Decline, Destitution and the Transition to Democracy: A Comparative Perspective on Building Democracies in West Africa¹

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Introduction

In Benin, on December 22, 1989, under the direction of the General Mathieu Kérékou, junior minister Robert Dossou formed a “National Preparation Committee for the Conference of the Vital Forces of the Nation.” Two months later, nearly 500 delegates representing the “vital forces of the nation” gathered in Cotonou, Benin with the unified purpose of ousting Kérékou’s single-party dictatorship in favor of a liberal democracy. In a “civil coup d’etat” the delegates of the national conference declared full autonomy from the government, installed a new transitional government, elected an interim Prime Minister and set the stage for national popular elections the following year. In March of 1991, Kérékou was voted out of office and peacefully replaced by President elect Nicéphore Soglo. Fifteen years after the national conference and transition to democracy, Benin is considered to be one of the most stable and democratic countries in the region.

Having started a trend, seven other West African francophone countries including Benin’s next-door neighbor Togo, convened their own conferences nationales between 1990 and 1993. All eight conferences pursued the objective of installing multi-party democracies. None of them, however, were as successful or produced a democratic transition as peaceful as Benin’s.

Why is Benin exceptional? Why did Benin’s national conference succeed and Togo’s fail? Furthermore, what can this discrepancy tell us about the theoretical preconditions for democracy elsewhere? In the course of my analysis, I have identified three mutually-exclusive factors which independently contributed to the success of the national conference in Benin. In other words, without the existence of these three factors the Beninese national conference would not have been successful. These factors are: the collapse of the political economy, the extent of international involvement and the individual charisma of the incumbent leaders.

This paper will discuss the role and importance of the state economy and its positive correlation to the ability of the incumbent leader to retain political

¹ This paper is part of a honors thesis on a comparative study of attempted transitions to democracy in West Africa.
authority. Due to the patrimonial basis of governance, the health of the state’s economy directly affected the leader’s ability to satisfy his patrimonial network and thereby retain political power and support. Through historical analysis, I will emphasize the severity of the economic crisis and its impact on the political sphere in Benin. I will show how Kérékou had exhausted all his available resources for patrimonial hand-outs, thus weakening or eliminating his support base. Finally, I will illustrate how the economic devastation not only weakened Kérékou’s political power and capacity in the face of popular protest, but how the economy provided the impetus for that protest itself.

Economic Causes of Democracy

State of Beninese Economy: Facts

When Mathieu Kérékou called for a national conference, the Beninese economy had totally collapsed. Yet, the economic storm facing Benin had been building for years. Shortly after installing a Marxist-Leninist regime in 1972, Kérékou declared that the state would assume “control of all the sectors of the economy vital to its development and independence.” Two years later, his socialist regime was a total failure.

By December 1989, Benin was completely and utterly bankrupt. Between 1985 and 1987, Benin’s annual GDP fell from 499.8 million CFA to 476.4 million. Real GDP growth rates during this time declined precipitously to reach -3.6 percent in 1987. After securing a structural adjustment loan (SAL) from the IMF in 1987, Benin’s economy seemed to regain stability with a real GDP growth rate of 1.8%


3 The currency of Benin is the CFA franc, issued by the Banque Centrale des Etats de l’Afrique de L’Ouest (BCEAO) and is the common currency in Benin, Burkina Faso, Cote d’Ivoire, Mali, Niger, Senegal, and Togo. It was pegged to the French franc, the intervention currency, at a fixed rate of CFAF 50 = F 1 and is now pegged to the Euro. Movements of the exchange rate between the CFA and the U.S. dollar have, therefore, paralleled those of the French franc.


