says that the classification is being

1 | "Confirmaron otro muerto en Tucumán y ya son 13 las víctimas tras la revuelta en 20 provincias", *La Nación*, 12 Dec 2013, <http://www.lanacion.com.ar/1646724> (accessed 17 Apr 2014).

2 | Evangelina Hiimitian, "La nueva 'clase o': los obligados a elegir con el bolsillo", *La Nación*, 7 Oct 2012, <http://lanacion.com.ar/1515085> (accessed 17 Apr 2014).

3 | Guadalupe Piñeiro Michel, "Ser 'clase media': definen cuánto hay que ganar y alertan por freno en movilidad ascendente", 20 Sep 2013, <http://www.iprofesional.com/notas/169820-> (accessed 17 Apr 2014).

used for purposes of “moral judgement” and delimitation. In his view, the middle class tends to be seen in a positive light and viewed as representing all that is moderate and sensible, education and honest work, upward social mobility and an orderly family life, grandparents who immigrated from Europe, and generally everything that is best about Argentina.⁴ This classification assigns political significance exclusively to the middle class, while everyone else is therefore seen as a “hopeless case”.⁵

Domingo Sarmiento’s “Facundo” is a sort of founding manifesto of the Republic of Argentina. It is modelled on European ideas of civilisation.

Domingo Sarmiento, Argentina’s president from 1868 to 1874, had described this contrast in the middle of the 19th century under the title *Civilization and Barbarism*.⁶ The “Facundo”, as Sarmiento’s book is also referred to, is a sort of founding manifesto of the Republic of Argentina. It is modelled on European ideas of civilisation and contains some vestiges of the thinking of Alexis de Tocqueville. According to this understanding, European immigrants and Argentinians who retained their ideas of state and society are the guarantors of civilisation. Sarmiento even identified a location where civilisation is rooted in Argentina: Buenos Aires, the city conceived as the opposite to a countryside devoid of people, the pampas, the realm of the gauchos controlled by the *caudillos* with their own rules. When Sarmiento became president, the political mindset changed as well: the motto “To govern is to populate”, coined by the Father of the Constitution Juan Bautista Alberdis (1810 to 1884), turned into “To govern is to educate” (*Gobernar es educar*). That is another reason why people now say that Sarmiento had envisaged a country of the middle class.⁷

4 | Ezequiel Adamovsky, “Más allá del estereotipo”, *Le Monde diplomatique*, Jul 2013, 9.

5 | Ibid.

6 | Domingo F. Sarmiento, *Facundo ó Civilización i Barbarie*, Proyecto Sarmiento, 1874, <http://proyectosarmiento.com.ar/trabajos.pdf/facundo.pdf> (accessed 17 Apr 2014).

7 | Ricardo Esteves, “Civilización o barbarie”, *La Nación*, 22 Feb 2010, <http://lanacion.com.ar/1235737> (accessed 17 Apr 2014).

MUM, DAD, THE SCHOOL JACKET AND THE POLICEMAN ON THE CORNER

The story of the Argentinian middle class therefore begins with millions of immigrants, who were seeking a better life at the other end of the world.⁸ Particularly those employed in trade or as clerical workers found a political home when Hipólito Yrigoyen of the Unión Cívica Radical (Radical Civic Union, UCR) became president in 1916. The middle class began to take an active part in political life for the first time, and it also began to act as an independent player – partly to the detriment of the upper class. The university reforms of 1918 represented a turning point, the effects of which are still being felt today as they enable young people from a working class background to access higher education. Thanks to the free university education, proud parents were able to say: “Mi hijo es doctor.”

The economy prospered as well, and Argentina rose to become one of the world’s largest agricultural exporters. The first phase of industrialisation did not begin until 1930, bringing a new social actor onto the scene: *el*

obrero, the worker. While the so-called oligarchy lost influence, the new middle class defended its status by means of positions as state employees, education or commerce. This was possible because trade unions were still weak at that time and did not endow the factory workers with any political clout.

While the so-called oligarchy lost influence during the first phase of industrialisation, the new middle class defended its status by means of positions as state employees, education or commerce.

But then Juan Domingo Perón conquered the Casa Rosada in 1946. Workers, *descamisados* (shirtless) and *cabecitas negras* (the “little black heads”, indigenous Argentinians from rural areas) had made him president; he thanked them by driving forward industrialisation and assigned the main role in this endeavour to the state. His government nationalised and founded businesses, gave power to the trade unions and increased the budgets for education, health, housing construction and social security. From that

8 | See specifically: Valeria F. Falletti, *Movilización y protesta de las clases medias argentinas*, Universidad Autónoma Metropolitana, Mexico City, Jun 2012, <http://bibliotecavirtual.clacso.org.ar/clacso/coediciones/20120920041042/Movilizacionyprotestadelasclasesmediasargentinas.pdf> (accessed 17 Apr 2014).

time onwards, the working class also sought education and advancement. The middle class, politically close to the Radical Party, now had to share a social space with the working class. At that time the workers had already proclaimed their unity with the former general. “¡Perón, Perón, gran conductor, sos el primer trabajador!” (Perón, Perón, great leader, you are the first worker!), they sang.

However, what the Peronists aspired to for their children as well as for themselves was to join the middle class, for which the Argentinians invented a new verb: *clasesmediarse*.⁹ Today, this is represented by the almost romantic image of traditional Peronism: *mama, papa, guardapolvo – y el policista en la esquina* (mum, dad, the white school uniform– and the policeman on the corner). Everything was nice

and orderly, the pupils were working hard, the policeman watched over everything. In no way did Perón oppose the middle class. On the contrary, he brought them onto his side and put their concerns onto the Peronist agenda. Also, the wishes and worries of the

The wishes and worries of the tradesmen, office workers and merchants were not unfamiliar to the leading figures of traditional Peronism. Many of them had grown up in precisely that environment.

tradesmen, office workers and merchants were not unfamiliar to the leading figures of traditional Peronism. Many of them had grown up in precisely that environment. It was not until the sixties, which also brought down many a petty bourgeois in Argentina, that things changed. Former anti-Peronist camps, such as the youth and intellectuals, began to adopt Peronism and thereby probably established both the structural weaknesses of the Argentinian middle class and the reach of Peronism, which is not so much a political party but rather a popular and in large parts also opportunistic mass movement. When Perón returned from 18 years of exile in 1973, particularly his young followers had hoped for a type of socialist republic; he himself, now 78 years old, wanted to establish order and had no sympathy for such phantasies. His death in 1974 then exposed the weakness of the institutions. Disillusioned with the erratic way Peron's third wife Isabelita ran the government, the poet Jorge Luis Borges was not alone in welcoming the military coup and the takeover by the generals on 24 March 1976.

9 | Ibid., 59.

After the chaotic years of shootouts and murders in the street, the middle class was also hoping for peace and stability. However, what followed was six years of brutal dictatorship, which depoliticised the country to a large extent: “From home to work and from work back home”, became a much-quoted saying: don’t do anything to stand out, don’t become involved, take refuge in internal exile, with family and friends. The legacy of the military included an economic disaster, a lost war over the Falkland Islands (Malvinas), thousands of lives and families destroyed. Even after the Radical Raúl Alfonsín, first president after the dictatorship in 1983, resigned in 1989, the country suffered from economic chaos and hyperinflation. Cumulative annual inflation from 1975 to 1988 caused prices to rise by a factor of two million.¹⁰



Juan and Eva Perón in 1950: The fact that Peronism is still governing Argentina, although its presidents frequently leave it worse than they found it, is one of Argentina’s greatest puzzles. | Source: Caras y Caretas 2236 ©.

There is a Peronist, and thereby almost Argentinian, myth which purports that the Radicals are firstly not capable of running a government and secondly frightened into handing

10 | Own calculations based on official figures from National Institute of Statistics and Censuses of Argentina (INDEC), <http://indec.com.ar/indec.gov.ar.htm> (accessed 17 Apr 2014).

over power at the slightest breeze. Peronism, on the other hand, sees itself as a bad weather movement – surviving storms, even hurricanes, and likely to respond to the apocalypse by collecting stones to build a new presidential palace. The fact that Peronism is still governing the country, although its presidents frequently leave it in a worse state than they found it in, is one of Argentina's greatest puzzles.

Life changed drastically for the middle class in the 1970s and 1980s. People lost their car and their domestics, two status symbols of the upper echelons of society. And restaurants and cafés, often described as the Argentinians' second living rooms, remained empty. It was

Menem's economic policy was based on parity between the U.S. dollar and the peso, on opening the market to foreign investors and imports, as well as on privatisations.

not until Peronist Carlos Menem took office six months early that the situation stabilised and allowed the Argentinian's middle class to proudly show once again who it was and what it had. Menem's economic policy was based on parity between the U.S. dollar and the peso at an exchange rate of almost precisely one to one, on opening the market to foreign investors and imports, as well as on the privatisation of the large state enterprises. The state withdrew from the economy, but also from its duties as service provider. However, the festive mood of the "pizza and champagne" years was not to last. A new downturn began during Menem's second term in office.

The presidency of his Radical successor Fernando de la Rúa ended swiftly and spectacularly. During a *cacerolazo* on 19 December 2001, the incumbent fled the Casa Rosada by helicopter, leaving chaos behind. Within just two weeks, Argentina experienced three presidents, the collapse of the economy and state bankruptcy, the effects of which are still reverberating today – as an enduring trauma.

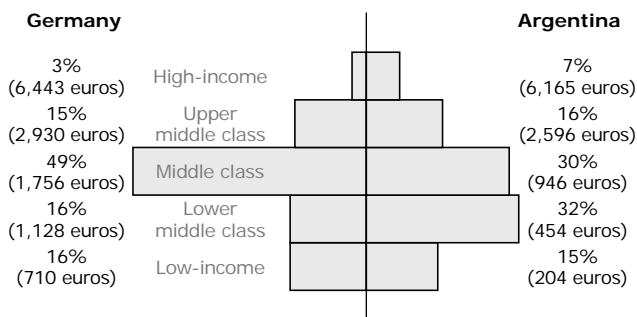
30 YEARS DEMOCRACY – AND THE POLICE ARE STRIKING FOR HIGHER PAY

On 10 December 2013, the whole of Argentina was meant to be on its feet to honour and congratulate itself. Exactly 30 years earlier the country had returned to democracy after the stifling days of military dictatorship. The government had planned major festivities for that day on the

Plaza de Mayo at the center of Buenos Aires and brought followers into the city from all over the country. The groups of people sporting Evita-Che-Cristina-Néstor shirts took up their places in a star formation, nearly disappearing under a sea of flags and banners. Cristina Kirchner, who had withdrawn from the public eye for two months after an operation, resurfaced and gave a half-hour speech, in which she praised the ten Kirchner years since 2003 as the source of Argentinian democracy.

Fig. 1

The middle class from an economic perspective, a comparison of net incomes between Argentina and Germany 2013



Figures in per cent: proportion of income group out of the total population (household income of income groups). Source: authors' own chart; data Germany: Cologne Institute for Economic Research, 2009, <http://iwkoeln.de/en> (accessed 17 Apr 2014); data Argentina: Consultora W, 2013, <http://consultoraw.com.ar> (accessed 17 Apr 2014).

Broad Middle Class

At almost 50 per cent, the size of the typical German middle class is striking. In Argentina, the lower middle class is particularly large. This must be interpreted bearing in mind the income ranges that the two research institutes had chosen. In Argentina, the differential between upper and lower middle class incomes is 1,650 euros, while it is 1,174 euros in Germany. Although the Argentinian methodology covers a larger range of household incomes, the middle class represents a smaller absolute proportion of the population overall.

Scope for Advancement


One needs to bear in mind the social mobility of the different sections of the population. A middle class Argentinian would have to double his or her current earnings to be considered a member of the upper middle class, whereas a German would only need to earn 66 per cent more. Upward economic mobility is therefore far more difficult in Argentina.

Risk of Social Decline

Even a relatively small loss of income by someone belonging to the lower middle class will lead to an economically precarious situation. Just over a third of Argentinians are deemed to be at significant risk from political and economic change, which may jeopardise their socioeconomic status.

While the government was celebrating and allowed the people to celebrate, looters were roaming the cities. The police did nothing to stop them – they were on strike for better pay. In Tucumán, in the extreme north of the country, they did intervene in the end – taking action not against the looters, however, but against the citizens who were demonstrating for better security on the square in front of the government building. It is thought that it was the Kirchnerist provincial government that ordered the police and plain-clothed agents from the security forces to disperse the crowds using teargas and batons.¹¹



On 10 December 2013 Argentina celebrated the 30th anniversary of the return to democracy: The government organized major festivities for that day on the Plaza de Mayo. | Source: Víctor Santa María, flickr ©.

The police are currently facing a particular challenge, but occasionally appear powerless in their fight against crime. There are also regular reports about members of the police

11 | "Tucumán: nueva protesta de vecinos en plaza Independencia", *La Nación*, 12 Dec 2013, <http://lanacion.com.ar/1646932> (accessed 17 Apr 2014).

force who are involved in the criminal milieu themselves. That said, the people who are supposed to enforce law and order (and are poorly paid for doing so) are themselves suffering from the consequences of a government policy that has no answer to the growing drug problem and is even denying its existence. Rosario, Argentina's third largest city, gained a reputation as the capital of crime some time ago. In 2013, there were 20 murders per 100,000 inhabitants there – 30 per cent more than the previous year.¹² And in the first six weeks of this year alone, there were a further 58 instances of violent crime involving fatalities.¹³ Drug-related crime has not only increased rapidly, it is also becoming more brutal. Anyone who is attacked and does not surrender their car or hand-bag readily must expect the worst.

The policemen who are supposed to enforce law and order are themselves suffering from the consequences of a government policy that has no answer to the growing drug problem.

Surveys have been showing for years that crime is what Argentinians fear most; in early March 2014, over 82 per cent were concerned for their safety.¹⁴ For the Cristina Kirchner government, the problem exists only in people's heads, if at all. The government blames the anxiety on the media and the opposition – all of them “antidemocrats”,¹⁵ who only want to spread fear in order to deflect from the achievements of the “gained decade” (*década ganada*). In any case, to Argentina's Leading Lady and her supporters, there is only one image of the past 30 years. This includes: the election of Alfonsín as the first president after the end of the dictatorship and the period since Néstor Kirchner took office in May 2003. The economic miracle years under her party colleague Carlos Menem, the state bankruptcy

12 | Hernán Lascano, “Rosario tendrá hacia finales de este año la mayor tasa de homicidios de su historia”, *La Capital*, 4 Nov 2013, http://www.lacapital.com.ar/contenidos/2013/11/04/noticia_0025.html (accessed 17 Apr 2014).

13 | “Ya van 58 los homicidios en Rosario en el 2014”, Sitios Argentina, 23 Feb 2014, <http://sitiosargentina.com.ar/ya-van-58-los-homicidios-en-rosario-en-el-2014> (accessed 17 Apr 2014).

14 | “La inseguridad y la inflación, las mayores preocupaciones”, *Clarín*, 3 Mar 2014, http://clarin.com/politica/inseguridad-inflacion-mayores-preocupaciones_0_1094890505.html (accessed 17 Apr 2014).

15 | “Acto por los 30 años de la Democracia: Palabras de la Presidenta de la Nación”, The President of the Argentine Republic (Casa Rosada), <http://presidencia.gob.ar/discursos/26951> (accessed 17 Apr 2014).

and the subsequent stabilisation under Eduardo Duhalde, a Peronist himself, only appear as subversive elements in the President's interpretation.

For some time now, the government has been merely the mouthpiece of an – admittedly large – minority. While the President is still talking to the entire public, what she says is being ignored by large parts of the population. In view of stark reality, the continuously announced reports of achievements have a hollow sound: the longest growth period in 200 years of Argentinian history, over 500 industrial estates, 200,000 new companies, unemployment down by 66 to 6.9 per cent and poverty down from 54 to 6.5 per cent, the highest minimum wage in Latin America, a 44-fold increase in investment in infrastructure, more social plans, higher child benefit, greater efforts to regain the Malvinas and better protection against hedge funds where debt servicing is concerned. The list is long and available on official websites for people to check.¹⁶ In fact, Argentina is in a better place now than in 2001/2002 – but at that time the country was at rock bottom in terms of economic, political and social conditions.

The figures put forward by the Kirchner camp as evidence of its successful governance are all under dispute. A poverty rate of 6.5 per cent would put Argentina at European level.

One also has to bear in mind that the figures put forward by the Kirchner camp as evidence of its successful governance are all under dispute. Now only 6.5 per cent poverty? That would put Argentina at the level of a prosperous European country. Independent studies therefore assume a level of 25 per cent.¹⁷ Only 6.9 per cent unemployment? The black market is said to account for 30 to 40 per cent of economic activity.¹⁸ The government has been caught massaging the figures on too many occasions.

16 | Cf. "Década Ganada", Casa Rosada, <http://decadaganada.gob.ar> (accessed 17 Apr 2014).

17 | "El Indec desmiente a la UCA: la pobreza es del 4,7%", Info News, 26 Dec 2013, <http://infonews.com/2013/12/26/economia-116261-el-indec-desmiente-a-la-uca-la-pobreza-es-del-47.php> (accessed 17 Apr 2014).

18 | Ismael Bermúdez, "El empleo en negro volvió a crecer y afecta a 4,2 millones de personas", *iEco Clarín*, 17 Sep 2013, http://ieco.clarin.com/economia/empleo-crecer-afecta-millones-personas_0_994700543.html (accessed 17 Apr 2014).

Initially, Kirchnerism had developed a “typically Peronist relationship” with the poorer sections of society. It presented itself as the partner of the low-income groups and all those who considered the state as the big problem solver.¹⁹ It was aided in this by economic growth, official full employment, access to consumer goods and dedicated personnel who ensured that rent or child benefit were paid on time. The state presented a strong and generous image. The government invented the Para Todos programs; in 2009, it bought the football rights “for all” and has been broadcasting the games of the Argentinian football league live for free ever since. However, the costs involved have risen gradually and cannot be refinanced because the only advertising being broadcast consists of government promotions.²⁰ The government controls beef prices “for all” and had a technology park built outside the capital’s gates. Entry is free. For a period, it even obligated the large supermarkets to sell jeans and T-shirts *para todos* at uniform prices. Items that had previously been reserved to the middle and upper classes were meant to be accessible to all. This courting of the poor has tradition. The country’s political parties have been doing it for over four decades more or less in equal measure. In many cases, the poor experience “personal improvements” without having had to work for them themselves, as sociologist Adamovsky explains.²¹

The government invented the Para Todos programs. In 2009, it bought the football rights “for all” and has been broadcasting the games of the Argentinian football league live for free ever since.

There is nothing new about the courses of action taken by the Kirchner government. Perón, three-time president and founder of the great political movement, and his second wife Evita had helped the impoverished masses to lead a more dignified life in the 1940s and 1950s by means of social welfare and statism. They took the required funds from those who had money, whether it had been worked for or inherited. No factory owner was allowed to refuse Eva Perón’s order for several hundred bicycles for children

19 | José Natanson, “Una política para la nueva clase media, *Le Monde diplomatique*, Dec 2012, <http://eldiplo.org/index.php/archivo/162-el-futuro-del-kirchnerismo/una-politica-para-la-nueva-clase-media> (accessed 17 Apr 2014).

20 | Mariano Obarrio, “El Gobierno busca reducir los gastos que demanda Fútbol para Todos”, *La Nación*, 30 Nov 2014, <http://lanacion.com.ar/1643381> (accessed 17 Apr 2014).

21 | Adamovsky, n. 4.

living in the province, which she put through the books as a gift as a matter of course, as a patriotic contribution on the part of the manufacturer to the great Evita project. In the end, Argentina was financially ruined, but the belief in the all-powerful state, which takes care of everybody and everything, has survived.

At first, the Kirchner government also made advances tailored to the urban middle class, courting it not just by inviting global stars such as Madonna or adding further bank holidays to facilitate ever longer weekend trips. There were also efforts to sweet-talk the middle class: "I believe that the middle class needs to be strengthened again", said Néstor Kirchner two years after he took office. "It used to be Argentina's engine."²² Although the economy rallied, growing by an average eight per cent per year, and many Argentinians regained the standard of living they enjoyed before the crisis, Kirchnerism has never relied on the loyalty of the mostly well-educated and prosperous middle-class Argentinians.



The Kirchner era since 2003 as "the source of Argentinian democracy": Cristina Kirchner with her supporters during the opening session of the new legislature on 1 March 2014. | Source: © Enrique García Medina, epa, picture alliance.

On the contrary. It secured election results and political power by means of social transfers, welfare expenditure and an authoritarian populist style of government. As long

22 | "Néstor Kirchner: 'La clase media es el motor de la sociedad'", *Infobae*, 24 May 2005, <http://infobae.com/2005/05/24/185664-> (accessed 17 Apr 2014).

as raw material prices were high and flushed money into the state coffers, this was unproblematic. Middle-class citizens too benefited from cheap electricity, petrol, gas and bus fares. They tolerated the fact that first Néstor and later Cristina Kirchner engaged in radical propaganda. The middle class is no stranger to opportunism itself. As long as it did not feel disadvantaged financially and in terms of its conceptions, it was also among the clientele of Kirchnerism. It was growing, after all. Economists from the World Bank reported the following for the period from 2003 to 2009: "Argentina doubled its middle class." According to these figures, 18.6 million Argentinians were part of the middle class by 2009 – almost half the population.²³

That said, growth stagnated in 2009 and dropped to just under one per cent²⁴ – a typical phenomenon under Argentinian governments, which tend to attack problems in the beginning without, however, getting to the root of them. The poor are therefore tended to, but the government does not do enough to encourage and demand people to extricate themselves from state support and better themselves.