5 IMF Archives. “SM/89/110, Benin.”
percent lifting annual GDP for 1988 to 484.8 million CFA. The loan, however, did not solve Benin’s financial problems and by 1989 government expenditures were exceeding government revenues by almost 100 percent. This meant that as of January 1989 the majority of civil servant, university faculty, and military salaries had been left unpaid for up to two years.6

The devastation of the Beninese economy prompted the fall of Kérékou’s regime in two ways. First, it provided the impetus for the mobilization of the civil population provoking strikes and protests which gave rise to calls for institutional and economic reform in the form of democracy. Second, the bankrupt state of the national economy effectively eliminated Kérékou’s ability to satisfy his patrimonial network thereby significantly reducing his political and popular support base and political options. This, in turn, substantially lowered his capacity to govern, weakening his overall authority and ability to resist economic and thus political reform.

**You Gotta Eat: The Collapse of the Beninese Economy and the Call for Democracy**

In Benin, Togo and many other West African countries, the primary goal for the overwhelming majority of citizens is survival. In a region where entire populations live on an average of less than one dollar per day and the majority of a country’s GDP is based on subsistence agriculture, economic decline can literally mean the difference between life and death.

By 1989 that tipping point had been reached. Without the payment of government salaries, a majority of the urban population’s income was eliminated. An urban famine began to take hold as food became unaffordable. The black-market trade in rice, grain, petroleum and cooking oil from Nigeria skyrocketed until 1989, when strong border control in Nigeria disrupted the supply of grain and rice causing “considerable repercussions.”7 Yet, the lens through which the inhabitants of Porto-Novo and Cotonou viewed their financial devastation – and hence their salvation – was the payment of government salaries.

All the groups which organized, facilitated, and participated in the strikes of 1989 and the subsequent push for political reform had one thing in common: they were all on the government payroll. The instigators of social unrest in Benin

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during the late 1980s was restricted to University professors, secondary school teachers, civil servants, public administrators and students ranging from the elementary school to university level. There were no farmers, no businessmen, no merchants, few professional politicians and few urban elite, save those who taught at the University. Only those who were dependent on government salaries, scholarships and stipends for their monthly income took to the streets. Thus, the social movement that brought down Kérékou’s regime was not political in nature, it was economic.

The single largest factor that drove the populations of Porto-Novo and Cotonou to the streets was the inability of the government to pay salaries. Articles published by *Le Monde* between January 1987 and July 1990 reporting strikes, protests or demonstrations in Benin were centered on the grievance of unpaid salaries. Slogans and hostilities directed towards the government occurred because the government was considered responsible for the payment of salaries. Threats against and hostile actions towards Kérékou occurred not because the people specifically disagreed with his political and ideological beliefs but because in the patrimonial dictatorship of Kérékou’s regime, Mathieu Kérékou was the state and the failure of the state was therefore his personal failure. His Marxist economy had failed and their pay checks were affected. Though protests began as early as January, calls for democracy and political reform did not begin until late 1989 when Benin was well into the worst period of its economic crisis and international pressure for political reform was reaching its peak.

In early 1989, protesting students burned the national flag and set fire to portraits of Kérékou. At first glance this seems a very politically motivated act. Flag-burning and the burning of effigies are classic demonstrations of political expression against a specific regime. Attacking two of the greatest symbols of the state, they symbolize a deep grievance with the ruling party or leader and often represent a desire for substantial political regime change. While these students certainly had a deep grievance with the state and its leader, they did not burn these symbols because they were seeking political regime change. They burned these symbols because they were seeking unpaid salaries and held the government responsible. In fact, in this specific instance, the effigy burning by the youths was not even the intended action of the event. The primary goal of the assembly that day was to loot the state Treasury in an attempt to claim unpaid stipends and teachers’ salaries. It was only after the students did not succeed in fulfilling this objective that other forms of expression were sought.

Like the student and teacher protesters, the primary objective of the political opposition in Benin was at first, strictly economic in nature. Affected by the economic crisis itself, the primary goal of the political opposition in Benin was to reform and revitalize the economy. The Marxist-Leninist system having failed,
Beninese politicians turned to the model of a liberal economy as the most probable solution for their economic crises. Yet instituting such a model demanded political reform as well. As a result, they heavily pushed to end the long period of Marxist-Leninist rule. While ideology certainly played a part in coming to this conclusion, it was not the ideology in and of itself which the opposition sought to affect.