Political advisers such as Guillermo Oliveto

complain that the middle class had been quicker to recover than poor people to recover.²⁵ Many of the social climbers are people who had previously dropped down from the middle class rather than newcomers, and

social mobility remains low. Many who had been prosperous in the 1990s and suddenly found themselves poor and lower on the social scale during the 2001/2002 crisis subsequently recovered as the country did. This demonstrates one other thing: being middle class does not depend on money alone. It is also a matter of qualifications, education, connections and generally the ability to make one's own way. Anybody who does not possess these and has to rely on the state for assistance will find it difficult.

Many people who had been prosperous in the 1990s and suddenly found themselves poor and lower on the social scale during the 2001/2002 crisis subsequently recovered as the country did.

23 | World Bank, "Argentina duplicó su clase media en la última década, dice informe del Banco Mundial", 13 Nov 2012, <http://bancomundial.org/es/news/press-release/2012/11/13/argentina-middle-class-grows-50-percent> (accessed 17 Apr 2014).

24 | Index Mundi, "GDP - real growth rate (%)", 2011, <http://indexmundi.com/g/g.aspx?c=ar&v=66> (accessed 25 Feb 2014).

25 | N. 10.

ARGENTINA'S GOVERNMENT UNLEASHES "MOTHER OF INFLATION"

The World Bank figures on the middle class only go up to the onset of the current crisis. In January 2014 alone, 509,000 men and women dropped down into the statistical poverty range according to the Confederación General del Trabajo (CGT).²⁶ That matches the figures presented by well-respected institutions such as the Observatorio de la

The members of the "new working middle class" are organised in trade unions and many of them were employed legally for the first time in their lives.

Deuda Social Argentina (ODSA) based at the Catholic University (UCA) back in late 2013.²⁷ The first losers are those who had finally succeeded in making the move into the regular labour market during the good years under the Kirchner regime. The members of the "new working middle class" (*nueva clase media obrera*) are organised in trade unions and many of them were employed legally for the first time in their lives.²⁸ For years, their representatives had negotiated wage increases of 20 to 30 per cent – which still lagged behind inflation. But Kirchnerism does not want to give up on this clientele on any account as it is a fundamental element of its electoral success.

Last year alone, the welfare budget rose by 20 per cent.²⁹ In 2013, there were over 30 budget supplements, which increased the original budget by over 150 billion pesos (in early December 2013 by some 18 billion euros). The expenditure was financed from the social security funds and an increasing national deficit; the parliament did not need to give its consent as such decisions are taken by presidential decree in Argentina.

Because the state has run out of money, the Central Bank has started up the printing presses and thereby fuelled inflation, which was already running high. Martín Uribe, an Argentinian economist at New York Columbia University, says: "Increasing public expenditure is the mother of

26 | Ismael Bermúdez, "Sólo en enero, cayeron en la pobreza 509.000 personas", *Clarín*, 3 Feb 2014, 3 et seq.

27 | Paula Urien, "Hay más de 10 millones de argentinos pobres y aumentó la desigualdad", *La Nación*, 26 Dec 2013, <http://lanacion.com.ar/1650754> (accessed 14 Mar 2014).

28 | Ibid.

29 | Casa Rosada, Annual Budget 2013, <http://www.mecon.gov.ar/onp/html/presupresumen/resum13.pdf> (accessed 17 Apr 2014).

inflation.”³⁰ And it is inflation that is taking the country – once again – to the edge of the economic and social abyss. Independent experts expect further price rises of 30 per cent for 2014, pessimists even of 50 per cent.

Next to crime, inflation features very high on the Argentinians’ list of concerns. At the beginning of March, seven out of ten Argentinians thought that prices would continue to rise, and almost 70 per cent are very concerned about inflation.³¹ However, the government has ignored this problem as well for years. One episode illustrates this approach perfectly. In a television interview in April 2013, Minister of Economy Hernán Lorenzino spoke to a Greek female journalist, who was either not familiar with the conventions or was consciously ignoring them. In any case, she touched on the taboo subject and asked: “How much is Argentine inflation at this moment?” After a little prevarication, Lorenzino answered: “I think the cumulative inflation over the last twelve months is 10.2 per cent; I might be off by a decimal.” The journalist dug deeper and turned to the subject of the International Monetary Fund, which had been demanding substantiated inflation figures from Argentina for a long time. This made Lorenzino very nervous: “Look, I repeat, I think, ah, that is a ... I don’t know ... can we take a short break?” The camera is turned away, and the Minister says off camera: “I want to leave, yes, I want to leave. And anyway, to be honest, talking about inflation statistics in Argentina is complex, okay?” And if that was not bad enough, the minister’s aide then also lost her cool: “Seriously, talking about inflation even though we don’t even talk to the Argentinian media about inflation?”³² she said – captured on air by the Greek crew. In Argentina, people are shaking their heads about the Minister of Economy, who first had to guess at the inflation figures and then failed to extricate himself cleverly and bow out elegantly.

30 | Martín Uribe, “Suba del gasto público es la madre de la inflación”, *ámbito financiero*, 24 Jul 2013, <http://ambito.com/diario/noticia.asp?id=698788> (accessed 17 Apr 2014).

31 | “Clear majority of Argentines disapprove of Cristina Fernandez government”, *Merco Press*, 5 Mar 2014, <http://en.mercopress.com/2014/03/05/clear-majority-of-argentines-disapprove-of-cristina-fernandez-government> (accessed 17 Apr 2014).

32 | Interview with Hernán Lorenzino, *The New Files*, Youtube, 25 Apr 2013, <http://youtu.be/EkHGLkCYnMY> (accessed 17 Apr 2014).



In line with a command economy: For certain products, consumer prices are monitored and declared as *precios cuidados* below the mostly empty shelves. | Source: © KAS Argentina.

For over a year now, the state statistics office maintains that it is possible to live on six pesos a day. However: a litre of milk alone costs eight pesos, a one-kilogram loaf of wheat bread at least 15. The government meanwhile continues blithely on its course based on a planned economy, responding to increasing costs with elaborate social programs, one-off payments, special transfers and price controls. The *precios cuidados* scheme (monitored prices) dictates the maximum prices of everyday basic products to supermarkets.³³ However, the allocated shelves are frequently empty, and the unregulated goods all around are becoming more expensive. Those who can afford it invest in material assets or in the unofficial secondary currency. According to estimates, there are 200 billion U.S. dollars in private hands in Argentina, possibly double that amount.³⁴

Austral University predicts a recession for 2014, entailing one per cent negative real growth.³⁵ Lack of investment and Argentina's isolation from the global market are

33 | Listing of monitored prices: Secretaría de Comercio, Ministry of Economy and Public Finance of the Argentine Republic, "Precios Cuidados", <http://precioscuidados.com> (accessed 17 Apr 2014).

34 | Alejandro Rebossio, "El cuánto y el cómo de la fuga de capitales en Argentina", *El País Blog*, 14 Jul 2013, <http://blogs.elpais.com/eco-americano/2013/07/el-cuánto-y-el-cómo-de-la-fuga-de-capitales-en-Argentina.html> (accessed 17 Apr 2014).

35 | Juan José Llach et al., *Informe Económico Mensual*, Buenos Aires, IAE Universidad Austral, 2014, 133.

causing productivity to stagnate or decline. A good school for the children *and* a family car *and* an annual holiday are no longer a realistic expectation for many families. Social networks are overflowing with frustration: "In 2011 you travelled to Europe for 20 days; in 2012 to Buzios for 10 days; in 2013 it was a week in Florianopolis; now, four days in Mar de las Pampas. And if things go on like that, all you'll manage next year is a day in La Salada³⁶," writes a young Argentinian woman on Facebook. Many families must take hard decisions: school *or* car *or* holiday. The moneyed middle class is shrinking. However, when asked whether they are part of the middle class, Argentinians are still convinced they are.

People do not wish to let go of the feeling of being middle class, partly because so many positive ideas are linked to it: an open-minded view of the world, cultural closeness to Europe, admiration for diligence, order and technology from *Alemania*, plus a certain feeling of superiority when comparing themselves to those relying on state hand-outs. People value democracy and freedom and are therefore embarrassed when the President is yet again parading in public with her Venezuelan friends or praising Castro's Cuba as a model.³⁷ That is precisely where the concept of Kirchnerism appears to be failing, as Cristina Kirchner and her supporters are questioning the ideals and values of the middle class. Argentina's middle class – be it old or new – is not only losing its purchasing power. Kirchnerism also wants to strip the country of its values.

People from the middle class value democracy and freedom and are therefore embarrassed when the President is yet again parading in public with her Venezuelan friends or praising Castro's Cuba as a model.

PAST EXPERIENCE SUGGESTS: THE WORST IS YET TO COME

In the run-up to the parliamentary elections at the end of October 2013, crime and inflation were once more the most important topics. They drove the protests that Argentina has experienced during the last two years. But protests

36 | Buzios and Florianopolis are Brazilian seaside resorts, which are favourite destinations for Argentinians. Salada is Latin America's largest black market, located on the outskirts of Buenos Aires.

37 | Ignacio Ramírez, "Los mapas y el territorio", *Le Monde diplomatique*, 07/2013, 6.

were fuelled by different issues: at one time it was the government's media law aimed at its arch enemy, the *Clarín* Group, at other times it was the planned "democratisation" of the justice system, the excessive corruption, the disorganised economic policy or the President's authoritarian style of practising politics. And it was predominantly the middle class that mobilised. It demanded an end to policies they deemed to be jeopardising prosperity and values.

At most, the government only bothered to pour scorn on these concerns, but for the most part the *oficialismo* failed to respond to the protests at all.³⁸ The demonstrations remained peaceful. Currency reserves at the Central Bank were still at reasonable levels and the subsidies for gas, electricity and bus fares were not being withdrawn or reduced; inflation was still somewhat bearable because it was compensated for by increases in pay and social benefits, and the peso did not lose twelve per cent of its value within one day; prices had not yet been frozen; travel was still relatively easy, half the cabinet had not been replaced, and the government's despair was not obvious. But the 2001 crash had taught the Argentinians one thing: the worst is always yet to come.

The demonstrations of the past 18 months were a warning, a sign to Kirchner to abandon her retrograde and ideology-driven policies or at least tone them down. Even if middle-class people do not like to be reminded of it: large numbers of them must have voted for Kirchner in 2011 as well – there is no other way to explain her election victory. In surveys conducted after the election, 30 per cent of the middle class admitted having voted for the new president.³⁹ There are no detailed analyses about changing voter allegiances available. The incumbent is therefore living dangerously if she does not show any consideration. After all, the intention is that the Kirchnerist project survives the presidential elections at the end of

There are no detailed analyses about changing voter allegiances available. The incumbent is therefore living dangerously if she does not show any consideration.

38 | See: Kristin Wesemann, "Köder mit Massengeschmack", KAS Country Report, KAS Argentina, 23 Apr 2013, http://kas.de/wf/de/21.38/wf/doc/kas_34150-1522-1-30.pdf (accessed 17 Apr 2014).

39 | Eduardo van der Kooy, "La clase media, el desvelo de Cristina", *Clarín*, 18 Nov 2012, http://clarin.com/opinion/clase-media-desvelo-Cristina_0_812918829.html (accessed 17 Apr 2014).

2015. Although Kirchner is not allowed to stand again after eight years at the Casa Rosada, she is already searching for a candidate to continue her work and also to ensure that her presidency has not been tarnished in any way when she goes. Anyone seeking to win those elections will have to attract the votes from the middle class as well.

The President herself revealed at the end of 2012 that she was proud to be a “member of the rising middle class”, and in consideration of the new figures from the World Bank, she said she had now realised this class was part of the project.⁴⁰ However, this realisation came rather late and was answered with a question: A woman worth over nine million euros, who owns property and companies – how can such a woman purport to be a member of the middle class, one of us?

After the disastrous election results of 27 October 2013, when over two thirds of Argentinians voted for the opposition, Kirchnerism identified three parties to blame:⁴¹ first, those who had always “conspired” against the government; secondly, the “ungrateful middle class”, whose situation had improved fundamentally, although they considered that to be a result of their own efforts and not of Kirchnerism; and thirdly, the media, which were engaging in manipulation and keeping sympathisers away from Kirchnerism.

There are, in fact, real dangers. If the labour legislation was not so rigid, and focused on protecting the workers and if the trade unions were not so powerful, actual unemployment would probably be twice as high, reckons economist and bank director Rogelio Frigerio.⁴² In addition, Argentinian taxpayers are feeling the pinch from high state demands. At 36 per cent of GDP, the total tax burden on Argentinian citizens is only one percentage point below

40 | “Cristina: ‘Mas allá de mi orgullo como parte de la clase media esto es parte de un proyecto d’”, *Noticias Terra*, 14 Nov 2012, <http://noticias.terra.com.ar/politica/,d5e4ec41ce8fa310VgnCLD2000000dc6eb0aRCRD.html> (accessed 17 Apr 2014).

41 | Fernando Gutierrez, “Cristina y la teoría de la ingratitud: la clase media, beneficiada del modelo, es su gran oposición”, *iProfesional*, 26 Aug 2013, <http://www.iprofesional.com/notas/167850-> (accessed 17 Apr 2014).

42 | Interview with Rogelio Frigerio on 6 Mar 2014.

that in Germany, and the country is in 8th place globally.⁴³ It is unlikely that the thanks President Kirchner expects from her people – expressed in votes – will be forthcoming in the near future.

The Casa Rosada seems to be aware of the problem. Argentina's Leading Lady is currently demonstrating a conciliatory mood. When she opened the current session of parliament on 2 March, she even spoke out against her own closest followers, the *piqueteros*, who had previously been helping to prop up the system. For one, they disable an area somewhere around the country for hours almost every day by roadblocks. They also assist

Kirchner's closest followers assist Kirchnerism by taking voters to polling stations or to public meetings in order to oppose the *cazerolazos* of the middle class.

Kirchnerism by taking voters to polling stations or to public meetings in order to oppose the *cazerolazos* of the middle class. They receive payment in kind for this: *choripán* (Argentinian sausage in a bun) and a drink. The *piqueteros* see themselves as political representatives of the lower classes, and they now came under severe criticism. "It's not acceptable that ten people block the road, for whatever reason. And that there are no consequences from that," said the President.⁴⁴ This is remarkable, as it is, after all, mainly commuting white-collar workers who suffer from these blockades. Two days previously, Florencio Randazzo had been at the President's side during an interview with *Radio América*. The smart Transport Minister, too young and too ambitious to end his political career at the same time as Kirchnerism, said: "We were quite mistaken in the political style we adopted, and that is the reason why the middle class now spurns us."⁴⁵

Whatever causes voters to move away from Kirchnerism will naturally provide opportunities for other political ideas. Sergio Massa, for instance, who advanced from mayor

43 | "Presión récord: se pagan más impuestos que en EE.UU, Brasil y el Reino Unido", *iEco Clarín*, 8 Jan 2014, http://ieco.clarin.com/economia/Presion-EEUU-Brasil-Reino-Unido_0_1062493751.html (accessed 17 Apr 2014).

44 | "El discurso completo de Cristina Kirchner en el Congreso", Info News, 1 Mar 2014, <http://infonews.com/2014/03/01/politica-127201-el-discurso-completo-de-cristina-kirchner-en-el-congreso-congreso-2014.php> (accessed 17 Apr 2014).

45 | "Florencio Randazzo: 'Hemos hecho cagadas, vamos a ser claros'", *La Nación*, 28 Feb 2014, <http://lanacion.com.ar/1668330> (accessed 17 Apr 2014).

of the city of Tigre in Buenos Aires Province to promising presidential candidate for 2015 last year, estimates that 80 per cent of voters consider themselves “independent” and currently have no preference for any party. According to Massa, this includes all Argentinians who consider themselves middle class. The logic of this numbers game suggests that whoever wins their votes will move into the Casa Rosada. However, depending on the statistics, every third or second person in the country is poor – and no candidate should disregard this substantial group of voters either. And that is also the reason one sees the same thing everywhere during election campaigns: everyone is seeking to emulate Evita and wants to become political welfare champion.

Argentina’s parties frequently lack a solid program, which in turn means they are particularly flexible as regards their ideological orientation. A case in point is the Peronist party, which has been everything and everywhere since it was founded at the end of the forties: left-wing, right-wing and in between. That is also the secret of its success – its existence as a classic “catch-all” party. However, all important Argentinian parties have one thing in common: they did not emerge along social divides (*cleavages*) as was common in Europe. The Radical Civic Union was founded in 1891 – but not to represent any particular clientele. It was a true mass party, representing everybody. Peronism was similar. For Perón, there was “only one class of people: those who work”, as he wrote in his *20 Verdades del Justicialismo Peronistas (20 Truths)*.⁴⁶ To this day, Argentinian parties maintain that they represent everything and everybody. And that is also why the respective leaders play such an important role. The leader – and not the party’s program – provides the differentiation. It is the leader who draws the battle lines.

All important Argentinian parties have one thing in common: they did not emerge along social divides as was common in Europe.

Sergio Massa, who comes from a Peronist background himself and was Cristina Kirchner’s Chief of Cabinet for one year, is facing a twofold challenge. On the one hand, he wants to take himself and the Frente Renovador (Renewal Front), the party he only founded in 2013, to victory as

46 | “20 verdades peronistas”, PJ, <http://www.pj.org.ar/recursos/2011-12-05-04-38-40/docs/165-las-20-verdades-peronistas> (accessed 14 Mar 2014).

an independent and above all non-Peronist force. On the other hand, he is doing his best to win over parts of the Peronist, or even Kirchnerist, camp. The call for action by *massismo* is: “De-Peronisation”.⁴⁷ The Propuesta Nacional (PRO) party, which governs the capital and is developing structures and influence beyond its boundaries, also portrays itself as an alternative to Peronism and particularly to Kirchnerism. It is pursuing a “third way” and considers itself a force of the center; in Buenos Aires, it is demonstrating quite impressively that good governance can work in Argentina as well.

However, PRO is in fact not an entirely new force in many respects. It too has accepted numerous former Peronists into its ranks and it is also slow to abandon Argentinian traditions, such as the mixing of party and government offices. When Mayor Mauricio Macri received the newly elected MPs and senators of his party at the end of 2013, after he had already been proclaimed a presidential candidate, he did so quite naturally at his place of office – and not at the PRO headquarters, as he probably should have done.

While approximately a quarter of Argentinians are party members, the parties still try to impress the population with personalities – rather than with programs. There are hardly any analyses of the country's voting patterns available. It appears that the election strategists do not even analyse the reasons why specific parties attracted certain voters. Apart from Massa's current push, there are no parties or politicians vying for specific voters. According to the party messages, politics and elections work according to the *para todos* principle. And that can generally not be sustained once a party has taken over responsibility. What tends to happen is that the political process works in reverse: first the elections are held, then the voters' wishes are considered in shaping the government program.

Artemio López, head opinion pollster at Equis, is one of those who analyse the mood of the voting public for the Casa Rosada and then help to write a program. According to López, half of those voting for the Frente para la Victoria,

47 | Laura Serra, “Massa apunta su estrategia electoral a la clase media y a los votantes independientes”, *La Nación*, 27 Feb 2014, 8.

that Kirchnerist sub-group of Peronism, belong “to the hard core” and would vote for Kirchnerism whatever the circumstances on the basis of their ideology. The other half vote according to the circumstances.⁴⁸ The latter are votes that the governing party has lost since its landslide victory of 2011 (54 per cent). The party suffered its worst losses in the constituencies with the highest numbers of benefit recipients: in the 15-million strong Buenos Aires Province, where the “mother of all battles” takes place at election time in Argentina. These days, the transfer of money to the party’s own clientele hardly delivers the promised prosperity. Dissatisfaction with Kirchnerism is on the rise. According to a recent survey, 67.5 per cent of Argentinians do not approve of the way Cristina Kirchner is governing the country. Since the elections in October 2013, this figure has risen by over 20 points.⁴⁹ It is not just the middle class that is – once again – experiencing the “end of the party”.

These days, the transfer of money to the party’s own clientele hardly delivers the promised prosperity any more. Dissatisfaction with Kirchnerism is on the rise.

The dreaded *ajuste*, tightening one’s belt until it hurts, has already begun. Back in May 2013, Cristina Kirchner had said that as long as she remained president there would be no devaluation of the peso: “Those who wish to enrich themselves at the expense of devaluation and the people must hope for a different government.”⁵⁰ To prevent the peso from crashing, the Central Bank raised the base rate abruptly by six per cent, which is putting further pressure on the economic data.⁵¹ The responsible ministries are currently examining the subsidies for gas, electricity and phone bills, which are likely to be cut.

48 | “Elecciones Legislativas. Perspectivas electorales, la opo en su laberinto: nunca es triste la verdad, lo que no tiene es remedio”, *Télam*, 4 Jul 2013, <http://telam.com.ar/notas/201307/23350-perspectivas-electorales-la-opo-en-su-laberinto-nunca-es-triste-la-verdad-lo-que-no-tiene-es-remedio.html> (accessed 17 Apr 2014).

49 | “La gestión de Cristina, en baja: el 67,5% la desaprueba”, *Clarín*, 3 Mar 2014, http://clarin.com/politica/gestion-Cristina-baja-desaprueba_0_1094890503.html (accessed 17 Apr 2014).

50 | “Cristina, sobre la devaluación: ‘Van a tener que esperar a otro gobierno’”, 6 May 2013, <http://lanacion.com.ar/1579512> (accessed 17 Apr 2014).

51 | “Las tasas de interés para captar depósitos subieron 6 puntos”, *Los Andes*, 8 Feb 2014, <http://losandes.com.ar/notas/2014/2/8/tasas-interes-para-captar-depositos-subieron-puntos-766379.asp> (accessed 17 Apr 2014).

The search is on for someone to blame. One of the first to be accused was the CEO of Shell Argentina, Juan José Aranguren, who was denounced as an enemy of the state and a speculator because his company had raised fuel prices after the devaluation.

MINED STREETS:

THOUSANDS OF BLOCKADES EACH YEAR

Where the controlled prices are concerned, putting the blame on someone else is also proving quite a good strategy. According to analysts, the aim is not so much to actually freeze the prices for basic foods. The objective is in fact to send a different message, namely that corporations are to blame for inflation as they are driving up prices. In line with this thinking, the ultra-Kirchnerist organisation Unidos y Organizados conducted a poster campaign in the capital of Buenos Aires: "These are the ones who are stealing your wages." The posters show the CEOs of companies such as Frávega, Carrefour, Jumbo, Shell, Coto and Walmart.

Middle-class Argentinians like to say: "We are all individualists." They generally do not demonstrate much public spirit, as family and friends are what matters to them most. Those are what they concentrate their energies on – and the state comes a poor second, even if it is notoriously unreliable. The large-scale immigration Argentina experienced in the 19th and 20th centuries has left its mark. "There have never been any galvanising events here, Argentinians have never been brought together and forged into one nation, as has happened in the United

The members of the middle class do not have that much in common. They mainly share ideas on what constitutes a good life: education, security and a better future for the children.

States – unless you count football and Maradona", writes journalist Jakob Strobel y Serra. Also, the members of the middle class do not have that much in common. They mainly share ideas on what constitutes a good life: education, security and a better future for the children. However, these personal aspirations do not produce political will. People do not fight for a better school system, but send their child to a private school.

That is also the reason the middle class rarely manages to take on the role of political actor. People from that class are much more hesitant to take to the streets than those from the lower social strata, who keep challenging the government and do not hold back. The daily newspaper *El Día* writes that roads all over the country are mined by *piquetes*.⁵² The street blockades have proliferated to an enormous degree – in the capital alone there are four blockades a day, and there were 5,653 throughout the country in total last year.

Political engagement would, in fact, be a particularly fitting task for the middle class – pursuing a higher goal beyond their own front door and thereby acting as the engine in this “rich country of the poor”.⁵³ However, the middle class hardly makes use of its opportunities to become involved and only allows itself to be mobilised in exceptional circumstances. This political lethargy is another reason why Kirchnerism finds it easy to subordinate Argentina to its own ideas.

52 | “Calles minadas por piquetes vecinales”, *El Día*, 6 Apr 2013, <http://eldia.com.ar/edis/20130406/Calles-minadas-piquetes-vecinales-laciudad20.htm> (accessed 17 Apr 2014).

53 | Lisa Seekircher, *Das reiche Land der Armen. Die Polarisierung der argentinischen Gesellschaft und die Verarmung der Mittelklassen*, diploma thesis, Vienna, 2010, http://othes.univie.ac.at/11711/1/2010-10-29_0501988.pdf (accessed 17 Apr 2014).



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VOCIFEROUS PROTEST AGAINST THE OLD ELITES

BULGARIA'S YOUNG MIDDLE CLASS TAKES TO THE STREET

Marco Arndt

Corruption at all levels of society and in the political system, nepotism and patronage, powerful cliques and paternalism, close links between organised crime and oligarchic structures as well as parties and politicians – states that display these characteristics generally also have one other thing in common: their civil society is underdeveloped.¹ Elements of a well-functioning democracy, such as quality journalism, legal certainty, a functioning administration, an independent judiciary as well as policies committed solely to the good of the people, are partly or totally absent. Democratically legitimised governments also frequently polarise society because they want to excise the “mistakes” made by their predecessors. It is not uncommon for the resulting measures to cause unfavourable developments and malfunctions in the democratic system. Some examples of this can be observed in Bulgaria, such as misuse of the justice system to charge or prosecute former senior politicians, frequently via tax proceedings, or coercion of the press to produce continuously negative reporting.

However, many people throughout the world are no longer willing to endure such wrongs and engage in protests – which occasionally turn violent. It was in February 2013 that the first social protests took place in Bulgaria, followed by value-related protests by the middle class, which had previously hardly been organised at all. The demonstrations

1 | In this context, civil society means the joining together of people, the majority of whom belong to the middle class and who advocate good governance, the fight against corruption as well as efforts to curb abuses of office and nepotism.

brought down the government of Boyko Borisov (GERB) and soon turned against the entire political establishment.

HALTING TRANSFORMATION PROCESS IN NEW EU STATES

In its January 2014 Transformation Index, the Bertelsmann Foundation identified such democratic deficits as well as the lack of reforms as the triggers of protest movements in numerous countries around the world.² Some states from the former so-called Eastern Bloc currently undergoing transformation, including Bulgaria, are among them. With respect to Eastern and Southeast Europe, the results of the study show that the political and economic transformation has, on average, gone into reverse and that the performance of governments has declined.³ These findings apply more strongly to the Southeastern European states than those in Central and Eastern and North-

eastern Europe. While there is no danger of any of these countries developing into autocracies according to the Foundations findings, the governments are using their power to weaken monitoring mechanisms and to bolster their own positions of power, which the authors describe as “dominance-oriented power politics”. Romania in particular is said to be undergoing considerable regression. But the findings for Bulgaria are sobering as well. The country’s entry into the EU (2007) appears to have “so far been without any effect as regards the consolidation of the democratic political system”, particularly in the area of a functioning and independent justice system.⁴ And these findings do not even take into account the precarious political developments in Bulgaria since the change of government in May 2013, as they occurred outside the

Bulgaria’s entry into the EU appears to have “so far been without any effect as regards the consolidation of the democratic political system”, particularly in the area of a functioning and independent justice system.

2 | Bertelsmann Stiftung, “Revolts and citizen protests around the world will continue”, press release, 22 Jan 2014, http://bertelsmann-stiftung.de/cps/rde/xchg/bst/hs.xml/nachrichten_119695.htm (accessed 23 Apr 2014). Examined period up to 2012.

3 | Bertelsmann Stiftung, “Ostmittel- und Südosteuropa. Die Krise der EU schlägt durch”, http://bertelsmann-stiftung.de/cps/rde/xbcr/bst/xcms_bst_dms_39260_39261_2.pdf (accessed 23 Apr 2014).

4 | In the 2013 Transformation Index for Bulgaria, Freedom House states deficits in the areas of political rights and civil liberties.

reporting period. However, the activities of the governing coalition of Socialists (BSP) and the DPS party, which defines itself as liberal,⁵ have followed the above-described pattern from the beginning and have involved exploitation of governmental powers. An added factor is the extreme social inequality in Bulgaria (and Romania). The income gap between the richest and poorest fifths of the population widened considerably during the period from 2003 to 2011, while it remained roughly stable in the other examined countries. The risk of plunging into poverty has also increased greatly in both countries.

The members of developed civil societies are affected rather less by social plight as they mostly belong to the middle class; their protest is directed against corrupt and poor governance, which undermines credibility in domestic politics and “has already upset the party landscape in some countries” according to the Bertelsmann report. The new Bulgarian government has also been facing such protests for several months now.

ROLE AND SCOPE OF ACTION OF THE EU

Bulgaria became a member of the European Union in 2007 together with Romania, although both countries did not come up to European standards with respect to the fight against corruption and against organised crime as well as a modern and independent justice system. Both states are therefore subject to the European Cooperation and Verification Mechanism (CVM):⁶ The European Commission reports on the progress made by the two states in the above-mentioned areas at six-monthly or annual intervals. The latest reports from January 2014, while couched in diplomatic language, indicate that Bulgaria particularly only fulfils the requirements

The latest reports of the European Commission from January 2014, while couched in diplomatic language, indicate that Bulgaria only fulfils the requirements to a limited degree.

5 | In fact, the DPS is the clientelist party of the ethnic Turks in Bulgaria. In principle, the constitution does not permit parties based on ethnicity. The DPS is a member of the European Liberals (ALDE Party).

6 | European Commission, “The reports on progress in Bulgaria and Romania”, article “Reports approved by the Commission on 22 January 2014”, http://ec.europa.eu/cvm/progress_reports_en.htm#thirteen (accessed 23 Apr 2014).

to a very limited degree.⁷ Due to the identified deficiencies, neither country has so far been accepted as a member of the Schengen Area, although they have put in place the necessary prerequisites for controlling the external EU borders in terms of technology and personnel. Membership has been made dependent on progress in the above areas. However, the “Schengen issue” is probably no longer at the top of the political agenda in either Romania or Bulgaria.⁸ It appears that the politicians in Bucharest and Sofia are ready to accept the role of outsider for the time being, which does not bode well. It means that Schengen membership is losing some of its importance as leverage for the EU.



“Europe Help Our Fight Against Mafia Government!”: The EU institutions may determine breaches of democratic values but have no way of sanctioning them. | Source: © KAS Bulgaria.

Otherwise, the EU has hardly any sanctions to push for reforms or to punish breaches of standards by actions such as discrimination against minorities, vilification of political opponents, polarisation of society, restricting the freedom of the media, manipulating the justice system

7 | European Commission, “Report From The Commission To The European Parliament And The Council On Progress in Bulgaria under the Co-operation and Verification Mechanism”, SWD(2014) 36 final, http://ec.europa.eu/cvm/docs/com_2014_36_en.pdf (accessed 23 Apr 2014).

8 | The Borisov government (2009 to 2013) had placed membership high on its agenda back in 2011/2012.

and weakening the separation of powers.⁹ Article 7 of the EU Treaty (EUT) provides a certain amount of leverage. The European Council can determine breaches of values as laid down in Article 2 of the EUT. The sanctioning mechanisms, particularly the suspension of transfer payments, are indeed suitable to act as effective disincentives against breaches of law, but the mechanism is not that workable due to the majorities that the voting process entails. Breaches of democratic values can also be determined by the EU Agency for Fundamental Rights or the Venice Commission of the Council of Europe. However, like the CVM reports, their votes will at best serve to “blame and shame”. “There is currently no convincing and workable mechanism to rectify democratic deficits in EU states.”¹⁰ This prompts the bitter realisation that EU membership can guarantee neither prosperity nor functioning political systems.

This brief glance at the EU’s scope of action for exerting some influence is of importance because the civil society protest movement in Bulgaria time and again looks to Brussels, hoping to obtain help from that quarter in view of its own obvious state of powerlessness. The EU is held in high regard in Bulgaria, and not only because of the financial support. The protestors suspect that the actions of the governing elites are undermining the country’s association with the West and putting the European sense of values into question. To date, the EU has lost nothing of its prestige or allure, even though Brussels’ above-mentioned scope of action means that it

The protestors in Bulgaria suspect that the actions of the governing elites are undermining the country’s association with the West and putting the European sense of values into question.

9 | See also Timm Beichelt, “Von Steinen und Glashäusern”, *Frankfurter Allgemeine Zeitung*, 30 Dec 2013. However Beichelt, professor in European Studies in Frankfurt/Oder, states that democratic deficits are not limited to the transformation states in Central and Eastern Europe, but are a “trans-European phenomenon”. He believes that one can no longer speak of a general gap between old and new EU Member States. Approximately one third of EU states have democratic deficits, particularly in Southeastern Europe (Bulgaria, Greece, Italy, Romania and Hungary).

10 | Cf. *ibid.* This diagnosis of powerlessness may also be the cause of the link established between the above-mentioned Schengen Area membership and progress in the reform efforts; membership thereby unintentionally and indirectly becomes a sanctioning mechanism, although that is not envisaged in the Schengen Agreement.

can only provide marginal assistance to the protest movement in its efforts to overcome the political crisis.¹¹

Judged by formal criteria, democracy functions in Bulgaria. The country does not merely pay lip service to democracy, and it does not violate EU treaties. The newspaper

Frankfurter Allgemeine Zeitung summarises

the situation as follows: "It is sometimes virtually impossible to differentiate between the normal manifestations of a democratic community and the pathological symptoms of corruption pervading all political forces and the state".¹² During the nearly 25 years

During the nearly 25 years since the fall of the Iron Curtain, the old communist elites have brought wide swathes of the state under their control, which they exploit to prosper themselves and their networks.

since the fall of the Iron Curtain, the old communist elites have brought wide swathes of the state and large parts of the economy under their control, which they exploit to benefit and prosper themselves and their networks, probably including funds from EU coffers since 2007. One cannot take any comfort from the fact that the groupings do not form a monolithic bloc, but are in dispute with one another. On the face of it, it is the government in Sofia that takes decisions, but one can assume that the people holding the real power are pulling the strings in the background. This lack of transparency makes it difficult to analyse political events. Added to this is the fact that interests and decision-making processes are very volatile. The EU would therefore be well advised to keep a close eye on where Bulgaria's political development is heading: less trust, closer monitoring and some straight talking would no doubt be of benefit.

FIRST WAVE OF PROTEST IN FEBRUARY 2013: SOCIAL PROTESTS

How did what was already a precarious situation become exacerbated? On 20 February 2013, Prime Minister Borisov announced the resignation of his center-right cabinet, just

11 | Viviane Reding, Vice-President of the European Commission and Commissioner for Justice, visited Sofia at the height of the protests on 23 July 2013 and supported the protest movement. "EU Commissioner Viviane Reding Backs Bulgarian Protests", Novinite, 23 Jul 2013, http://novinite.com/view_news.php?id=152268 (accessed 23 Apr 2014).

12 | Reinhard Vesper, "Bulgarische Misere", *Frankfurter Allgemeine Zeitung*, 25 Jul 2013.

short of six months before the scheduled end of his term in office. This had been preceded by sudden and unexpected demonstrations by tens of thousands of people throughout the country, which had reached their zenith three days before the resignation. The protests had been prompted by drastic rises in electricity bills, which many people could no longer afford to pay. Particularly in winter, many Bulgarians use electricity to heat their homes as they have no alternative. The price of electricity can therefore be described as the new “price of bread” and the protests consequently as social protests.¹³ There are a fair number of similar issues to potentially spark further such demonstrations in the country and many observers wondered that the Bulgarians had been stoically enduring the bad economic conditions for so long. Next to Romania, Bulgaria is still the poorest country of the EU. But it is also one of the most stable ones in terms of its fiscal situation. It fulfils all Maastricht criteria without difficulty, a fact that cannot be overestimated in view of the crisis affecting its neighbour Greece.



Boiko Borissov: In February 2013 the former Prime Minister announced the resignation of his center-right cabinet. | Source: David Plas, European People’s Party (EPP), flickr ©©.

13 | One of the leading political analysts, the political scientist Ognyan Minchev from the University of Sofia, thought the protests were being controlled by pro-Russian oligarchs because Borisov had, crucially, stopped the construction of the Belene Nuclear Power Plant, one of the most important Russian energy projects in the country.

However, this budgetary stability comes at a high price. Incomes are extremely low and have not risen in years; in most cases, pensions are below subsistence level for most retired people. In February 2013, 1.5 million people (20.4 per cent) were living below the poverty line. They had less than 215 leva (approximately 110 euros) per capita per month to live on; 2.5 million Bulgarians (34.2 per cent) have an income below the minimum wage level of 340 leva, 2.3 million (31.5 per cent) below the 565 leva deemed the true cost of living. Only one million of Bulgarians (13.7 per cent) have an income above this level. Other income not included in the statistics, such as that acquired through illicit work or from transfer payments made by Bulgarians living abroad, and the fact that almost all Bulgarians own their own home only alleviate the situation to an insignificant degree.¹⁴ The Bulgarian social protests can therefore no doubt be seen as a movement against the government's austerity program. This indicates that the need for savings measures can only be conveyed convincingly if they are accompanied by significant modernisation and a noticeable improvement in living standards.

The resignation of Borisov's cabinet and the announcement of new elections as well as a reduction in the price of electricity by a few per cent calmed the situation in the country. There have been no further social protests since, although the economic situation of the population has not improved under the new government either. This might be due to the fact that the majority of the demonstrators were and remain followers of the Socialists, which is why the inhibition threshold for protests is now clearly higher than would be the case under a center-right government. Some analysts also believe that the Socialist Party had encouraged the protests in order to bring down the Conservatives. Also, the 2013/2014 winter has not been nearly as severe as the previous one and energy consumption has therefore been lower. Nonetheless, due to the economic situation, there remains considerable potential for social protests in Bulgaria, which could be activated at any time and which any government should anticipate.

Since resignation of Borisov's cabinet there have been no further social protests since, although the economic situation of the population has not improved under the new government either.

ROLL-BACK TO FORMER TIMES? THE GOVERNMENT IS CAUSING POLARISATION

New elections were held in mid-May 2013, from which GERB emerged as the strongest force. But they could not find a coalition partner, and so the BSP under Sergei Stanishev¹⁵ joined forces with the DPS to form the government. However, this coalition needs the acquiescence of the right-wing extremist Ataka party due to the stalemate situation¹⁶ in the National Assembly.

State resources were used to weaken the opposition, without any concern for proper qualifications and at grave risk of losing expertise and experience.

From the beginning, the new government has caused polarisation in the country through measures that have not only outraged Bulgarian civil society with its Western outlook, but also caused great concern among some of the EU partners. State resources were used to weaken the opposition at all levels down to the lower ranks, particularly within the administration, without any concern for proper qualifications and at grave risk of losing expertise and experience.¹⁷ This policy, which is pushing at the limits of legitimacy, called German Ambassador Matthias Höpfner and his French colleague Philippe Autie¹⁸ onto the scene. In a joint newspaper interview, they sided openly with the demonstrators and advocated an active

15 | Born in 1966 in Ukraine to a Russian mother and a father who was a member of the BCP politburo. He studied at universities in Moscow and London. Prime Minister from 2005 to 2009, BSP party leader since 2001. In 2013, Stanishev cleverly avoided taking control of government business. He sent the independent Plamen Oresharski into the race. The BSP has its roots in the BCP, and has still not made a definitive break with the past.

16 | The Socialists and the DPS won over 120 of the 240 seats.

17 | See also: Marco Arndt, "Bulgarien wieder am Scheideweg?", KAS Country Report, 18 Jun 2013, <http://kas.de/bulgarien/de/publications/34745> (accessed 23 Apr 2014); "Proteste in Bulgarien dauern an", KAS Bulgaria, 28 Jun 2013, <http://kas.de/bulgarien/de/publications/34868> (accessed 23 Apr 2014). The government replaced the incumbents in some 3,000 positions (others speak of up to 6,000) with persons from the old guard or with former agents of the state security agency (DS); this applies to 30 per cent of the directorships at the Ministry of Foreign Affairs, for instance, as well as the directorship of the state archives.

18 | When Autie was transferred by rotation several months later he did not receive the Stara Planina order, which is usually given to departing ambassadors; this was tantamount to an insult.

civil society. Höpfner said that there was no place for the “oligarchic model” in the EU.¹⁹ Although Minister of Foreign Affairs Kristian Vigenin, former foreign affairs secretary of the BSP, explained in a meeting with the ambassadors that the problems they referred to had developed over a number of years and could therefore not be laid at the door of the new government, that government’s first appointment decisions²⁰ demonstrated very clearly that it intends to perpetuate precisely this deplorable state of affairs. First, the Minister of Foreign Affairs announced that he intended to reinstate former ambassadors tainted by links to the former state security agency (DS). The GERB government had only been able to recall them after the election of Rosen Plevneliev as new President²¹ in 2012 because the socialist President Georgi Parvanov, himself a former agent of the Bulgarian state security agency, had refused to countersign the orders. Under pressure from the media and an announcement by Plevneliev that he in turn would not countersign the accreditations the government gave up on its plan. However, persons from that circle were appointed to lower-ranking positions, for instance those of deputy ambassador, as that did not require any countersignature.²²

This political hot potato of “DS ambassadors” clearly reveals the divide between anti-socialist politics oriented towards the West and intent on breaking with the communist past and its consequences, and old-time politics looking back to

19 | “Botschafter Matthias Höpfner: Bulgarien ist beliebter Investitionsstandort, aber mit einigen Defiziten”, *Radio Bulgaria*, 21 Dec 2013, <http://bnr.bg/de/post/100276972> (accessed 23 Apr 2014). To express their thanks to the two diplomats, the demonstrators built a “Berlin Wall” out of cardboard boxes in front of the German embassy in July and toppled it in a symbolic act. On Bastille Day, an actress played out the role of “Liberty” bare-breasted in front of the French embassy, making reference to the 1789 picture of the French Revolution by Eugène Delacroix. Beyond serving as gestures of gratitude, these two actions symbolised the people’s wish for their own Bulgarian revolution or for the 1989 revolution to come to fruition.