The opposition did not specifically seek to oust Kérékou as a man either. Rather, they sought to establish a new, stable and prosperous economy. Political reform was a necessary consequence of reaching that goal. The severity of this crisis hastened consensus about the necessity of reconstructing the economy. This, in turn implicated political reform. Without the economic crisis, there would not have been the sufficient motivation to call a national conference. The economic crisis made it so that the Beninese could not wait any longer. Something had to be done or they would starve.

**Implications for Kérékou:**

**Patrimonial Destruction and Political Decline**

Understanding the important and influential role of the patrimonial system within the government and governance of Benin and Togo is intrinsic to understanding the relationship between the state of the economy and the capacity of the political leadership. Examination of this connection allows us to explain and appreciate the magnitude of the effect that the economic crisis had on the political capacity and power of Kérékou’s regime. This relationship can then shed some light on the causal relationship between the economic collapse in Benin and the call for a national conference.

When discussing the impact and implications of unpaid salaries, I am in essence addressing a simpler question of access to resources. Ultimately, I think a comma goes here, too, but lots of people don’t put one there the money garnished from a salary is simply representative of access to the resources necessary to live. Assuming you had access to these resources outside of a paid salary, there would be little reason to lament the loss of that salary. Much of Benin did, in fact, operate on a system of access to resources outside the formal sector of merit-based careers.

Like the majority of countries in West Africa at that time, Benin operated under a system of patronage and clientelism. The effectiveness of the patrimonial system as a form of governance lies in its ability to satisfy the smallest winning coalition necessary to retain political authority and rule. Authoritarian regimes have a

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8 Since the early 90s, many scholars and observers have also made the observation that political reform is necessary before economic reform can be effective. See Van de Walle.
smaller coalition to satisfy than oligarchies or democracies. They are also, therefore, more dependent on their coalitions for the retention of power. Thus, when the ability to satisfy that coalition fails, the patron (in this case General Kérékou) becomes politically vulnerable. In other words, as long as the government had patrimonial goods to distribute to both allies and opposition, viable political threats or challenges remained unlikely and weak. However, by 1989 this was no longer the case in Benin.

One of the primary institutions of Kérékou’s Marxist-Leninist regime was the government’s numerous state-owned enterprises (SOEs). The range of SOEs encompassed all industries including three national banks, several light industries and even the national brewery. More than an economic investment, state-owned enterprises were a central part of Kérékou’s patronage network. Appointments to managerial positions in SOEs are a prime source of patrimonial distribution and Benin was no exception. Ownerships, executive positions, and other management jobs within the SOEs were literally doled out by the government to individuals for continued political support or to opposition leaders as a means to eliminate calls for reform.

As a result, the state-owned enterprises in Benin hardly ever turned a profit and those that had been marginally successful were quickly run into the ground by corrupt officials and businessmen who engaged in rent-seeking, embezzlement and the general mismanagement of the firms at every level. For the lucky officials who found themselves in these positions, their business practices were personally very successful as they accumulated large personal wealth at the expense of the company. This extreme mismanagement resulted in the bankruptcy of virtually every single SOE by the summer of 1989.

By 1989, Kérékou’s piggy-bank of patrimonial goods was empty. There was no cash in the treasury for direct hand-outs or bribes. Executive positions in state owned enterprises were no longer attractive because the SOEs themselves were bankrupt, lacking any viable assets. The empty treasury also made governmental appointments a void form of patronage since the previous guarantee of a government salary could no longer be honored. With nothing to give supporters and no way to buy off the opposition, calls for reform grew louder and louder. Former supporters of the government, their patrimonial income no longer secure, left their positions and joined the opposition.

Perhaps the best example of the collapse of Kérékou’s patrimonial system is demonstrated in the appointment of Robert Dossou to the position of Junior Economic Minister in November, 1989. Dossou was a member of the opposition, and Kérékou’s appointment of Dossou to the previously lucrative position of Junior Economic Minister can be seen as a last ditch effort to limit the calls for reform and reassert authority over part of the opposition. Yet Dossou was not deterred and
instead formed a “National Preparation Committee for the Conference of the Vital Forces of the Nation.”