20 | Further examples of obscure appointment decisions in: “Nichts als Spott”, *Süddeutsche Zeitung*, 20 Jul 2013.

21 | The competences of the Bulgarian President are similar to those of the German Federal President, i.e. he has hardly any political power.

22 | Approximately 30 per cent of directorships in the Ministry of Foreign Affairs were filled with former DS employees.

the old order with all that entails. The divide also seems to run between those of a basically pro-European stance and those who view the EU merely pragmatically and value it predominantly for its financial contributions. It seems that standards are not adhered to out of conviction but merely as a formal prerequisite to gain material benefits.

SECOND WAVE OF PROTESTS IN THE SUMMER OF 2013: VALUE-RELATED PROTESTS

The second wave of protests in Bulgaria was set off by an appointment decision. On 14 June 2013, the National Assembly appointed media mogul and oligarch Delyan Peevski²³ as the new head of the Bulgarian State Security Agency (DANS).²⁴ The vote was put onto the agenda during a National Assembly session, which made it akin to a surprise coup. Only the previous day, the corresponding law had been changed by adapting the criteria to match the candidate so he could be voted into the post.

In 2007 Peevski already became involved in corruption scandals and was accused of having misappropriated millions in the course of the privatisation of companies.

Peevski, now 34 years of age and a lawyer by profession, took over the post of parliamentary secretary at the Transport Ministry at the age of 21 under the government of "Tsar" Simeon (2001-2005) and subsequently became an executive director of the Port of Varna. In 2005, he worked at the Sofia public prosecutor's office as an investigator for seven months, although he did not have the necessary qualifications. Subsequently, he served as a deputy minister in the so-called three-way coalition (2005 to 2009).²⁵ During this period (in 2007), he already became involved in corruption scandals and was accused of having misappropriated millions in the course of the privatisation of companies. DANS and the Organised Crime

23 | A more detailed portrait: Klaus Brill, "Mann im Schatten", *Süddeutsche Zeitung*, 7 Oct 2013, <http://sueddeutsche.de/medien/1.1788579> (accessed 23 Apr 2014).

24 | Shortly beforehand, the power of DANS had been increased significantly by the allocation of the Department for the Fight against Organised Crime, which made DANS the key government authority in matters of security and endowed it with police powers. These measures caused concern among European partners. DANS, previously comparable to the German "Verfassungsschutz" (Office for the Protection of the Constitution) was turning into a "Bulgarian FBI".

25 | It consisted of the BSP, the DPS and the NDSV ("Tsarist party" of Simeon II of the House of Saxe-Coburg-Gotha).

Department, which were supposed to come under his control in 2013, carried out investigations against him at that time – although no charges were brought in the end. In late 2009, he became a DPS MP.

Peevski's career was furthered substantially by his mother Irena Krasteva, manager of the state lottery company. Together with her son, she succeeded in taking over the lion's share of the newspaper market, a television station and the majority of the distribution network for print media over the years, although it is not clear how she financed all this. As a result, the two now enjoy a virtual monopoly on opinion-forming in the Bulgarian print media. Knowledgeable observers further maintain that Peevski is a frontman for Tzvetan Vassilev, one of the richest and most influential Bulgarians, owner of the "Corporate Commercial Bank". Vassilev is a member of the old guard, which has dominated the Bulgarian economy to a large degree since 1989. He holds shares in virtually all areas of business in Bulgaria: newspapers, luxury foods, electronics, the tobacco industry, banks and insurance companies, the automotive trade, etc. In addition, it is highly likely that Achmed

There soon was the suspicion that Peevski was merely a frontman asserting the interests of Vassilev and Dogan.

Dogan, long-time leader of the DPS until January 2013 as well as an influential businessman and ex-DS agent, also exerts substantial influence over Peevski. This soon led to the suspicion that Peevski was merely a frontman asserting the interests of Vassilev and Dogan. As head of DANS and owner of numerous print media, Peevski would have become one of the most powerful men in the country, which explains the dynamic and the duration of the protests. However, it remains unclear as to which interests he was ultimately meant to serve, oligarchic, party-political or even Russian ones.

The vote in favour of Peevski's appointment led to major but largely peaceful demonstrations on the same day, which lasted past the weekend. In Sofia alone, 10,000 people took to the streets on that Friday until midnight. President Plevneliev called upon the National Assembly to reverse its decision, announced that he had lost confidence in the government and convened the National Security Council. He has been under massive attack from the Peevski media ever since.

The speedy protest reaction, mostly organised via the Internet, took the main players by surprise, but most of all the government. The protest is an encouraging sign of the development of a civil society in Bulgaria that has a Western outlook. Like totalitarian systems, the oligarchic system relies on a passive society, whose members are either dependent on the system or endure it in silence. That is the only way appointments such as that attempted in the case of Peevski could be pushed through successfully. Apparently, this is no longer possible in Bulgaria due to the incipient emergence of civil society.



Mainly peaceful protest: In the summer of 2013 several thousand people took to the streets and demanded the government's resignation and new elections. | Source: © KAS Bulgaria.

The protests put the European Social Democrats (PES) in a difficult position, as Sergei Stanishev is not just the leader of the Bulgarian Socialists, but also leader of the PES. While he drew some criticism from the President of the European Parliament, Martin Schulz, and the PES parliamentary group chairman Hannes Swoboda, both of them as well as the PES leadership pronounced their confidence in the Socialist at a conference in Sofia, in line with the usual reflex of fundamental solidarity within the respective family of European parties.²⁶ Under the influence of events, Peevski offered not to take up the office on the very day of his appointment, and he then made good on this offer.

26 | "Geheimdienstchef abberufen", *Frankfurter Allgemeine Zeitung*, 20 Jul 2013. While Stanishev was not a member of the government, he did exert considerable influence over its decisions. He was also criticised by people from his own ranks.

However, this climb-down did not calm the situation; every day, several thousands of people took to the streets in Sofia, now demanding the government's resignation and new elections. They had realised that the affair around Peevski's appointment was only the tip of the iceberg and that similar appointments, albeit less prominent ones, would follow in other areas – a suspicion that proved to be justified. In mid-June, the Deputy Minister of the Interior was forced to abandon his office after just four hours when it emerged that he had belonged to a Mafia-style organisation in the nineties.

OLD CADRES AGAINST NEW MIDDLE CLASS

The "Peevski case" is a symbolic illustration of how shamelessly the oligarchic system is infiltrating and controlling the government.

As probably the bitterest legacy of communism, access to positions is being controlled by family clans and corporate interests, keeping out outsiders.

Almost 25 years on from the "made-up revolution",²⁷ people from the old guard are still occupying key positions in the economy and in society. Through the established networks, their children enjoy substantially better (starting) opportunities than those Bulgarians who grew up without these connections. As probably the bitterest legacy of communism, access to positions is being controlled by family clans and corporate interests, keeping out outsiders. It is connections that count rather than achievements. Yet the correlations between the networks and the mechanisms whereby power is exercised remain hidden. This lack of transparency fuels uncertainty and makes it difficult to find concepts to combat the model.

One thing is certain: it produces people who lose out. Those who have experienced this for years in spite of a good education are now being joined by a new generation of losers; these are the young, who are also well educated but still have no prospects. The recent protests are therefore of a different nature than the social protests of February 2013. They are the protests of a new middle class, a civil society of citizens who are no longer willing to endure the prevailing conditions. What they are interested in is the

27 | Title of a book by Ilja Trojanov, in which he illustrates that while there has been a regime change in Bulgaria, there has not been a change in elite: Ilja Trojanov, *Die fingierte Revolution*, Munich, 1999.

realisation of values; they want Bulgarian politics to change its character, not just in style but also in substance:²⁸ Parents with small children demonstrated peacefully with intelligent slogans on home-made placards; next to them were people in their twenties, born in the period following the fall of the Iron Curtain and therefore without any memory of communism. For them, it is the first time, while many of the older people had participated in previous protests back in 1989 or 1997,²⁹ but not taken to the streets since. Others had preferred to seek their fortune abroad – a brain drain, which is affecting Bulgaria not merely economically but also politically.

The discontent meet up in front of the building housing the Council of Ministers every evening, chanting their slogans before marching through the city.

Some of them have returned, influenced by having lived and worked in foreign Western countries.³⁰ They want to stay and engender change. The discontent meet up in front of the building housing the Council of Ministers every evening after a day at work or university, chanting their slogans before marching through the city center. They are done by 9 p.m. because they need to return to work the next day. Everybody is united in the feeling of having been “repeatedly cheated” over the years.³¹ They trust none of the established parties; and no wonder, seeing what has happened during those 25 years. Without confidence in the political elite, democracy cannot function in Bulgaria in the long term either. However, in view of the fact that the political class has been thoroughly discredited, only very few upstanding and bright people are brave enough to enter politics – a vicious circle.

BRIEF ESCALATION AND MARGINALISATION OF THE PROTESTS

The government did not and still does not know how to handle people's demands for good governance, against the oligarchic model and for prospects in their own country.

28 | Antony Galabov, “Civil participation and the uprising of the ‘new losers’”, *One World*, No. 148, 2013, 16-17.

29 | The year of hyperinflation in Bulgaria. The protests during that year brought down the socialist government.

30 | Ambassador Höpfner coined the term “ERASMUS Generation” for the university students returning home.

31 | Georgi Gospodinow, “Der protestierende Mensch ist schön”, *Neue Zürcher Zeitung*, 27 Jun 2013, <http://nzz.ch/aktuell/feuilleton/uebersicht/1.18106078> (accessed 23 Apr 2014). Gospodinov is a writer and publicist living in Sofia.

It would be easier to distribute largesse to the population. The government is sitting out the protests to this day, ignoring the people and their demands. This has been causing frustration and resulted in some first minor clashes with the police in mid-July,³² when demonstrators attempted to remove some barriers from in front of the National Assembly that were being used to secure an extended security zone around the building. On the evening of 23 July 2013, the 40th consecutive day of protest, the situation escalated.³³ The budget committee had been holding a meeting at the National Assembly during the evening to discuss the supplementary budget. At the end of the meeting, the MPs and employees, some one hundred people in total, found that the protesting demonstrators were blocking them in. At approximately 10 p.m., the police decided to evacuate them in buses, but this was prevented by force. Projectiles hit one bus and there were bloody confrontations with the police. 17 people, including five policemen, were injured. The blockade was not abandoned until later that night. During the following days, the demonstration marches once again passed off peacefully as usual as if nothing had happened. Stanishev indirectly blamed the escalation on the President³⁴ as well as other parties, who had supported the protesters. But nothing has changed where government activities are concerned.

The government is sitting out the protests to this day, ignoring the people and their demands. This resulted in some first minor clashes with the police.

However accurate the analyses of the underlying ill and however justified the demands for the government's resignation and for system reform may be, the protest movement has lacked concrete alternative proposals from the beginning, some of its suggestions being utterly utopian.³⁵ There has been no central organisation, and no leadership personalities have emerged. The fear of being infiltrated or instrumentalised was too great. There were no stages or speakers at the demonstrations. The demonstrating

32 | The police are stretched to the limit by the continuous daily deployment.

33 | "Proteste in Bulgarien: Minister und Abgeordnete sitzen stundenlang im Parlament fest", *Spiegel Online*, 24 Jul 2013, <http://spiegel.de/politik/ausland/a-912739.html> (accessed 23 Apr 2014).

34 | He had, however, previously expressly warned against an escalation.

35 | Petyo Tsekov, "Was there a Bulgarian 'spring'?", *One World*, No. 148, 2013, 12-13.

crowds consisted of numerous groups, which arranged to meet over the Internet. This produced a heterogeneous mass of people, united merely in their negative demand for the government to resign. The *Frankfurter Allgemeine Zeitung* reported the following quotation by the Bulgarian political scientist Ivan Krastev in relation to the protests:

Considering the power and ingrained nature of the oligarchy, there is in fact no quick solution, and its disempowerment is therefore not likely to happen even in the medium term.

"They want change, but they have no clear idea of what this change should consist of; they are brilliant in devising political gestures but weak where practical politics are concerned."³⁶ The citizens have no concept

and no course of action for achieving the goal of a modern political system freed from the clutches of the oligarchs. Considering the power and ingrained nature of the oligarchy, there is in fact no quick solution, and its disempowerment is therefore not likely to happen even in the medium term. Against this backdrop, the demands for resignation are short-sighted as this would trigger new elections, which would merely bring old established parties back to power, although almost half of all Bulgarians would like to see a "new beginning", as surveys show.³⁷

The protests are mostly restricted to Sofia. There have been smaller demonstrations in Varna and Plovdiv, which did not last for long. However, there was a case of self-immolation in Varna back in February, which drew a great deal of attention.³⁸ Plamen Goranov set himself on fire in protest against Mayor Kiril Yordanov, who was known as a man aligned with the powerful oligarchs of the Varna TIM group. Several days after the event, Yordanov resigned from office under pressure from the ongoing protests.

36 | Michael Martens, "Ihr Vaterland ist die Welt", *Frankfurter Allgemeine Zeitung*, 17 Feb 2014.

37 | Ilija Trojanow, "Auf verlorenem Posten", *taz.die tageszeitung*, 28 Aug 2013.

38 | Markus Bernath, "Selbstverbrennung in Bulgarien: Ein neuer Jan Palach", *Der Standard*, 23 Feb 2013, <http://derstandard.at/1361240908688> (accessed 23 Apr 2014). Norbert Mappes-Niediek, "Selbstverbrennung gegen organisierte Kriminalität", *Frankfurter Rundschau*, 7 Mar 2013, <http://fr-online.de/1472596,22024274.html> (accessed 23 Apr 2014). Further cases of self-immolation followed, 13 of them with fatal consequences.

The fact that the demonstrations mainly remained restricted to Sofia also illustrates that civil society requires a metropolitan environment to be able to emerge, grow and act. In many smaller towns, protests were prevented by threats and intimidation. Consequently, the wave of protest died down in the heat of the summer without the energy having engendered the formation of a new political organisation or a new party. After the summer break, it did not reach anything like the force it had in the beginning, even though students in Sofia demonstrated solidarity at the beginning of the semester, “went on strike” and occupied the university. Having said that, there are still several dozen, and occasionally even several hundred, intrepid demonstrators who regularly assemble in front of the National Assembly and the Council of Ministers building.

Has the protest movement failed? So far, it has not achieved its major aim, namely to bring down the government and produce a shift in policy – although the demand for resignation does have a chance of being realised. The disempowerment of the oligarchic circles, however, is a far more difficult task, which could only be realised in the long term, if ever. The protest movement was capable of preventing Delyan Peevski from taking office as head of the State Security Agency, and it has proved that there is now such a thing as civil society in Bulgaria. It is a tender shoot in the process of growth, which has not taken deep root in society as yet. It was a different story in former times, but communism eradicated the civic elite totally. The old cadres will do what they can to oppose any revitalisation in order to maintain their own powers. A full 25 years on from the revolution, Bulgaria is still in the middle of a transformation process, whose end is nowhere yet in sight.



Dr. Hardy Ostry is Resident Representative of the Konrad-Adenauer-Stiftung in Tunis.

A CONSTITUTION FOR ALL TUNISIANS

NEW CONSTITUTION PROVIDES A GLIMMER OF HOPE – MANY CHALLENGES STILL LIE AHEAD

Hardy Ostry

Once again, brief moments of euphoria were felt by those of every political persuasion as the feeling spread through Tunisia's Constituent Assembly that they were witnessing a truly historic moment. Adversaries of yesterday – and no doubt of tomorrow – were all able to simply enjoy the moment, hugging and almost fraternising with each other. These were the images on 26 January 2014 as the transitional parliament voted in favour of adopting the new constitution for the Second Tunisian Republic with an impressive majority of 200 votes (with twelve "no" votes and four abstentions). For a few fleeting moments, those present were able to forget their heated disputes and political bipolarity. Over the previous months and years, representatives of the Islamist Ennahda Party, their coalition partners CPR and Ettakatol had been at permanent loggerheads with politicians from the nationalist, secular camp led by the largest of the opposition parties, Nidaa Tounes (Call of Tunisia).

This prompted parliamentary president Mustapha Ben Jaafar to suggest that the newly-adopted constitution would be one "that reflects the needs of all Tunisian men and women". The constitution would safeguard what had been achieved and lay the foundations for a democratic state. It took more than two years to draft this new constitution, which now has to prove that it can provide the basis for a system based on democracy and the rule of law. The whole process was hampered by a great many problems. But in spite of all the delays, obstructions and political manoeuvring from various quarters aimed at torpedoing

the transition process, in the end Tunisia, the political classes and the majority of the population felt proud of what had been achieved. But the problems and difficulties that remain are certainly not being ignored. In terms of the geopolitical context of the region, with Libya desperately trying to recover from the collapse of the state and Syria mired in civil war, it seems that Tunisia is in a better position than most. So it is hardly surprising that the international reaction to what has been achieved in the land of the Jasmine Revolution has been full of superlatives: “exemplary”, “the most modern constitution in the Arab world” and “a model and example for the rest of the Arab world”. When considered in the context of the whole of the North Africa and Middle East region, many people will no doubt feel that the Arab Spring has at least been successful in Tunisia. In face of the tendency to see things in black and white, even when evaluating the progress of some countries in the region, it is time to take a more differentiated view. Tunisia has certainly revived a historical compromise in order to successfully usher in the second phase of its political transition. The constitutional foundations are now in place to successfully build a system based on democracy and the rule of law. But there are still many problems and risks that could have a negative impact on the process.

THE NEW CONSTITUTION: UNIQUE BUT A COMPROMISE

The balance of power within the Constituent Assembly that was elected in October 2011 has undergone some major shifts due to party switches and it soon

became clear that only a compromise draft constitution would have any chance of being passed into law. Although the Troika coalition initially had the necessary two-thirds majority within the Assembly, this majority dwindled over time as a result of the departure of representatives, particularly from Ettakatol and CPR.

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Ennahda could have tried to push through a draft constitution of its own by building an extended coalition. However, this did not appear to be either a politically or socially opportune thing to do, as there was the danger that such an attempt to go it alone might only serve to further exacerbate the political bipolarity within the country and lose the broad support of large sections of the population. From

the very beginning of work on the new constitution and the presentation of a first draft in December 2012, the secular national opposition accused the Islamist Ennahda and its coalition partners of trying to Islamise the nation and state to a greater or lesser extent. In light of these accusations, Ennahda's president Rachid Ghannouchi was quick to state that his party would not insist on the constitution being anchored in Sharia law. However, doubts were cast on the sincerity of this statement when reports claimed that Ghannouchi had suggested to young Salafists in October 2012 that it was not a question of anchoring Sharia law within the constitution but of winning over state institutions, schools, the military and mosques. There were also fears that the conservative wing of the Ennahda movement would extract a high price for the exclusion of Sharia law from the constitution.



Chancellor Angela Merkel took a great interest in Tunisia's constitutional process. On 4 April, she met a delegation of Nidaa Tounes led by Deputy Chairman Mohamed Ennaceur (4th f.l.) in Berlin. | Source: © KAS.

The atmosphere within the Constituent Assembly and the various associated commissions was, therefore, one of tension and mistrust from the very beginning. As a result three different drafts were necessary (December 2012, April 2013 and June 2013), with the last of the three being submitted for review to a Consensus Commission chaired by President Ben Jaafar himself. The members of the Constituent Assembly could sense the weight of expectation, not only amongst the Tunisian people, but also within the international community. The Assembly

found itself under increasing pressure after a “national dialogue” was launched by the “Quartet”. This dialogue was led by the Tunisian General Labour Union (UGTT), the Tunisian Employers Organisation (UTICA) and included 20 of the country's most important political parties in a bid to reach a new consensus and lead the country out of the crisis that had continued since the summer. As a result of this dialogue, it was agreed that the Ennahda-led government would stand down and hand over power to a government of technocrats, while work on the constitution would be quickly brought to a conclusion. So at the end of 2013 Assembly members were under increasing pressure to finish the work – perhaps even by 14 January 2014, the third anniversary of the Revolution. In retrospect, we can perhaps ignore the fact that they failed to achieve this target date and that more time was needed for discussions on the final draft than initially expected. The key was to reach a consensus, which was made possible by the fact that even Ennahda was prepared to make some not insignificant concessions.

It was clear that just about all those involved were making a genuine effort to reach a consensus in order at all costs to avoid the need for a referendum, the inevitable outcome if the Constituent Assembly failed to agree on a constitution. A referendum would once again have set the political transition process back by some months and potentially resulted in populist demands on the streets to reintroduce certain provisions that had been painstakingly removed, such as the paragraphs that equated Zionism with racism.

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The agreement that was reached on the draft constitution also provided an important political lesson in terms of procedure. In the past, politicians had been used to insisting that their demands be met otherwise they would simply boycott the discussions. The adoption of the constitution therefore represents a very important step, as all the political decision-makers and representatives successfully passed the test of any democratic political process: the ability to initiate and agree on compromises. This is a gauge by which any democratic system can be measured.



The President of the Constituent Assembly Mustapha Ben Jafaar in 2011: All its members could sense the national and international expectations. | Source: Magharebia, flickr @🇹🇵.

CIVIL STATE AND THE SEPARATION OF POWERS

The long-discussed preamble to the constitution defines the civil nature of the state, which is based on the principles of a republican democratic system and the separation of powers. Reference is made to Islam by stating that the Tunisian people have close ties to the teachings of Islam, which basically promotes openness, tolerance, human values and the principle of universal human rights. Even the mention of universal human rights provoked much controversial debate. For a long time, there were reservations with regard to religious and cultural traditions. The fact that the text does not allow any such relativism may be seen as significant progress. The state is now seen as the protector of human freedoms and rights. Experts have placed much emphasis on this particular aspect, especially as civil rights generally appear to have been given particular prominence in the new constitution. The first two articles of the constitution, which provide the foundations for the state's oft-discussed national identity, were the subject of long and heated debates and arguments, as the question of Tunisia's national identity was something that was destined not only to be discussed within the Constituent Assembly itself, but was also to be hotly debated by ordinary Tunisians, especially with reference to the role of religion.

The adopted version of Article 1 states that “Tunisia is a free, independent and sovereign state. Its religion is Islam, its language is Arabic and its type of government is the Republic”. This contains the first historical compromise relative to the first constitution of 1959. By using this particular wording, it was possible to fend off proposals that Islam be explicitly referred to here and in other places as the state religion. However, critics claim that in this respect, Article 1 can be interpreted to implicitly suggest that Islam is the state religion. However, we should not overlook the fact that this wording and its interpretation clearly represents a historical compromise. The Preamble and Article 1 make reference to religion, but without being more specific and without specifically referring to Sharia law as the basis for the country’s legislative principles. Opinions differ on the real meaning of this unclear, open definition of the role of religion. Some commentators see it as a necessary and effective compromise, while others think it may leave the door open to a potentially narrower interpretation at a later date. However, it should be noted in this respect that Articles 1 and 2 are known as permanent paragraphs, which means that amendments to them are explicitly excluded.

There may be some contradictions, or at least need for interpretation, with regard to Article 6. A compromise was found for this particular section of the constitution only after heated and sometimes aggressive discussions during the final weeks. It describes the state as the “guardian of religion”, which shall at the same time guarantee freedom of conscience and belief, the free exercise of religious worship and the neutrality of mosques and places of worship from all partisan instrumentalisation. The guarantee of freedom of belief and conscience is revolutionary for an Islamic Arab state, as it also guarantees the possibility to convert. Large sections of the Ennahda movement were reluctant to go this far, preferring to guarantee freedom within the country’s own religion, i.e. within Islam itself, and this is indeed echoed in the wording of the constitution. At the beginning of Article 6 the state is referred to as the “guardian of religion” (in the singular).

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The state is therefore considered to be the guardian of openness and tolerance, while at the same time protecting what is “sacred” and prohibiting any form of accusation of apostasy and incitement to violence. This last aspect truly reflects the emotional discussions that took place in the Constituent Assembly: one member of the assembly had accused another of “apostasy”, which under an extreme form of interpretation of Islam would have led to calls for him to be murdered. However, by contrasting two different elements of this particular article, experts in constitutional law believe that there may be an inherent contradiction. On the one hand there is the freedom of conscience and belief, while on the other is the somewhat vague “protection of the sacred”. “Protection of the sacred” refers first and foremost to objectionable representations of the Prophet or of the religion, something which became more and more of an issue as a result of events during the process of drafting the constitution. As a result, the use of the expressions “freedom of conscience and belief” and “protection of the sacred” could lead to a conflict of interest at some point in the future. There are other potential contradictions between the freedom of expression and freedom of information (Article 31) and the prohibition against making accusations of apostasy.

The debate on the country’s national identity also sparked fierce discussions about the roots and use of the Arab language. There were protracted disagreements between those in favour of more Arabisation and those who took a more pragmatic view in light of the waves of Arabisation that characterised the 1970s and 1980s and their impact on education in particular. Article 39 refers to the “Arab-Islamic identity” and the “strengthening and promoting of the Arabic language”, but also refers to openness to foreign languages.

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MORE RIGHTS FOR WOMEN

The personal status laws introduced by Tunisia’s founding father Habib Bourguiba in 1956 were considered to be a sign of real progress in comparison to the other countries of the Arab world, and it is against this background that politically and socially active women in particular were

afraid that Ennahda might try to reduce women's rights in order to protect a traditional, conservative view of the role of women. The previous personal status laws had guaranteed equality between men and women and granted Tunisian women the right to file for divorce. The wording of the first draft of the constitution, which referred to the "complementarity" of the roles of men and women, sparked fears that changes would be made to the constitution that disadvantaged women. As a result, men and women came out in equal measure to defend existing equal rights.

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The constitution that has now been adopted actually goes one step further and Article 21 states that men and women have equal rights and duties as "citizens". This article may have far-reaching consequences, as it paves the way for possible new initiatives aimed at changing existing inheritance laws, which have until now always favoured men. This has already been called for by many civil society associations. Article 46 covers similar ground. The state is described as both the protector of women's rights and the guarantor of existing rights and gender equality. The most far-reaching political change that is enshrined in this article is the state's commitment to seek parity between men and women in elected bodies. In terms of the upcoming drafting of new electoral laws, this effectively means 50 per cent of candidates on electoral lists must be women. Experiences during the Constituent Assembly elections in 2011 would suggest that implementing this rule may prove to be difficult, especially in rural areas. For this reason, there was broad cross-party agreement in the Constituent Assembly on the constitutional and political necessity of strengthening the political participation of women, including in the interior of the country. A similar rule relating to the electoral lists was applied to the elections in 2011, but it did not work out as planned, as many independents effectively stood as single candidates. In spite of this, 65 women were elected to parliament, mainly from Ennahda.

Although Articles 21 and 46 protect women's rights, some observers believe the new constitution may also be creating some new obstacles. Article 7, for example, defines the family as the basic structure of society, which suggests that

under certain circumstances limitations on the right to file for divorce might be introduced at a later date. Women's rights experts also point out the suggestion in Article 22 that "the right to life is sacred" might lead to abortion being banned, even though early phase termination is currently legal. International human rights organisations have also criticised this article, as it protects the integrity of human life on the one hand, but does not remove the possibility of the death penalty being imposed. This does not, however, appear to be politically enforceable, and it should be noted that while the death penalty has been imposed in the past, it has not actually been enforced since 1991.

LEGISLATIVE AND EXECUTIVE POWER

There was a particular sense of anticipation about the rules that would be incorporated in the new constitution relating to the legislative and executive branches of government and the relationship between them. In the wake of the 2011 elections, there was much discussion about whether it was better to have a parliamentary or a semi-presidential system. Ennahda, along with a broad section of the government coalition and even some members of the opposition argued in favour of a purely parliamentary system for the country's new democratic structure, arguing that a presidential or semi-presidential system put too much power in the hands of the President and could result in abuses, as had been shown in the past. The opposition, especially representatives from Nidaa Tounes and political supporters of the Destour movement, were in favour of retaining the office of President and suggested its powers be reduced but not removed. Behind their arguments lay a belief that the country could not afford to relinquish a potential central position of power in the form of a President in the face of a dominant Islamic majority. Their position may also have been a political reaction to recent polls suggesting that the President of Nidaa Tounes, Beji Caid Essebsi, has the best chance of winning the presidential elections, whereas Ennahda has no such favourite. However, the potential results of the parliamentary elections paint a different picture. Here, Ennahda and Nidaa Tounes have largely been neck and neck in the polls for months. In

The opposition were in favour of retaining the office of President and suggested its powers should be reduced but not removed.

this respect, the structure agreed in the constitution has as much to do with political reality as with noble constitutional intentions.

According to Article 50, the people exercise legislative power through their elected representatives. This has particular significance in light of the country's experiences under the former autocratic regime of Ben Ali, which lacked a genuine parliamentary culture. The independence of members of parliament, the opposition and political parties is guaranteed. In addition, the parliament has the right not only to vote on draft legislation and the state budget, but also to exercise legislative initiative, so long as proposals for new laws are initially supported by at least ten deputies (Article 62). The Prime Minister and the President of the Republic may also propose draft legislation.



Demonstration of Nidaa Tounes' supporters: First drafts to a new constitution led to intense criticism and protests. | Source:

© Mohamed Messara, epa, picture alliance.

As far as the executive is concerned, the constitution provides for a clear division of responsibilities, inspired by other semi-presidential models, which in the reality of political negotiations is unlikely to have been agreed upon without some form of disagreement. Article 71 states that "executive authority is exercised by the President of the Republic and a government which is presided over by the Prime Minister". This means that both the head of state and

the head of government are responsible for key functions of government, with the President, who is directly elected by the people and who may only hold the position for two terms of office, being responsible for determining general state policies in the areas of defence, foreign relations and national security (Article 77). This means that under the new constitution the head of state actually has fewer powers than before. However, it remains to be seen exactly how the relationship between the President and the government, and the Prime Minister in particular, will play out in reality, especially in those areas where the President has been granted executive powers. An attempt by Ennahda to impose a maximum age on presidential candidates in order, among other things, to prevent Essebsi from running, was unsuccessful. In the end, only a minimum age of 35 was agreed upon.

The Prime Minister has executive responsibility for the areas of government that have not been explicitly given to the President. The government can be asked to resign if it fails to survive a constructive vote of no-confidence.

The division of power and areas of responsibility between the two heads of the executive branch mirrors the current political balance of power in the country and is another sign of the willingness to compromise on all sides.

The Prime Minister has executive responsibility for all the other areas of government that have not been explicitly given to the President (Articles 91 and 92). The government can be asked to resign if it fails to survive a constructive vote of no-confidence (Article 97). The President also has the right to initiate such a vote, but will lose his own position if he is unable to gain the necessary absolute majority by the end of a second vote at the latest.

THE JUDICIARY AS GUARANTOR FOR THE RULE OF LAW

After the experiences of Ben Ali's rule, the independence of the state judicial system became one of the key demands during the demonstrations that took place in Tunisia prior to his overthrow on 14 January 2011. As a result, judges and lawyers were very aware of the need to protect their independence in the new constitution. The exact form that judicial independence should take was the subject of heated debate in the run-up to passing the new constitution. Even during the debates, some elements of Ennahda tried to achieve the greatest possible separation between the judicial branch and the executive arm. But it was only

when judges and lawyers once again went on strike to demand their institutional and procedural independence that the necessary pressure was created for an agreement to be reached. The latest version of the constitution emphasises the role of the judiciary as the protector of constitutional rights (Article 49, 102). Judges are no longer appointed by the Ministry of Justice. Instead, they are appointed by the President of the Republic on the recommendation of the High Judicial Council (Article 106). The High Judicial Council is also responsible for ruling on transfers, reprimands and even dismissals (Article 107). The Council itself comprises four separate organs. Two-thirds of each of these organs is made up of elected representatives and one-third of qualified, independent individuals who are not themselves judges. Another innovation that has attracted international recognition is the establishment of a Constitutional Court (Article 118 et sqq.). Its twelve members are appointed in equal proportion by the President, the Chamber of Deputies and the High Judicial Council. The responsibilities of the Constitutional Court are limited to examining the constitutionality of laws and legal acts (Article 120). To date, there is no planned mechanism for constitutional complaints, but this may change as part of the legal definition of the organisation and procedures of the Court (Article 124).

The members of the Constitutional Court are appointed in equal proportion by the President, the Chamber of Deputies and the High Judicial Council.

THE END OF POLITICAL STAGNATION – PERSISTENT CHALLENGES

The Constituent Assembly fulfilled the main task that was mandated by the elections of 23 October 2011 when it completed its work on the new constitution for the Second Tunisian Republic. Despite the compromises included in the document, the country's leading political parties and the majority of civil society are unanimous in believing that this constitution provides a good foundation for the next phase in Tunisia's political transition. This now has to continue in the preparations for the first regular elections to the Chamber of Deputies and to the presidency. To this end, a new High Electoral Commission has been set up with the task of preparing for and conducting the elections. Discussions on the new electoral law began immediately after the passing of the new constitution.



First free democratic elections in Tunisia: the election of the Constituent Assembly took place on October 23, 2011. | Source: Magharebia, flickr ©.

It is important to consider the political, economic and social context when evaluating what has been achieved so far, and particularly the passing of the draft constitution. Above all, it is vital to understand the political crisis and stagnation that beset the country after the politically-motivated assassinations of leftist opposition politicians Choukri Belaid (6 February 2013) and Mohamed Brahmi (25 July 2013). Tunisia was almost completely politically paralysed throughout the summer and into the late autumn. The government and opposition were irreconcilably divided to such an extent that Ben Jaafar, President of the Constituent Assembly, was forced to temporarily suspend the work of the Assembly from August to September because of a strike by 70 opposition deputies. These political incidents and their negative results, accompanied by more widespread terrorist threats, led the Tunisian economy to deteriorate still further. At times, the country was threatened with insolvency due to a shortage of foreign exchange. The World Bank, the International Monetary Fund and the EU provided loans that were linked to clear progress in the political process. Meanwhile, the precarious security situation in Libya led to an escalation of Tunisia's security problems. Jihadist Salafists, terror groups belonging to the Al-Qaeda network in the Maghreb and Ansar Al-Sharia all carried out a number of attacks and publicly threatened further violence. The opposition and even the security services accused the governing Troika, and particularly Ennahda, of displaying a lack of decisiveness in the face of these clear dangers.

The Tunisian trade union UGTT and the employer's association UTICA (together with the Tunisian Human Rights League and the Bar Association) were given a particular role in helping to find a way out of the crisis. In September, the Quartet relaunched the national dialogue initiative, which included the main political parties and representatives of civil society. Some elements in the two camps made up of the governing parties and the opposition (National Salvation Front) adopted a confrontational stance.

The opposition laid down its ultimatums: the resignation of the Ali Laarayedh (Ennahda) government; the appointment of a technocrat; the dissolution of the Constituent Assembly; the establishment of an Electoral Commission and the dissolution of the Leagues for the Protection of the Revolution, considered to be Ennahda-supporting militias. After much debate and further delays, the national dialogue finally managed to reach a compromise.

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This agreement consisted of a negotiating package with a very tight schedule that required all work to be completed on the constitution, the withdrawal of the Laarayedh government and the appointment of a new Prime Minister and cabinet made up of technocrats within just four weeks. The cabinet members were selected on the condition they provided a personal commitment that they would not stand in the next elections. This timetable was also not adhered to, although Laarayedh announced his resignation in the face of increasing public pressure and remained in office only to oversee the government until the next government took over.

At the same time, Parliamentary President Ben Jaafar set an equally ambitious timetable for the debate on the text of the constitution. This began on 3 January 2014 and was to be finally agreed by 26 January. With the passing of the constitution, the new government took office, led by acting Prime Minister Mehdi Jomaa. It is his responsibility to prepare for the imminent regular parliamentary and presidential elections on the basis of a more stable political situation. He is also facing the challenge of improving the security situation and continuing the fight against terrorism. But above all, he has to restore foreign investors' confidence in the Tunisian political process.

Led by the UGTT, the Quartet has the task of moderating the dialogue process – which has often teetered on the brink of failure – and progressing it still further. It is generally recognised that Ennahda, as the strongest political party in the Constituent Assembly, has made some significant concessions in its attempt to lead the country out of crisis. Tunisia has little alternative but to pass the draft constitution. Ennahda itself has often evoked the Egyptian scenario and stressed that this cannot be allowed to be repeated in Tunisia. This has inevitably led to compromises.

It may also have been the ongoing unresolved economic, social and security challenges that attracted broad public consensus on a solution.

The fact that the party and the Troika government had lost the support of broad sections of the public may have facilitated the adoption of this compromise. And it may also have been the ongoing unresolved economic, social and security challenges that attracted broad public consensus on a solution. In making preparations to leave government, there may be a strategic moment when it is hoped that inescapable and often painful decisions (such as reducing subsidies, reforming the job market and the health system) can wherever possible be left to others.

Over the last few months Ennahda has learnt not to pursue policies from a position of denial nor by excluding large sections of the population. Inversely, the opposition has also learned lessons from what has happened. It has listened to the warning voices of civil society stating that a negative definition and anti-Ennahda stance is not enough in itself to qualify as a political manifesto. With impressive consistency, all the polls taken over recent months on the upcoming parliamentary elections point to a neck-and-neck race between Ennahda and Nidaa Tounes. At the same time – and the political class surely realises this – all these polls reveal a growing number of people who are either not going to vote or who are currently undecided about which party to vote for.

The increasing frustration with politicians felt by broad sectors of society, particularly young people, threatens to erode the trust that Tunisians need to have in the political process. In this context, the new constitution and the installation of a technocracy at least opens up an opportunity to win back this lost trust en route to the next stage in

the transition process. The political elites, and particularly the parties, should use this window to reorganise themselves in order to better meet the expectations of the people. It will fall to them and to civil society to use the new constitution as a basis for a new social reality and a democratic, constitutional culture.



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SENEGAL, TWO YEARS INTO THE MACKY SALL ADMINISTRATION

STABILITY, BETTER GOVERNANCE BUT FEW TANGIBLE RESULTS

Andrea Kolb / Ute Bocandé



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The peaceful transition of power from President Abdoulaye Wade to President Macky Sall in April 2012 raised high expectations among the people of Senegal. They had been frustrated by the political class under Wade. From 2000 to 2012, Wade had introduced a range of institutional reforms designed to gradually increase his power, and in doing so he largely ignored the needs of the people. As a result, many political parties and civil society organisations joined together to form an extra-parliamentary opposition. In 2007 this grouping boycotted the parliamentary elections and created a national assizes (Assises Nationales). However, the President was not prepared to recognise the solutions that it presented in 2009 for resolving the country's political crisis (Charte de la gouvernance démocratique).

When Wade stood for an unconstitutional third term of office in 2012, the voters refused to endorse him. The Senegalese people were no longer prepared to support his regime and turned out in force to protest in the run-up to the 2012 elections, urged on by the M23 opposition movement.¹ In March they achieved their aim and he was voted out of office. These opposition groups still exist in a more condensed form and are observing political events. They are waiting for the new Sall government's declarations of intent to turn into positive reforms, and so far they have abstained from political protests. Whether this will last depends on the performance of the Macky Sall

1 | M23 stands for Mouvement des forces vives du 23 Juin 2011 du Sénégal.

administration. Since his election two years ago, he has managed to stabilise certain policy areas. However, many people are still disappointed because they feel very little real progress is being made.

THE CHALLENGES FACING THE NEW PRESIDENT

In his Yonnu Yokkuté (The Path to Prosperity) program, Macky Sall set out five priorities: agricultural reforms to resolve the food crisis; price reductions in basic foodstuffs; ending the energy crisis; settlement of the Casamance conflict and streamlining government institutions.² Other topics on his agenda included tackling the serious

problems in the education system and the country's high rates of unemployment. Shortly after taking office, a new food crisis broke out. In order to protect those who were worst-hit, the President promised 20 to

Shortly after Macky Sall took office, a new food crisis broke out. In order to protect those who were worst-hit, the President promised 20 to 25 billion CFA francs in state aid.

25 billion CFA francs³ (30 to 38 million euros) in state aid. He also wanted to invest 2,000 billion CFA francs (3,500 million euros) over five years in agricultural development in order to avoid further food crises in the long term. This is the equivalent of the annual budget of Senegal. In spring 2012, the price of basic foodstuffs such as rice, sugar and cooking oil soared. For example, 50 kilograms of rice rocketed from 18,000 (27 euros) to 24,000 CFA francs (36 euros). Sall announced temporary price reductions of ten to 20 per cent by subsidising or giving tax relief to traders until such time as a permanent solution was found. The cost of this has been estimated at 50 billion CFA francs (75 million euros).

Action was also needed on energy supplies. The frequent and lasting power cuts suffered by industry and private households had often led to violent demonstrations. Former President Wade had hoped to resolve the energy supply crisis with his Takkal Plan.⁴ But this plan revolved around the extremely costly leasing of power plants, so in the long term a new solution had to be found to Senegal's energy supply.

2 | Rémi Carayol, "Sénégal: les cinq priorités de Macky Sall", *Jeune Afrique*, 10 Apr 2012, <http://jeuneafrique.com/Article/JA2673p024-029.xml1> (accessed 24 Apr 2014).

3 | Franc des Colonies françaises d'Afrique (FCFA).

4 | "Plan Takkal", Société Africaine de Raffinage, <http://sar.sn/3-PLAN-TAKKAL.html> (accessed 24 Apr 2014).

In the run-up to the 2012 elections, the Casamance region was once again the scene of violent attacks. Although the Wade government had promised a speedy resolution to the conflict, after twelve years in power there was still no lasting peace. His successor Macky Sall announced that he would approach the conflict openly with the involvement of all sides, including the rebels and the neighbouring countries of Gambia and Guinea Bissau.