In Benin, the link between poor economic performance and calls for political reform is very clear. Without the extreme economic devastation of Benin’s economy, the call for democracy would not have been as urgent, large, or unified. It was the severe economic crisis in Benin which hastened the arrival of the national conference and limited Kérékou’s ability to resist the coming change.

**State of Togolese Economy: Facts**

To show that the state of Benin’s economy was truly an independent variable, I will compare Benin’s economy to Togo in the years and months leading up to its national conference. Benin and Togo are geographical next-door neighbors. Located side-by-side on the West African coast, Togo borders the entire length of Benin’s western frontier. Relative to their neighbors, the two countries are of a comparable size and population. Benin covers 112,620 sq km with a population of 7,460,025, while Togo covers 54,385 sq km with a population of 5,681,519. They share virtually identical climates and topographical configurations. Both countries are dominated by sahalian rainforest which extends all the way down to the shared Atlantic coast.

Benin and Togo also share a common pre-colonial and colonial history. The border which divides the two states was created by the French in the 20th century and reflects little more than a black line on paper. At the time of the drawing of the map, the border between Benin and Togo literally cut through existing villages. The border divided families designating one household “beninese” and their neighbors “togolese.” While each state has developed its own national identity since colonial independence, a common cultural, religious and ethnic foundation still exists. Even today many families are still divided between the two countries.

Benin and Togo also share similar if not parallel political histories as well. Both countries were French colonies which gained independence in 1960. Initially established as democratic governments, Togo and Benin both fell to single-party rule within a decade. Power was then seized by two dictators, Gnassingbé Eyadéma and Mathieu Kérékou, who ruled until the early 1990s. The national conferences in Benin and Togo occurred within three years of each other. Each conference was preceded by numerous popular protests, yet, only one conference produced a functioning democracy.

In the late 1980s, Togo’s yearly revenues were almost double that of Benin’s. Between 1984 and 1987 real GDP growth rose from 1.2 percent to 3.8
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percent.\(^9\) GDP at market price in 1987 reached 375.3 billion CFA.\(^{10}\) Togo’s relatively good economic standing can largely be attributed to the windfall profits in phosphate mining following an upsurge in demand in the early 1980s.\(^{11}\) Despite a steep decline in demand after 1985, phosphate still accounted for 40 percent of Togo’s total foreign exchange earnings 1987 to 1990.\(^{12}\) Finally, real GDP growth rate rose the year before the convening of the Haut Conseil de la République\(^3\) (H.C.R.) after three years of decline.\(^{14}\) When Togo convened its national conference, the economy was actually on the upswing.

Togo was referred to as the *bon élève* (“good boy”) of the International Monetary Fund (IMF). It received four IMF loans in ten years and was the beneficiary of hundreds of millions of dollars in aid and debt relief from the Paris Club. Where cuts in military spending and housing allowances in Benin nearly provoked a *coup d'état* in 1988, Eyadéma announced an interest-free salary advance and a 5 percent increase for the Forces Armées Togolaise (F.A.T.) directly preceding the national conference.\(^{15}\) As a result, Togo was in a substantially better economic condition in the months leading up to its national conference than Benin was before its conference. Protest grievances in Togo were, in turn, politically – not economically – motivated. Opposition groups were divided and diverse since they did not have the urgency of an economic crisis forcing them to compromise and collaborate. More importantly, the availability of funds signifies that Eyadéma’s patrimonial network remained largely intact.

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\(^{11}\) IMF Archives. SM/87/247, 19.


\(^{13}\) In this context, the HCR in Togo refers to the institutional equivalent of Benin’s “Conference of the Vital Forces of the Nation.”

\(^{14}\) IMF Archives. SM/91/140, Togo - Staff Report for the 1991 Article IV Consultation. 7/12/1991, 5.