Another of Sall's priorities was to reduce the cost of government and introduce an audit of all national institutions with a view to restoring their credibility. He announced that he would reduce his government from 40 ministers to 25, close certain foreign embassies and do away with unnecessary and costly governmental structures. Reductions were to be made to the high telephone bills racked up by government workers (27 billion CFA francs per annum, equating to one per cent of the government's annual budget) and to the large fleet of official vehicles. He also announced an investigation into whether local councils should continue to receive salaries. The Takkal Plan, along with major construction and privatisation projects (for example the national edible oil company Suneor), were to be subjected to audits and any instances of misappropriation handed over to the judiciary.



Abdoulaye Wade with then French President Chirac in 2005: During his term of office Senegal's President implemented his patronage system in many government institutions. | Source: © Philippe Wojazer, AP, picture alliance.

Restoring the link between politics and moral and ethical values was high on Macky Sall's agenda. Corruption and nepotism were to be banned and every citizen should receive equal treatment in the eyes of the law and in public life. Land distribution is a key issue in this respect. Wade was constantly in breach of the 1960 law stating that common arable land was the property of the state. This allowed the caliphs of the main Muslim brotherhoods, domestic and foreign investors and ministers in the Wade government to take ownership of large swathes of land. This desire for personal gain triggered protests in the Senegal River Valley and some demonstrators were even killed.

Resolving the land issue is crucial to achieving social equality in Senegal. For example, in the Kedougou region, multinationals are mining gold while the people who have been driven from their land often receive no compensation. In the Thiès region, the granting of licences for phosphate and lime extraction has aroused great resentment. The mining companies pay little attention to environmental standards, and this has been linked to an increase in health problems among the inhabitants of the mining areas. The compensation that should have been paid to the inhabitants has generally ended up in the hands of state authorities, with the local people only receiving a fraction of what is due to them.

In the region around the capital, Dakar, there is barely a square metre of land that remains undeveloped. This is also true of the coastal region, where it is officially not permitted to build because of the threat of erosion. In many places, access to the sea has been blocked by large hotels and shopping centers. In contrast, the majority of people live crammed into densely populated neighbourhoods, often with no electricity, clean drinking water or sewage.

In many places in the coastal region, access to the sea has been blocked by large hotels and shopping centers. In contrast, the majority of people live crammed into densely populated neighbourhoods.

The education crisis⁵ came to a head two years ago when professors and teachers went on strike for three months to demand higher wages and better working conditions.

5 | "L'Université Cheikh Anta Diop à la croisée des chemins", *Les Cahiers d'Alternance*, No. 15, KAS Senegal and CESTI, Dakar, 16 Jul 2012.

Schoolchildren and university students were threatened with losing a whole academic year. Macky Sall promised to hold talks with the teachers' unions and student councils. More apprenticeships, new schools and universities were to be set up, but above all the quality of school education and vocational training was to be examined and improved, along with the creation of new jobs.⁶

The Wade government increased the number of elementary school teachers. High school graduates could teach in elementary schools after a mere three months of training. This certainly helped to address the lack of teachers, but it was clearly not linked to improvements in pedagogical and subject-specific training. What is more, the different types of schools (state-run, Muslim and Catholic) followed parallel curricula, which led to differences in quality. The number of students attending university has soared. After the second semester, all students could hitherto claim a basic grant, so this has certainly made it easier for many more students to attend university. However, the Senegalese labour market does not have the capacity to absorb so many graduates in jobs that match their qualifications.

Access to clean drinking water, improvements to rural infrastructure and flood defences were also included in

Sall's program along with the issue of social harmony, which was particularly threatened in Dakar due to the increase in criminality.

With regard to the health sector, the new President was keen to introduce a general health insurance scheme. He found himself facing many challenges but lacking the finances to tackle them effectively.

With regard to the health sector, the new President was keen to introduce a general health insurance scheme. When he took office, he found himself facing many challenges but lacking the finances to tackle them effectively. So immediately after his election, Macky Sall called on his bilateral and multilateral development partners to help him resolve the country's most pressing problems.

6 | Ute Bocandé and Andrea Kolb, "Senegal: Kleine Regierung, große Wirkung?", KAS Country Report, Apr 2012, <http://kas.de/senegal-mali/de/publications/30721> (accessed 24 Apr 2014).

THE POSITION AFTER TWO YEARS OF THE SALL ADMINISTRATION

At the beginning of his term, Macky Sall devoted himself to addressing his country's social needs, as promised in his election manifesto: the food crisis, high food prices and the education crisis. Today, institutional reforms and the new decentralisation strategy (Acte III) are some of the new President's main reform projects, along with his National Strategy for Economic and Social Development in the period from 2013 to 2017. The latter is based on the vision of the Plan Sénégal émergent (PSE), which is to be executed by 2035 and which prioritises the following sectors: transport, energy, agriculture, drinking water, education, health, tourism, social security and environmental protection.

Resolving the Agriculture Crisis

In Senegal, improvements to people's quality of life and the avoidance of food crises are largely dependent on agriculture, but reforms in this sector have been slow in coming. Private agricultural companies are the only ones that are currently making profits, generally at the expense of small farmers. To be specific, large domestic and particularly international agribusinesses have established themselves in the Senegal Valley and are growing sugar cane, tomatoes and rice on the land of dispossessed farmers along the Senegal River. In many regions, foreign companies (particularly from China, Italy and Spain) are undertaking large-scale cultivation of fruit and vegetables. This production requires huge quantities of water, which these companies access using their own pumping plants. This has resulted in ground water levels dropping in the surrounding villages, making life even harder for small farmers.

Large domestic and particularly international agribusinesses have established themselves in the Senegal Valley and are growing sugar cane, tomatoes and rice on the land of dispossessed farmers along the Senegal River.

In the region around Kaolack, Fatick and Diourbel, where farming is dominated by peanut cultivation (and depends on global market prices), Suneor exploits its monopoly as the only edible oil company by paying low wages and refusing to agree any minimum purchase quantities. It can often take months for peanut farmers to dispose of their

production. Instead, low-quality oil is imported from countries such as Brazil for internal consumption, while Suneor produces high-quality cooking oil for export. This has led to the population of areas such as Kaolack sinking further into poverty and many people feeling forced to move away from the region.



President Macky Sall in Casamance in March 2014: The promised agricultural program to promote rice production in the region has not yet been introduced. | Source: © MAXPPP, Photo Panapress, picture alliance.

The prices of essential foodstuffs such as rice, sugar and oil were slightly reduced immediately after Sall took office. This initially resulted in traders holding on to their goods in the hope of keeping prices high. As all products are imports, in the end a solution was found using tax waivers to compensate for the negative effects of price reductions on traders. However, government-imposed reductions in food prices and rents (the latter were pushed through in January 2014, despite widespread protests)⁷ seem to contradict the President's liberal rhetoric. When the government examined the issue with consumer protection experts, it was more a question of how to support local production and the consumption of local produce. Macky Sall promised to introduce a major agricultural program to promote rice production by small farmers in the Casamance

7 | "Baisse Du Loyer: Voici Le Tableau Des Nouveaux Tarifs!", *Dernière minute*, 24 Jan 2014, <http://derniereminute.sn/baisse-du-loyer-voici-le-tableau-des-nouveaux-tarifs> (accessed 23 Apr 2014).

region. The aim was to improve the region's economy but also to contribute to the peace process. However, to date this program has not yet been introduced.

The Never-Ending Saga of the Energy Crisis

The electricity supply is one of the greatest challenges facing the Sall government. The International Monetary Fund has warned that the running deficit of Senegal's energy sector could cost it two per cent in economic growth every year.⁸ The Sall government is still paying out considerable sums for energy imports, meaning that it is plunging deeper into debt and remains dependent on imports. On the one hand, the government talks of a shift towards alternative energy, while in reality it has so far made little use of renewable energies, particularly the potential of solar power.⁹ In contrast, Dakar recently ratified the agreement signed by Wade with Seoul according to which the Koreans would be allowed to build a coal-fired power station in Senegal. This will certainly not make Senegal more autonomous in terms of its energy production. Instead, it will continue to incur debts in the construction of the power plant and the resulting permanent coal imports.

The government talks of a shift towards alternative energy, while in reality it has so far made little use of renewable energies, particularly the potential of solar power.

Third Decentralisation Reform and Stability in Casamance

The Acte III decentralisation reform is a renewed attempt to strengthen the local authorities. Macky Sall is keen to increase their funding in order to improve efficiency. The following changes are designed to simplify the previous structure of these authorities: the upgrading of rural *communautés* to the status of communes (*communalisation universelle or intégrale*); the upgrading of *départements* and

8 | *The Africa Report*, No. 56, Dec 2013-Jan 2014 (prognoses 2013 and 2014).

9 | The objective is to achieve 20 per cent of energy generation from renewable sources by 2017, but at present the national figure is only four per cent. Cf. Arnaud Zagbai, "Sénégal: Le Gouvernement sénégalais s'engage à la promotion des énergies renouvelables", *Médiaterre*, 21 Feb 2014, <http://mediaterre.org/afrique-ouest/actu,20140221151823.html> (accessed 23 Apr 2014).

the dissolution of the previously higher-ranking regions (*départementalisation*); and the enhancement of the natural characteristics of geographical, cross-*département* areas (*territorialisation*).

However, this well-meaning attempt at introducing reforms is controversial. It comes at a time when the territorial reform of 1996 with the creation of new regions and the transfer of key competences to the local authorities has achieved first positive results. The local population of the new and remote regions like Kedougou regard the dissolution of the region as local authority as a step backwards. There are many who seem to view the regionally subordinated *département* as too weak and unable to counter-balance the central authority. Furthermore, it is criticized that such a fundamental reform could not be carried out correctly until the local elections in June, potentially even causing problems during these elections.

Failure to resolve the Casamance conflict will result in negative consequences for national and local politics. The Casamance region's favourable agricultural conditions are being inadequately exploited.

President Sall's legitimacy is strongly dependent on resolving the Casamance conflict. Failure to achieve this will result in negative consequences for national and local politics.

The Casamance region's favourable agricultural conditions are being inadequately exploited. The region could also be used much more intensively as a transport route from the coast to the interior, and also as a trading route with neighbouring countries. The civil population can only pursue their agricultural activities to a limited extent, because armed rebels are blocking access to arable land and land mines also present a serious threat. War economies have long been operating in the unstable border regions between Gambia, Senegal and Guinea-Bissau. These are headed up by transnational gangs engaged in smuggling drugs, arms and people and that have close ties to rebel groups in the Casamance. It is therefore easy for regional conflicts to spill over into the unstable Casamance region.

Macky Sall set up a high-level advisory group and in 2013 the rebel organisation, the MDFC (Mouvement des forces démocratiques de la Casamance), declared itself willing to enter talks. Other bodies such as the Community of St. Edigio, the Collectif des Cadres Casamançais and other

national and international organisations are working discreetly, but effectively, towards peace talks. The various rebel groups are involved in the talks and now almost all sides seem ready to enter into serious peace negotiations. In Senegal's planned third decentralisation reform (Acte III), the Casamance is to become an economic and geographical *territoire* pilot region for local self-government and thus achieve a degree of autonomy. If consistently followed through, this would prove to be a clever manoeuvre. It seems to provide a way of moving closer to a resolution to the conflict.

Institutional Reforms

One of Macky Sall's first planned institutional reforms was to reduce the cost of government. To this end, he created a national commission (Commission nationale de réforme des institutions, CNRI), headed up by the Chairman of the Assises Nationales, Amadou Makhtar Mbow. 59 presidential agencies were abolished, the presidential jet was sold and the embassies and consulates in Madagascar, Cuba and Indonesia closed. By dissolving the Senate, Sall also reduced the number of government ministers, but at the same time he created new posts. There are currently 34 ministries, as opposed to the 25 that were announced.¹⁰ The President has also reinstalled the Economic and Social Council and expanded it by including responsibility for the environment (Conseil Economique, Social et Environnemental). This hardly represents a streamlining of government.

In February 2014 the Commission for Institutional Reform (CNRI) handed Macky Sall its findings.¹¹ More than 150 proposed constitutional changes are aimed at decentralising party and state. Plurality of offices is to be prevented, and it should be made easier for citizens to participate and keep a check on public agencies. Four members of the government have criticised these proposals because they seem to be heading in the direction of a new constitution. Macky Sall is presumably reluctant to take this step.

10 | "Composition du gouvernement", Government of Senegal, <http://www.gouv.sn/Decret-no-2013-1223-du-02.html> (accessed 23 Apr 2014).

11 | Mehdi Ba, "Excès de zèle?", *Jeune Afrique*, 54, 23 Feb-1 Mar 2014.

To date, the salaries of local authority chairmen and mayors have not been cut, but only village heads still receive expenses. Government spending in the energy sector also remains high. There seems little chance of achieving the objective of reducing the budget deficit to 4.6 per cent of GDP in 2014. However, the government has been able to make savings on pensions and civil servants' salaries. A detailed investigation conducted in early 2013 confirmed suspicions that for many years pensions had been paid out to deceased civil servants.¹² The investigation also showed that hundreds of civil servants were still drawing salaries after they had left office.

One of the current administration's major aims is to prosecute cases of corruption in the former Wade government. To this end, Macky Sall created the Office national de lutte contre la fraude et la corruption (OFNAC) and established a court charged with fighting illegal enrichment (Cour de Répression de l'Enrichissement Illicite). In April 2013, Karim Wade, one of former President Wade's sons, was arrested and charged with corruption and the misappropriation of state funds. His assets in foreign accounts are estimated at 115 million euros.¹³ Under his father, he headed up several ministries (air transport, energy, international cooperation with Arab and Asian states, infrastructure, territorial administration). He was commonly known as the "Minister for Heaven and Earth". Proceedings are underway against another five ministers.

In April 2013, Karim Wade, one of former President Wade's sons, was arrested and charged with corruption and the misappropriation of state funds.

Another scandal affecting the ex-ruling PDS party relates to former minister Aida Ndiongue. She is accused of embezzling some 70 million euros under Wade and has been in detention since December 2013.¹⁴ The former head

12 | "Rapport de l'audit physique des agents de l'État: Des morts, des agents absents du Sénégal..., payés par l'État", leral.net, 6 Jul 2013, http://leral.net/Rapport-de-l-audit-physique-des-agentes-de-l-Etats-Des-morts-des-agentes-absents-du-Senegal--payes-par-l-Etat_a88592.html (accessed 23 Apr 2014).

13 | Frédéric Couteau, "A la Une: Karim Wade derrière les barreaux", *RFI*, 18 Apr 2013, <http://rfi.fr/emission/20130418-une-karim-wade-derriere-barreaux> (accessed 23 Apr 2014).

14 | Mohamed Tidiane Niaye, "L'argent présumé illicite d'Aida Ndiongue évalué à 47 milliards 675 millions", *Agence de Presse Sénégalais*, 17 Jan 2014, <http://aps.sn/newsedit/spip.php?article123579> (accessed 23 Apr 2014).

of the land register office, Tahibou Ndiaye, also went to prison. However, he managed to buy his freedom in August 2013 by paying back the 7.9 billion CFA francs the court had convicted him of embezzling. These kinds of court proceedings have weakened the remaining opposition from the old administration. Whether this continues will be demonstrated in the local elections planned for June 2014.

But the new government is not exactly a shining example of transparency. The Office for Public Tenders (Direction Centrale des Marchés Publics) has accused the Sall government of awarding 24 per cent of contracts without a public call for tenders in the last six months of 2012. As a result of this, in September 2013, Sall dismissed a number of ministers as part of his government reshuffle. Finance minister Amadou Kane was replaced by the former director of the tax authority, Amadou Ba; and Prime Minister Abdoul Mbaye was replaced by former justice minister and human rights advocate Aminata Touré. By calling this figurehead of the protest movement to serve in public office, Macky Sall has managed to largely neutralise the potential for protest in civil society. The current political opposition is therefore made up of the remains of the PDS and a few civil society groups that have not yet been absorbed into the coalition.

The appointment of Aminata Touré has been welcomed around the world. She made her name during the trial against the former dictator of Chad, Hissène Habré, and through her work for human rights. However, there have been growing tensions between Touré and Macky Sall. Sall's supporters have accused the highly-popular Touré of weakening the President and reducing his chances of re-election. There are fears of yet another cabinet reshuffle, the third since Sall took office.

Sall's supporters have accused the highly-popular Touré of weakening the President and reducing his chances of re-election. There are fears of yet another cabinet reshuffle, the third since Sall took office.

Macky Sall is also attracting strong criticism from his own ranks because he has accepted people into his ruling coalition – and rewarded some with high-ranking positions – from different parties and with different ideologies. Like his predecessor, the current President was elected by a broad party coalition. So the government and presidential office are made up of liberals, socialists and former communists.

Sall is keen to hold fast to his role as moderator, as his APR party (Alliance pour la République) is currently too weak to achieve major successes in the upcoming local elections.

The President's party is more attractive at regional level. Many local politicians can expect election success if they switch to the President's party. This not unusual party political nomadism can also be observed in the Sall administration. Politicians and voters alike are keen to bat for the strongest team if it means they can gain personal advantage. In addition, voting decisions in Senegal are generally made based on individuals and personalities.

So far, the Sall government has failed to address the problem of illegal land distribution in systematic fashion. On the contrary, land continues to be given away at will, for example in Diogoye and other places in the "vegetable belt" near Dakar, in the Kedougou region and along the Senegal River.

Social Issues

Senegal is one of the poorest countries in the world. Half of the population can neither read nor write, 46.7 per cent of people live on less than two U.S. dollars a day,¹⁵ and according to the World Health Organisation, child malnutrition has actually increased.¹⁶ The population is growing by almost three per cent a year, urbanisation is increasing as people migrate from rural areas and the high birth rate continues to soar (Table 1).

The country's education system remains in a state of crisis. Although the government was able to curtail the strikes by the teachers' unions and recently signed an agreement that addressed many of the unions' concerns, morale among teachers remains low and the level of school drop-outs is still high. In recent times, a number of new elementary, secondary and grammar schools and even some new universities have been established in order to at least

15 | The World Bank, "Sénégal", 2012, <http://data.worldbank.org/country/senegal> (accessed 23 Apr 2014).

16 | United Nations, Office for the Coordination of Humanitarian Affairs, "2014 Aperçu des besoins humanitaires. Sénégal", Nov 2013, https://docs.unocha.org/sites/dms/CAP/HNO_2014_Senegal_FR.pdf (accessed 23 Apr 2014).

meet the quantitative targets of the Millennium Development Goals by 2015. However, the quality of education still leaves much to be desired and job opportunities for high school and college graduates remain scarce.

Table 1

Facts and figures on Senegal

Population	13.7 million (2012)
Population growth	2.9 per cent (2012)
GDP	14.05 billion U.S. dollars (2012)
Per-capita GDP	797 U.S. dollars (2012)
Life expectancy	63 (2011)
Inflation	1.4 per cent (2012)
People below the poverty line	46.7 per cent (2011)
Child mortality	5 per cent
Urban population	43 per cent
Adult literacy	50 per cent
International aid	1.1 billion U.S. dollars
Foreign direct investment	338 million U.S. dollars
Mobile phone usage	88 per cent
Main export	Phosphates

Sources: Authors' own compilation. The World Bank, n. 15;
The Africa Report, n. 8.

At present there are very few state-run vocational schools, and university degrees often fail to meet the needs of the labour market. Many new, private colleges and vocational schools have been set up, but they tend to act as a collecting tank for students with no school-leaving qualifications and provide no guarantee of a job. A government body is officially responsible for checking the quality of education offered by private institutions, but for financial and staffing reasons, these education offices are unable to carry out their responsibilities satisfactorily. Macky Sall has set up a

special commission to tackle fundamental reforms to the education system, but it has not been working yet to full extent due to financial reasons.

In the summer months there are often water shortages, and this became a serious issue in September 2013, when Dakar's municipal water supply broke down. For weeks, this capital city of four million inhabitants was unable to supply households with running water, leading to a serious risk of social unrest, as happened in the summer of 2011. Even though the damage was quickly fixed and there have been no supply problems since, maintaining rural water supplies still represents a major challenge.



Village school in Djirne: In recent times, a number of new schools and even some universities have been established in order to at least meet the quantitative targets of the Millennium Development Goals by 2015. | Source: © KAS Senegal/Mali.

So far, the Sall government has not been able to significantly improve the infrastructure of rural areas, although new connecting roads between larger towns and cities were built in his first two years in office. Many places, including district capitals are still only accessible by dirt roads that are impassable during the rainy season. There are plans for the country's rail network to be completely refurbished and expanded with help from the Chinese, which should help to resolve some of the inland transport and supply problems. However, this is unlikely to result in more jobs for the Senegalese, as the Chinese investors will bring their own workers with them.

The police and army are being strengthened by the addition of local police stations in every quarter in Dakar (commissariat de proximité), in an attempt to combat the city's growing crime rates. However, many people still feel unsafe, especially in the outlying areas. Some have reacted by forming unofficial militias, although their willingness to use violence and their lack of professionalism have created problems of their own, and there have even been reports of lynchings.

The universal health coverage (*couverture universelle maladie*, CUM) that was promised when the government came to power was officially introduced in September 2013, but remains at the planning stage due to unresolved funding issues. The aim of the scheme is to increase the number of insured citizens from 18 per cent in 2010 to 95 per cent by 2017, as was announced by Prime Minister Touré in her government statement in October 2013.¹⁷ However, the informal sector is organising, and the new Union of Informal Workers could in the long run also become an agency for implementing universal health coverage.

The aim of the universal health coverage scheme is to increase the number of people with health insurance from 18 per cent in 2010 to 95 per cent by 2017.

One popular move that is, however, in need of closer scrutiny is the introduction of a minimum pension and family allowance for poorer families (*bourse de sécurité familiale*), a concept that originated in Latin America.¹⁸ Under this scheme, up to 250,000 families who live below the poverty line (almost half of the population) receive an annual allowance of 100,000 CFA francs (150 euros). Many observers do not see this as a serious solution but more of an election campaign tactic in a local election year. For one thing, 150 euros is simply not enough for a family to solve its financial problems or make investments in the long term, and the fact that these allowances will be funded out of the education budget means many students will now have to survive without a minimum grant.

17 | "L'intégralité de la déclaration de politique générale du PM Aminatou Touré", *Le Soleil*, 28 Oct 2013, http://lesoleil.sn/index.php?option=com_content&view=article&id=33040 (accessed 23 Apr 2014).

18 | "La bourse de sécurité familiale", Government of Senegal, <http://www.gouv.sn/La-bourse-de-securite-familiale.html> (accessed 23 Apr 2014).

Economic Development

In order to stimulate economic growth and help pass on the benefits to broad sections of the population, the Sall government is adopting an integrative approach with its *Stratégie Nationale de Développement Economique et Social*. It is much more focused on the principle of “inclusive growth” than the previous government. The aim is to reduce absolute poverty and social inequality. However, this approach has not yet produced any concrete results. According to the World Bank, the top 20 per cent of the population still accounts for half of all goods and services consumed.¹⁹ One of the key drivers of this social inequality is the regional allocation of government expenditure.

Economic growth continues to be relatively low, but it is at least stable.²⁰ The government is actually hoping to see an annual growth rate of six per cent by 2017²¹ – a very ambitious target. As a result of sufficient rainfall, good agricultural yields, an increase in the mining of raw materials and higher exports of fruit, vegetables and seafood, Senegal's exports rose by 18.6 per cent in 2013, which also had the effect of raising the already high import ratio (20.4 per cent) in December 2013. However, in 2013 the overall export rate went down by 0.7 per cent, and the import rate decreased by 0.4 per cent..²²

According to estimates by the International Monetary Fund and the French Directorate General, at least two-thirds of Senegal's GDP is achieved by the informal sector.²³ In the World Bank's 2014 *Doing Business Report*, Senegal dropped two places from 176 to 178 out of a total of 189

19 | Groupe Consultatif 2014, *Evaluation quantitative du DSRP-II – Dynamique de la pauvreté monétaire*, 24-25 Feb 2014, 10, <http://www.gcsenegal.gouv.sn/docs/GC2014-012%20-%20Note%20-%20Evaluation%20quantitative%20du%20DSRP-II.pdf> (accessed 23 Apr 2014).

20 | N. 15; n. 8.

21 | Government statement by the Prime Minister in October 2013, n. 19.

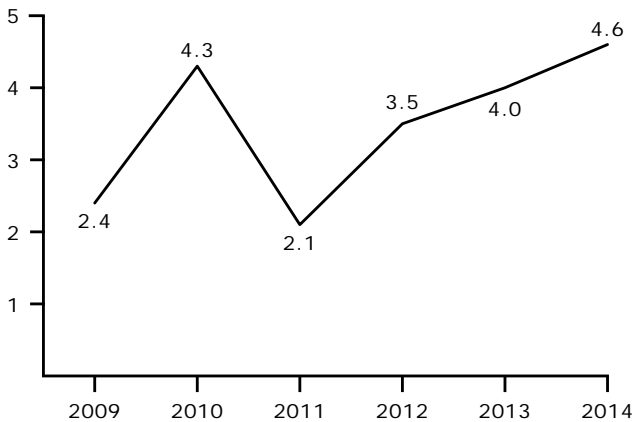
22 | Senegal National Agency of Statistics and Demography (ANSD), *Repères Statistiques Décembre 2013*, Dec 2013, 7, http://www.ansd.sn/publications/conjoncturelles/ReperStat/ReperStat_12_13.pdf (accessed 30 Apr 2014); n. 15.

23 | N. 8; France's Ministry of Economy and Finances, “Sénégal”, Trésor, <https://www.tresor.economie.gouv.fr/pays/senegal> (accessed 23 Apr 2014).

countries.²⁴ Many business start-ups fail due to excessive bureaucracy, the country's insolvency laws are weak and establishing cross-border trade is fraught with difficulties. Added to this is the fact that the financially weak population is not in a position to invest in entrepreneurial activities. Most people's income is generally only sufficient to meet their own personal needs.

Fig. 1

Economic Growth in Senegal 2009 to 2014 in per cent



Sources: Authors' own chart. ANSD, *Situation Économique et Sociale du Sénégal en 2011*, Feb 2013, http://www.ansd.sn/publications/annuelles/SES_2011_def.pdf (accessed 30 Apr 2014); Directorate of Prognoses and Economic studies (DPEE), *Situation Économique et Financière en 2013 et Perspectives 2014*, Nov 2013, 3-4, http://www.dpee.sn/IMG/pdf/sef_2013_perspectives_2014.pdf (accessed 30 Apr 2014).

Senegal is still extremely dependent on foreign, mostly short-term, loans. In June 2013 the government announced that it planned to issue a ten-year 500-million-U.S. dollar Eurobond in order to provide long-term financing for key infrastructure projects.²⁵ Following the change of government in 2012, international donor countries also agreed

24 | The World Bank, *Doing Business 2014. Economy Profile: Senegal*, 11th Edition, 2013, <http://doingbusiness.org/data/exploreconomies/senegal/~media/giawb/doing%20business/documents/profiles/country/SEN.pdf> (accessed 23 Apr 2014).

25 | Souleye Seneko, "Marchés Internationaux: Le Sénégal Veut Lever 500 Millions De Dollars", Senecoplus, <http://senecoplus.com/marches-internationaux-le-senegal-veut-lever-500-millions-de-dollars> (accessed 23 Apr 2014).

to increase ODA funding by seven per cent (2013). In February 2014, Macky Sall arranged an Advisory Group meeting in Paris where he presented his Plan Sénégal émergent (PSE) to donors and development partners. As a result of this meeting, Senegal was able to secure funding commitments of more than 3.7 billion CFA francs (56 million euros),²⁶ double the amount needed. This meant the government would have sufficient funding to implement its development plans in the medium term.

In order to stimulate competition in the communications sector, the government hopes to see a fourth mobile telecommunications provider enter the market (alongside Orange, Expresso and Tigo): Sudatel, whose founder, however, is currently in prison facing charges of corruption and tax evasion. The current government also intends to continue some of the key infrastructure projects started under the Wade government, including the new airport in Diass, 45 kilometres south of Dakar.

However, other plans such as a major mining project have remained on ice for years. The mining group Arcelor Mittal signed an agreement with Senegal in 2007 to mine iron ore but never followed up on the project because of the global economic and financial crisis. Also the government wanted to take away their right to mine the iron ore reserves in Falémé, which prompted the company to take legal action. In September 2013, the dispute was settled in the government's favour, allowing it to begin seeking new investors.

In a 2012 report, Greenpeace claimed that illegal fishing by foreign fishing boats off the coast of Senegal alone amounted to 125,000 tons per year, equivalent to 28 per cent of Senegal's annual catch.

Immediately after taking office, Macky Sall declared that one of his top priorities was to put a stop to the illegal fishing by foreign fishing boats that are largely responsible for the problem of over-fishing off the coast of West Africa. In a 2012 report, Greenpeace claimed illegal fishing by foreign fishing boats off the coast of Senegal alone amounted to 125,000 tons per year, equivalent to 28 per cent of Senegal's annual catch. And in January 2014,

26 | "Plan Sénégal émergent: Les bases d'un programme ambitieux", leral.net, 16 Feb 2014, http://leral.net/Plan-Senegal-emergent-Les-bases-d-un-programme-ambitieux_a106573.html (accessed 23 Apr 2014); cf. "Press Review – Admiring logs results to the Advisory Group Paris", Allodakar, 25 Feb 2014, <http://allodakar.com/?p=4018&lang=en> (accessed 23 Apr 2014).

Senegalese authorities seized the Russian factory ship the *Oleg Neydenov*, which was fishing illegally off the south coast of Senegal. The authorities accused the crew of repeatedly fishing illegally in Senegal's exclusive economic zone (EEZ) and demanded the payment of fines.²⁷

Meanwhile, fishing experienced another general upsurge with the acquisition of the *Société de Conserverie en Afrique* by the South Korean company Dongwon. The company invested 13.2 billion CFA francs (20 million euros), specifically in order to revive tuna fishing.

Regional Responsibility

Senegal remains a stabilising influence in a region of West Africa that is subject to substantial political and social upheavals, and Macky Sall appears to be well aware of the responsibilities the country has when it comes to regional issues. For a small country, Senegal has a relatively high number of representatives in international organisations and missions. At the beginning of last year, for example, the Senegalese government sent 500 soldiers to Mali to support the West African ECOWAS task force. Another international success was the setting up in February 2013 of a new court of law to handle the trial of Hissène Habré, the former dictator of Chad,²⁸ with the support of the African Union.

Macky Sall also gave new impetus to the negotiations on an Economic Partnership Agreement (EPA) with the EU, which had been bogged down for years. As the leader chosen to head up discussions on behalf of the ECOWAS countries,²⁹ he was able to negotiate a compromise between the parties. The ECOWAS countries have agreed to a 75 per cent opening-up of their markets over 20 years, while the EU for its part will remove subsidies from exports to West Africa and will provide financial support for infrastructure and energy projects in the region.³⁰

27 | Markus M. Haefliger, "Krach zwischen Senegal und Russland", *Neue Zürcher Zeitung*, 21 Jan 2014, <http://nzz.ch/-1.18225385> (accessed 23 Apr 2014).

28 | Habré enjoyed political asylum in Senegal under Wade after being deposed in the fall of 1990, but was arrested in June 2013.

29 | Economic Community of West African States (ECOWAS).

30 | "Le compromis sur les APE trouvé sous la supervision de Macky Sall", *Le Soleil*, 25 Mar 2014.

OTHER AREAS WHERE ACTION IS NEEDED AND PROSPECTS FOR FUTURE PROGRESS

Senegal's future lies in economic development and the social security it must bring with it. What is lacking, however, is an economic model that is right for an African developing nation and which is capable of both redistributing wealth and reducing poverty. It is precisely this kind of model that is missing from the current government's 20-year strategy, the PSE. The new government would give some credence to its desire for inclusive growth if it conducted an open political debate on an appropriate economic model for Senegal.

The Muslim community is extremely well organised. Approximately 84 per cent of believers belong to one of the two big Sufi orders.

The government also needs to seriously address the role of religion and its growing influence on the country's politics. The Muslim community (94 per cent of the population) is extremely well organised. Approximately 84 per cent of practising Muslims belong to one of the two big Sufi orders (Mourides and Tijaniyyah), while Christians make up five to six per cent of the population. Many religious adherents also claim to be followers of traditional religions that are practised in parallel with Islam and Christianity. So far, the various religions have been able to co-exist peacefully within Senegal. However, more fundamental interpretations of Islam are on the rise, with more Arab contributors investing in Islamic education, religious buildings and charitable organisations. As a Sahel country, Senegal also borders countries where there are active Islamist terrorist groups.

Although the Senegalese state is basically secular, religious actors have been increasingly exerting more influence on the country's politics since the time of President Senghor. The two largest Muslim brotherhoods in particular have very close ties with the country's political elite. The state has invested in infrastructure projects in the Mourides city of Touba, for example, while preventing Christian minorities in some towns and cities from building churches. The Sall government therefore needs to ensure that religious influence on politics, society and education does not threaten religious freedom.

In this respect, the influence of the Sufi brotherhoods is less of a concern than the rise of more fundamental and extremist Islamic movements. Many graduates of Arab schools and universities have few prospects of finding a job. Spurred on by Arab ideology, it is easy for them to succumb to the temptation to join these movements. This is happening with increasing frequency and experts believe there could be thousands of unknown Islamist extremists in Senegal alongside the faithful who might be tempted to extremism.

Along with religion, gender equality is another factor that continues to play a key role in Senegal's development. Discrimination against women is still firmly rooted in the country's family laws and there has as yet been no harmonising of these laws with the international agreement the country signed on gender equality and the equal treatment of women. While it is true that various regulatory measures relating to gender equality have been introduced, discrimination against women remains both an obstacle to progress and a human rights issue. For women in rural areas in particular, access to political institutions is still very difficult, while many are forced to marry before they reach adulthood and often suffer from domestic violence. Men may legally take up to four wives and have unlimited power over them, leaving women effectively powerless to defend themselves.

President Sall also has to tackle the problem of unresolved territorial disputes. The Casamance conflict is not the only one in Senegal. Senegal's overall stability is seriously threatened by conflicts in the regions bordering Gambia and Guinea, by local conflicts in the Kédougou region and by regional influences coming out of the Sahel. There is a serious need for constructive crisis prevention strategies – and the sooner the better.

The intended reforms announced by Macky Sall remain very much at the planning stage. This includes once again limiting the presidential term of office to five years after it was extended by President Wade. In February, Sall announced in Paris that he is now planning to do this. However, one of the main tasks ahead of him is restoring the government's legitimacy. Failure in this respect could have a negative

impact on his re-election and on the country's democratic progress. Senegal's people increasingly demand tangible results. This will be the gauge by which voters will measure their President at the next elections.

HERO OR TRAITOR?

**DIFFERING PERCEPTIONS ON EDWARD SNOWDEN,
THE NSA AND DATA PROTECTION IN GERMANY AND
THE USA**

Stefan Burgdörfer / Daniel Fuglestad

Edward Snowden's leaks regarding the collection of data and the working practices of American intelligence agencies have created upheaval in the international political arena, angered citizens in dozens of countries and in some cases severely strained relations between their governments and the United States. The relationship between the USA and Germany has been particularly badly affected. Revelations about the fact that the United States conducted surveillance on German citizens caused anger in Germany. Relations between the two countries were impacted further when it became public knowledge that the NSA (National Security Agency of the United States) had conducted surveillance operations in Germany without German consent, going as far as monitoring the Chancellor's mobile phone.

Initially, the majority of Germans were outraged over Edward Snowden's revelations, as were the Americans. Due to past experience, both countries rate the protection of civil liberties very highly. Germany, for its part, had seen two dictatorships violate the privacy of its citizens in the last century through secret service activities. Analogously, Americans are proud of their constitutionally guaranteed liberties and never grow tired of stressing the efforts they made and losses they took to win them. However, the longer the reporting on Snowden continues and the more widespread the repercussions of the events become – a board of inquiry of the German Bundestag initiated work on this matter in March – the clearer the rift between the USA and Germany becomes. Most Americans have now turned resolutely against Snowden and refuse to clearly condemn the activities of the NSA, while anger in Germany



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has mounted and Snowden is increasingly being hailed as a hero; in fact, in April, the University of Rostock offered him an honorary doctorate.

These diametrically opposed developments should, however, not detract from the fact that the current controversy over the work of security agencies, and the proper balance between security and freedom, has caused a significant split in U.S. society. Center-left Democrats and center-right Republicans – i.e. the political main stream – have marked Edward Snowden as an enemy, while far-left liberals, the Republicans of the “Tea Party” movement and centrist independents are attacking the NSA. This split is also illustrated by the fact that even though the justice system would prosecute Edward Snowden if he entered the country, the British newspaper *The Guardian* as well as *The Washington Post*, which had published Snowden’s information, received this past April the Pulitzer Prize, the most distinguished media award in the country.

Sensenbrenner, a Republican who was instrumental in drafting the Patriot Act after the September 11 attacks, is now promoting the adoption of the Freedom Act.

This disunity in society, and particularly in Congress, makes it difficult for politicians, such as U.S. Congressman Jim Sensenbrenner, to gain majority support for a substantive reform of the intelligence services. Sensenbrenner, a Republican who was instrumental in drafting the Patriot Act after the September 11 attacks, which had made it possible for intelligence services to assume far-reaching powers in the first place, is now promoting the adoption of the Freedom Act, which would curtail these powers. In March, on a visit to Berlin to conduct political talks at the invitation of the Konrad-Adenauer-Stiftung, Sensenbrenner said: “The NSA needs to be significantly reformed, and significantly reformed legislatively, so that they do not have a blank check for what they have done. [...] I think that we should learn lessons to make sure that there is never another American Edward Snowden that appears on the scene and has these types of revelations.” Sensenbrenner’s urging shows that the interests of the two countries as well as the perceptions of politicians on both sides of the Atlantic are much closer than the current impression the two virtually irreconcilable estranged publics suggests.



"No more blank checks for the NSA": Republican Congressman Jim Sensenbrenner speaking at an event of the KAS on 19 March 2014 in Berlin, advocates for a "Freedom Act" that would restrict the competences of the intelligence services. | Source: © KAS.

OUTRAGE AND ANGER IN GERMANY

The debate in Germany was triggered by Edward Snowden's disclosure that his former employers were collecting NSA metadata (i.e. data on time, caller, call recipient and duration of telephone calls) from Germans in order to use them in the fight against terrorism when and as required. According to Snowden, Germans are "in bed" with the Americans regarding mass surveillance, as are all Western countries.¹ According to an ARD poll, 60 per cent of Germans viewed Snowden as a hero rather than a villain in late 2013, though far less respondents thought Germany should grant him asylum.² In addition, 58 per cent supported the suspension of current negotiations on a free trade agreement with the USA until the NSA scandal was resolved.³ 78 per cent expected Chancellor Angela Merkel to act resolutely against the USA.⁴

1 | Jacob Appelbaum and Laura Poitras, "Als Zielobjekt markiert", *Der Spiegel*, No. 28/2013, 8 Jul 2013, <http://spiegel.de/spiegel/print/d-102241618.html> (accessed 28 Apr 2014).

2 | "Snowden ist für Mehrheit ein Held", *Kölner Stadt-Anzeiger*, 8 Nov 2013, <http://ksta.de/politik/15187246,24939022.html> (accessed 28 Apr 2014).

3 | Jacob Appelbaum et al., "Der unheimliche Freund", *Der Spiegel*, No. 44/2013, 28 Oct 2013, <http://spiegel.de/spiegel/print/d-118184380.html> (accessed 28 Apr 2014).

4 | Sven Becker et al., "Indispensable Exchange: Germany Cooperates Closely with NSA", *Spiegel Online*, 8 Jul 2013, <http://spiegel.de/international/world/a-909954.html> (accessed 28 Apr 2014).

Snowden's documents substantiated some peoples' suspicions about close cooperation between the intelligence services. According to his information, U.S. intelligence agencies provided data to the Germans upon their request on 1,800 occasions, while there were 800 cases where data moved in the opposite direction.⁵ Despite massive public opposition in the middle of last year's election campaign, the Chancellor defended intelligence cooperation with the United States. She described comparisons between the NSA and the Stasi as unprofessional and disrespectful to those who had suffered under the East German regime.⁶ The SPD and other parties, however, sought to use the controversy of the transatlantic intelligence cooperation to their own ends, but failed. The fact that the rather conciliatory stance of the German government did not end up undermining support for the Chancellor in the polls, in spite of strong criticism from the opposition and considerable resentment among the population, also illustrated that while the Germans were angry with the USA during the initial weeks of the scandal, the cordial relationship between the two sides did not seem to be seriously threatened. Ultimately, the Germans re-elected with an almost absolute majority a Chancellor dedicated to the transatlantic alliance.

The SPD and other parties, sought to use the controversy of the transatlantic intelligence cooperation to their own ends, but failed.

During the following months, further disclosures by Snowden were published on the manner in which the NSA was undertaking widespread spying in Germany without permission from the German government – including illegal data transmissions from its embassy and consulates. The Chancellor expressed her outrage, and the German public responded with an even greater degree of anger when the extent of the violations of privacy became known, which many considered a sign of disrespect toward their country.⁷ The fact that German intelligence had a helicopter conduct a flyover of the U.S. consulate in Frankfurt can

5 | "Merkel Speaks: Chancellor Defends Intelligence Monitoring", *Spiegel Online*, 10 Jul 2013, <http://spiegel.de/international/germany/a-910491.html> (accessed 28 Apr 2014).

6 | "NSA und Stasi sind zwei völlig verschiedene Dinge", *Frankfurter Allgemeine Zeitung*, 10 Jul 2013, <http://faz.net/aktuell/politik/-12277502.html> (accessed 28 Apr 2014).

7 | "Karl Theodor zu Guttenberg on GPS: Everybody Spies", *CNN*, 3 Nov 2013.

be interpreted as an aggressive political signal of German displeasure.⁸ A visit by American politicians intended to smooth things over backfired when they refused to apologise for the spying and instead defended the NSA's activities.⁹ While the White House spokesman promised that the Chancellor would not be spied on in future, many commentators in the USA defended the activities on the grounds that the terror attacks of 9/11 had been partly planned in Hamburg. Trust between the United States, the Germans and the German government hit rock bottom.