\(^{15}\) Nwajiaku, 432.
Implications for Eyadéma: Patrimonial Preservation and Political Perseverance

The relatively healthy state of the Togolese economy meant that up until and throughout the national conference, Eyadéma was able to continue to satisfy this patrimonial network and thus retain political power and support.

At the time the H.C.R. was convened, Eyadéma’s patrimonial network was large and healthy. In the years following independence Eyadéma constructed a vast patrimonial network, rapidly and effectively consolidating and centralizing power to an individual degree. The preeminence of his role made Eyadéma appear as the “great distributor of goods of the state.” With the creation of the single ruling party, Rassemblement du Peuple Togolaise (R.P.T.), the General considerably enlarged his patrimonial clientele. Eyadéma directly controlled the process of political appointments. All members of the Central Committee and Office of Politics were nominated by the head of state himself. These powerful positions had access to and control over letters of credit, scholarships and bank checks as well as certain monopolies on trade.

While often thought of as applying to individuals, patronage can be administered to groups and trade unions as well. The “Nana-Benz” were given a virtual monopoly on the trade of cloth in Lomé. This select all-female trade group got their collective name from the fact that they earned so much money that they could afford to buy Mercedes-Benz. This lucrative business, however, derived from a state guaranteed monopoly on the cloth market. In exchange for this governmental favoritism, the Nana-Benz found themselves part of Eyadéma’s charismatic cult who broke into “spontaneous” song praising their president in exchange for their trading rights.

One of the largest sources of state income for Togo and Benin in the late 20th century was International aid. Loans and grants from international institutions were often deposited directly into state-owned accounts. These accounts were often directly administered by the Minister of Finance or the President himself. Almost all budgetary expenditures were subject to presidential approval. As a result, these millions of dollars in foreign currency served as wonderful sources for patrimonial handouts. The thorough documentation of institutions such as the IMF has allowed us to trace the path of these loans which frequently landed in ‘un-programmed’ destinations.

16 Toulabor, 89.
From 1987 through 1990, Togo failed to properly implement the conditions laid out in numerous IMF structural adjustment loans. In 1987, an official IMF Staff Report reported that “the [Togolese] authorities failed to undertake the revenue measures which represented prior actions under their proposed program.” As a result, the IMF stated that it could not complete its review of Togo. Even so, the IMF agreed to further requests for economic and financial programs in 1988.

In Togo, like the majority of African countries receiving Structural Adjustment Policies (SAPs) and loans, restoring economic stability and growth had taken a back seat to preserving political power and rent-seeking opportunities. Despite one stabilization and three stand-by arrangements with the IMF for 1986-87, Togo’s fiscal deficit worsened as a result of “unprogrammed outlays.” These expenditures, made using IMF money, included “the construction of new market halls on the outskirts of Lomé, the purchase of a presidential command aircraft and additional expenditure on national security following civil disorder in September.” The new market hall can most likely be characterized as a patrimonial hand-out for Eyadéma’s biggest supporters, the women’s trading association, the Nana Benz. The “additional expenditure” lavished on security forces reflects the increase in salary granted by Eyadéma to R.P.T. soldiers throughout the 1980s and through the duration of the national conference. Clearly, Eyadéma was less concerned with following IMF policy and improving Togo’s economy than with satisfying his patrimonial network, thereby increasing his claim to authority and power. The “unprogrammed” expenditures cited by the IMF were estimated to total the equivalent of 3.5 percent of GDP. In other words, Eyadéma chose to allocate 3.5 percent of GDP for “unprogrammed” expenditures.

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17 IMF Archives. SM/87/247, Togo – Staff Report for the 1987 Article IV Consultation, 5.

18 Van de Walle, 13.

19 IMF Archives. SM/87/247, 14.

20 The RPT (Rassemblement du Peuple Togolais) was the single ruling party of Eyadéma, in power since 1977.

21 Eyadéma’s political dependency on the army is discussed in chapter 4.

22 IMF Archives. SM/87/247, 14.
purposes thereby de-railing the IMF program while maintaining and reasserting political control.

Again in 1989-90, Eyadéma demonstrated his preference and ability to continue supporting his patrimonial networks as opposed to following structural policy. Reporting on the 1989-90 loans, the IMF noted more “excess outlays” specifically calling attention to an “unallocated non-wage expenditure” which it did not describe further. Note that as each new loan was approved by the IMF, the Forces Armées Togolaise received a raise.

Economic Crisis as a Catalyst for the Movement towards Democracy

Available literature has shown that there is a positive correlation between the economic health of a country and public approval of the current regime. In democracies, this correlation is described in terms of economic growth and approval ratings. The theory goes that when the economy of a country improves, so do the approval ratings of the president. If there is a decline in economic growth, then approval ratings fall and the likelihood of an incumbent leader being voted out of office increases. Benin was not a democracy, yet this principle seems to apply. In short, “it’s the economy, stupid.” Thus, it should be no theoretical surprise that as the economy in Benin worsened so did Kérékou’s popularity. The difference is that in most Western developed countries poor economic performance does not push the population to revolution and total regime change. Nor has this principle been previously applied to the case of transitional democracies and patrimonial dictatorships.

The economic decline experienced by Benin did not only reduce popular support of the incumbent leader but also pushed the population to the point of revolution. It did so because in this case economic decline literally meant an inability to buy food and medicine. In Benin, the country and its population were literally broke and for many the situation was becoming a matter of survival. Domestically, Kérékou had exhausted all his available resources for patrimonial hand-outs, thus, weakening or eliminating his support base. In Togo, Eyadéma’s patrimonial network was secure and his country was not starving. The different degrees of economic

23 IMF Archives. SM/91/140, Togo - Staff Report for the 1991 Article IV Consultation, 9.

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crisis faced by both states affected the bargaining power enjoyed by their political leaders. Essentially, the extreme environment of poverty in Benin presented Kérékou with limited political options, thereby encouraging economic and political reform.

The economic facts of Benin’s democratic transition contradict the theoretical assumption that democracies emerge from expanding economies under the political auspices of a well-developed bourgeoisie. As demonstrated in this paper, it was the poor state of the Beninese economy that facilitated democratization in two ways. First, it prompted revolutionary calls for both economic and political reform towards a liberal democracy. Second, it helped guarantee the success of that revolution because it weakened or eliminated the incumbent leader’s ability to retain political authority based on patrimonial rule. Thus, we see that in cases of authoritarian patrimonial rule, economic crisis rather than prosperity can serve as the catalytic factor for a successful transition to democracy.

It is important to note that this paper is a case-specific study and I do not argue that this is a universally applicable variable for all and any democratic transitions. That said, the conclusions drawn from this paper do challenge the existing prevalent theory on economic conditions for democratization and thus suggests that political scientists need to take a more case-specific approach to studying the relationship between economic growth or decline and its affect on political reform, particularly in the case of democratic transitions.

References


**Newspaper articles consulted**


Is democracy in crisis? This question is being posed with increasing urgency by some of the leading statesmen of the West, by columnists and scholars, and if public opinion polls are to be trusted even by the publics. In some respects, the mood of today is reminiscent of that of the early twenties, when the views of Oswald Spengler regarding “The Decline of the West” were highly popular.  

1. The Democratic Challenge to Authority.  
2. Decline in Public Confidence and Trust.  
3. The Decay of the Party System.  
4. The Shifting Balance Between Government and Opposition.  

Appendix II—Canadian Perspectives on the Governability of Democracies* Discussion in Montreal, May 16, 1975 . . . . 203.  

Chapter I. Introduction.  
I. the current pessimism about democracy.  
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However, actual conflict has emerged only because of recent, externally generated changes in the party system, and the relative decline in the electoral power of the Social Democratic Party.  
Two attempts by President Băsescu’s opponents to remove him from office, along with increasing constitutional manipulation by all actors, call into question the consolidation of democracy in Romania.  