ANGER IN THE LAND OF THE FREE

In the United States, people initially reacted to Snowden's actions with similar outrage as in Germany. Citizens, politicians and the judiciary condemned the NSA's activities, and this disapproval was, initially, virtually unanimous.¹⁰ The majority of Americans considered Snowden a patriot and did not want him prosecuted, although their objection was not as strong as that against the entire NSA program.¹¹ A Gallup poll conducted directly after the scandal broke, for instance, showed that 53 per cent of Americans disapproved of the surveillance program while 37 per cent approved, yet only 44 per cent thought that Snowden had done the right thing by exposing it while 42 per cent disagreed with this.¹² After the news about the spying on Angela Merkel, 56 per cent of American respondents in a

The majority of Americans considered Snowden a patriot and did not want him prosecuted, although their objection was not as strong as that against the entire NSA program.

- 8 | Matthias Gebauer, "NSA Affair: Germans Conduct Helicopter Flyover of US Consulate", *Spiegel Online*, 9 Sep 2013, <http://spiegel.de/international/germany/a-921257.html> (accessed 28 Apr 2014).
- 9 | Raniah Salloum, "US-Gesandte in Berlin: Die zwei Beziehungsarbeiter aus Amerika", *Spiegel Online*, 25 Nov 2013, <http://spiegel.de/politik/ausland/a-935573.html> (accessed 28 Apr 2014).
- 10 | Emily Swanson, "NSA Leaks: Poll Finds Americans Divided Over Edward Snowden's Actions", *The Huffington Post*, 13 Jun 2013.
- 11 | Jonathan D. Salant, "Snowden Seen as Whistleblower by Majority in New Poll", Bloomberg, 10 Jul 2013, <http://bloomberg.com/news/2013-07-10/snowden-seen-as-whistleblower-by-majority-in-new-poll.html> (accessed 28 Apr 2014).
- 12 | Frank Newport, "Americans Disapprove of Government Surveillance Programs", *Gallup Politics*, 12 Jun 2013, <http://gallup.com/poll/163043/americans.aspx> (accessed 28 Apr 2014).

poll agreed with the statement that it is unacceptable for the U.S. to monitor the phones of allied leaders.¹³

Members of Congress also voiced their outrage. In spite of this, a presidential bill that would have reformed the NSA's activities was defeated in the House of Representatives with 217 against 205 votes. The rejection was by no means due to party-political tactics, but reflected fundamentally diverging positions on the relationship between freedom and security, which had split both parties into two camps: 111 Democrats and 94 Republicans voted Yes, 83 Democrats and 134 Republicans No.¹⁴

The NSA was devastated by the disclosures. The agency, a usually secretive organisation, has embarked on a belated but largely unsuccessful PR campaign.

Several legal challenges were filed against the NSA wiretapping, one of which bore fruit in December when a New York court put a suspended stay on NSA surveillance on two plaintiffs, commenting that NSA wiretapping was likely a violation of the 4th Amendment. The NSA was devastated by the disclosures. The agency, a usually secretive organisation, has embarked on a belated but largely unsuccessful PR campaign.¹⁵ The two top men at the agency, General Keith Alexander and Chris Inglis, announced their retirement.¹⁶ With challenges mounting from citizens, politicians and figures from the justice system, it appeared as though NSA spying in its current form would be brought to an end by means of the democratic process.

13 | Pew Research Center, *Most Say Monitoring Allied Leaders' Calls Is Unacceptable*, 4 Nov 2013, 2, <http://people-press.org/files/legacy-pdf/11-4-13%20European%20Monitoring%20Release.pdf> (accessed 28 Apr 2014).

14 | Laura Poitras, Marcel Rosenbach and Holger Stark, "Codename Apalachee", *Der Spiegel*, No. 35/2013, 26 Aug 2013, <http://spiegel.de/spiegel/print/d-108794834.html> (accessed 28 Apr 2014).

15 | Daniel Drezner, "Tone-Deaf at the Listening Post", *Foreign Policy*, 16 Dec 2013, http://foreignpolicy.com/articles/2013/12/16/tone_deaf_at_the_listening_post_my_day_at_the_NSA (accessed 28 Apr 2014).

16 | Shane Harris, "Top NSA Civilian Resigns As Surveillance Controversy Swirls", *Foreign Policy*, 13 Dec 2013, http://foreignpolicy.com/posts/2013/12/13/top_nsa_civilian_resigns_as_surveillance_controversy_swirls (accessed 28 Apr 2014).

ANGER TURNS TO ACCEPTANCE

But as the Snowden controversy wore on, matters took a different turn in the United States compared to Germany. This was due partly to the fact that Snowden fled first to China and subsequently to Russia – two countries that are routinely described as “enemies” in the USA outside diplomatic circles. Fears arose early on that Snowden would not be able to hold on to his secrets in these two countries and that divulging confidential information would be damaging to the USA. When the headlines would not abate, and more and more details from Snowden’s trove of data came to light, this suspicion hardened. To many people, the former intelligence employee soon appeared to lose control of the situation. It seemed that the Russian government was increasingly determining the timing and content of the disclosures.

When Snowden’s divulgements began taking their toll on U.S. foreign policy, the majority of Americans turned against him. While back in June, 38 per cent had stated they were more likely to agree that Snowden had done the right thing and 35 per cent said the opposite, these proportions reversed shortly afterwards. In July, 38 per cent compared to 33 thought he was in the wrong. In the same poll, 48 per cent were in favour of his prosecution, while 33 per cent of respondents were opposed to this.¹⁷ During the following few months, increasing disdain for Edward Snowden as a person went hand in hand with a changed perception of the NSA’s activities.¹⁸ In December, 55 per cent agreed with the statement that his divulgements harmed public interests while 34 disagreed, an almost complete reversal from most polls taken in June, immediately after the scandal began.¹⁹ All polls were by that time showing either an about-turn

17 | “More Americans Now See Snowden as Having Done the Wrong Thing”, *The Huffington Post*, 5 Jul 2013.

18 | Gregory Ferenstein, “A Majority of the Public still approves of the NSA Dragnet”, TechCrunch, 1 Aug 2013, <http://techcrunch.com/2013/08/01/a-majority-of-the-public-still-approves-of-nsa-dragnet-4-graphs> (accessed 28 Apr 2014).

19 | Pew Research Center and The Council on Foreign Relations (CFR), *Public Sees U.S. Power Declining as Support for Global Engagement Slips. America’s Place in the World 2013*, 3 Dec 2013, 32, <http://people-press.org/files/legacy-pdf/12-3-13%20APW%20VI%20release.pdf> (accessed 28 Apr 2014); cf. Drake Bruce, “Snowden Leaks Seen as Harming the Public Interest”, Pew Research Center, 17 Dec 2013.

A survey from January 2014 showed a relatively dramatic drop in support for the NSA program. However, despite this drop, a majority of Americans still want to see Snowden in jail.

or an ambivalent stance on the issues. While the insights gained through Snowden were welcomed, his activities were rejected. A survey conducted by the Pew Research

Institute in January 2014 showed that support for the NSA program itself had fallen substantially, particularly among African-American and Hispanic communities, with 55 per cent now condemning it and 41 per cent defending it. At the same time, an overwhelming majority wanted Snowden jailed for his crimes.²⁰

This position, which is only contradictory at first glance, is exemplified by a comment made by Edward Lucas writing for the magazine *The American Interest*. Under the headline "Snowden and the Fools Who Love Him", he describes the former NSA employee as a "useful idiot", whose actions had played into the hands of the enemies of the USA.²¹ Lucas does not condemn whistleblowing as such, but lists three conditions that whistleblowers would have to meet if they wanted their actions justified: "For a whistleblower to justify his breach of trust, he has to do three things. He has to expose grave wrongdoing which could not be remedied through normal channels. He has to minimise danger to public safety and security. And he should steal and leak only those materials that are relevant to his cause." According to Lucas, Snowden failed on all three counts. He published material that had nothing to do with concerns about the protection of private data, which he purported to champion. It was, for instance, not in the public interest nor to the benefit of Snowden's supposed cause to disseminate information revealing that the USA were intercepting e-mails sent by the Taliban in Pakistan and subjecting that country's nuclear program to closer scrutiny. Also, Snowden was not effectively in a position to assess the damage his divulgements could inflict: "Seemingly anodyne pieces of information can be gravely damaging when combined."

20 | Pew Research Center and *USA Today*, *Obama's NSA Speech Has Little Impact on Skeptical Public*, 20 Jan 2014, <http://people-press.org/files/legacy-pdf/1-20-14%20NSA%20Release.pdf> (accessed 28 Apr 2014).

21 | Edward Lucas, "Snowden and the Fools Who Love Him", *The American Interest*, 6 Feb 2014, <http://www.the-american-interest.com/articles/2014/02/06/snowden> (accessed 28 Apr 2014).



Edward Snowden on Russian state television: According to many Americans Snowden undermined his credibility when he fled to China and later Russia. | Source: © Pavel Golovkin, AP Photo, picture alliance.

Lucas' choice of words "grave wrongdoing" also points to a controversy within U.S. society, which is adding to the above-mentioned rift. Has the NSA broken the law or not? The Patriot Act remains imprecise on an important point. In the much-discussed *section 215*, federal agencies are granted the right to collect all "tangible things" that are "relevant" to certain investigations. The NSA interpreted this wording as meaning all "tangible things" that are "potentially relevant" and therefore also collected data without any concrete suspicions in case the information could potentially become relevant during subsequent investigations. It was particularly on this point that the Freedom Act, the bill introduced by Congressman Sensenbrenner, sought to bring about greater clarity.

The scandal has caused a deep divide in U.S. society, with the mainstream Democrats and Republicans as well as older people and women tending to support the NSA and people on the extreme political left and right, centrists and the younger generation tending to oppose the intelligence agency.²² The current situation is dire for American opponents of the NSA. Society is split, but overall leaning towards supporting the NSA. Opposition to the NSA in

22 | Pew Research Center and CFR, n. 19; cf. Scott Clement und Sean Sullivan, "Poll: Public wants congressional hearings on NSA surveillance", *The Washington Post*, 19 Jun 2013, <http://wapo.st/RTGyoZ> (accessed 28 Apr 2014).

Congress has also waned. Recently, the FISA court²³ and other judges have found in favour of the NSA collecting metadata.²⁴ Major reforms of the agency appear unlikely.²⁵ While the Supreme Court will probably hear many more arguments for and against the program, the issue is out of the hands of anti-NSA activists to a large extent.

A DIVIDE EMERGES

In July 2013, Pew conducted a poll which provides good insight into the differences between the ways Germans and Americans view the NSA's activities. The poll asked Americans whether or not they approved the program, what they knew about it and whether they thought there was sufficient oversight. According to the poll, only 30 per cent believed there is adequate oversight of the program, and 70 per cent said the state was not using it exclusively for the fight against terrorism. The remarkable aspect, however, is this: In the same poll, 50 per cent of Americans said they were in favour of the NSA program, while 47 per cent disapproved of it. Even among the 27 per cent of the respondents who believed the state spied on them personally, 40 per cent approved the NSA's practices.

While the opinion that the state has too much power has always been widespread in the USA,²⁶ Americans are less concerned about the state monitoring the Internet and their computers than Germans – and far less now than they were even in 2000, one year before the terror attacks in New York and Washington, DC.²⁷ The majority of Germans,

23 | FISA means Foreign Intelligence Surveillance Act. Emile Simpson, "The Panopticon Paradox", *Foreign Policy*, 24 Dec 2013, http://foreignpolicy.com/articles/2013/12/24/the_panopticon_paradox_nsa_war_on_terror (accessed 28 Apr 2013).

24 | Sari Horwitz, "NSA collection of phone data is lawful, federal judge rules", *The Washington Post*, 27 Dec 2013, <http://wapo.st/1nMUazN> (accessed 28 Apr 2014).

25 | Pew Research Center, *Few See Adequate Limits on NSA Surveillance Program*, 26 Jul 2013, <http://people-press.org/files/legacy-pdf/7-26-2013%20NSA%20release.pdf> (accessed 28 Apr 2014).

26 | Joy Wilke, "Americans' Belief That Gov't Is Too Powerful at Record Level", *Gallup Politics*, 23 Sep 2013, <http://gallup.com/poll/164591/americans.aspx> (accessed 28 Apr 2014).

27 | Art Swift, "U.S. Internet Users Less Concerned About Gov't Snooping", *Gallup Politics*, 24 Oct 2013, <http://gallup.com/poll/165569/snooping.aspx> (accessed 28 Apr 2014).

on the other hand, take a sceptical to strongly hostile view of secret service activities. They welcome state intervention in their daily lives to a much greater degree than Americans, for instance regarding healthcare, education or childcare. However, when it comes to intelligence activities, Germans do not want to grant the relevant authorities the wide-ranging powers, resources and mandates that Americans take for granted. For Americans, these extensive powers of their military and intelligence institutions are basically not up for debate. This is founded on a general consensus to do whatever is necessary to protect the United States against its external and internal enemies.



Members of the Sauerland group on trial in 2009: U.S. intelligence services provided the information that led to the arrest of the terror cell. | Source: © Federico Gambarini, dpa, picture alliance.

WHERE DO WE GO FROM HERE?

For the above-mentioned reasons, the U.S. government is not likely to put restrictions on the NSA, while the German government, which would like to do so, does not have the means. "The dispute is significant beyond the immediate issue of surveillance because it draws attention to the enduring asymmetries in the transatlantic relationship".²⁸ Added to this is the fact that, notwithstanding the opposition

28 | Cf. Johannes Thimm, "Inseparable, but Not Equal. Assessing U.S.-EU Relations in the Wake of the NSA Surveillance Affair", *SWP Comments*, Stiftung Wissenschaft und Politik, Jan 2014, http://swp-berlin.org/fileadmin/contents/products/comments/2014C04_tmm.pdf (accessed 28 Apr 2014).

to the NSA among the population, Germany does benefit from the information provided by U.S. intelligence. Without the intelligence cooperation with U.S. agencies, Germany would be less secure. It is highly unlikely that citizens and politicians in this country will allocate the means and powers to their intelligence agencies that would be necessary to make assistance from the USA redundant. The information that led to the arrest of the so-called Sauerland Group in 2007 before it could put its plans for a bomb attack into practice, for instance, emanated from American intelligence sources. There are also many indications that the German intelligence services have neither the technical skills nor the legal authority to obtain such information.

Some in the United States have suggested that Germany be invited to join the "Five Eyes" alliance. Besides the USA, its members include the UK, Australia, New Zealand and Canada, which cooperate closely with the U.S. intelligence apparatus in this setup. The argument was that

The USA and Great Britain violate what Germans see as inalienable privacy rights throughout the world. The Germans and their elected representatives oppose actions such as targeted killings using drones.

Germany was, after all, not conducting any offensive intelligence operations against the USA and was considered a close friend and ally. However, joining the "Five Eyes" in any meaningful way would require coordinating foreign policies and becoming complicit in

some morally suspect activities to a degree unlikely to be acceptable to the German people. The USA and Great Britain violate what Germans see as inalienable privacy rights throughout the world. The Germans and their elected representatives oppose actions such as targeted killings using drones. Germany is therefore not in a position to either force the USA to stop its spying activities or offer it the type of intelligence cooperation that would make such spying unnecessary from the U.S. point of view. No doubt, the German government is unlikely to walk away from the current negotiations over the NSA with nothing, but it is aware of its lack of leverage. This explains the efforts made by the government spokesman to lower expectations of the German public in advance of the Chancellor's visit to Washington in early May. While Angela Merkel did receive a warm welcome and the consultations took an unusually long time, she left without any concrete assurances or prospect of a compromise concerning data collection and NSA activities.

The German government was not the only one to call for Washington to modify current practices and was joined in this demand by other governments that maintain friendly relations with the USA. France, Israel, Brazil and Mexico have complained emphatically about the intelligence operations by the USA. As it turns out, however, none of the allies wishes to risk its relationship with the U.S. breaking down. France and Israel themselves have a long history of offensive intelligence operations against the USA, which is why their protests will probably fall on deaf ears.²⁹ The Brazilians have cancelled a state visit to the USA and refused to award a significant order for their military to an American company; these are both important symbolic but not very far-reaching acts, while Mexico decided not to take any measures against the USA.³⁰

REFORM OF THE INTELLIGENCE AGENCIES?

Given the lack of foreign pressure, the only thing that can cause a change in intelligence policy is pressure from inside the USA. However, with the American people strongly divided regarding the NSA and overwhelmingly hostile towards Edward Snowden, there is no such pressure within society. After Snowden's initial disclosures, the President might have been able to exploit the political climate to restrict the activities of the NSA. Most of those had been set in motion under President George W. Bush, and the Democrats had been very sceptical about them for quite some time. But Obama not only failed to change the policies of his predecessor Bush; he also publicly defended the NSA, facilitated the continuation of the programs that Snowden revealed and retained them as an instrument of U.S. foreign policy. Since then, there has been a reversal in public opinion, and hopes for the passing of a law that would fundamentally reform the regulations on intelligence activities in the USA have receded into the far distance.

Obama not only refrained from altering the policies of his predecessor, but instead established himself publicly as a defender of the NSA, and enabled the continuation of the very programs exposed by Snowden.

29 | "Cloaks Off", *The Economist*, 2 Nov 2013, <http://economist.com/news/international/21588890-foreign-alarm-about-american-spying-mounting-sound-and-fury-do-not-always-match-0> (accessed 28 Apr 2014).

30 | Joshua Foust, "Face it: Everybody Spies", Medium, 8 Jul 2013, <http://medium.com/war-is-boring/29c226968c2c> (accessed 28 Apr 2014).

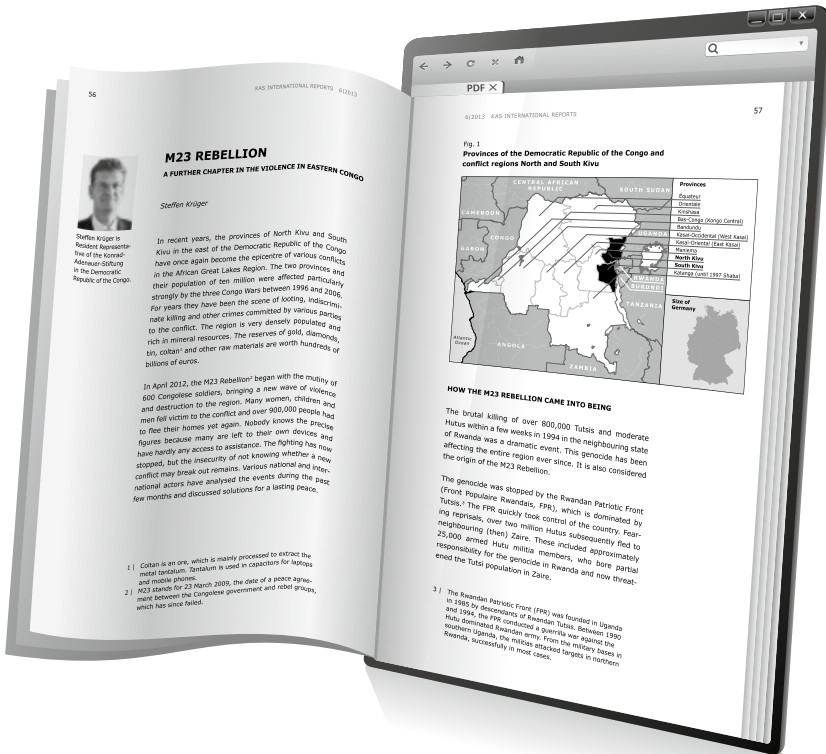
Many Americans believe Edward Snowden himself is to blame to a considerable extent. They think that by fleeing to China and Russia, both undemocratic countries and in strong competition with the USA, he has undermined his own credibility. One can, indeed, not exclude the possibility that both countries have had access to the information on his laptop during his presence there, which could lead to further damage to the USA. With the most recent disclosures at the end of March, Snowden gambled away his remaining credit. The documents show that the U.S. intelligence services had conducted surveillance on China's politicians and its economy. With this content, he had reached a point where the Americans were more annoyed about the fact of the disclosure than the information itself. In Germany, on the other hand, outrage toward the USA remains at a high level, as if there was no difference between monitoring the Chancellor's mobile phone and representatives of an undemocratic country with a politicized judiciary.

States do spy on each other and they are not likely to stop doing so in the foreseeable future. Many of the countries complaining about the USA, such as Brazil and France, do not act any differently, they just have fewer means at their disposal. However, it is not an unreasonable demand that these activities should be subject to democratic oversight and that (in the case of the USA) they should not contravene the U.S. constitution. Similarly, Germany, a long-time ally of the United States without a tradition of spying activities directed against the USA, is equally justified in calling for the activities of intelligence agencies to be conducted with the knowledge and approval of the German government. However, in view of Barack Obama's actions and the increasingly hostile stance of the U.S. population towards Edward Snowden, far-reaching reforms of the NSA do not appear likely. Should the proposed Freedom Act, promoted by Congressman Sensenbrenner in Berlin amongst other places, make it into law against all expectations, at least the worst excesses would be curbed. This would not make the world a less safe place, but it would probably benefit the relations between Germany and the USA.

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