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Aid, Governance, and Development: A General Reflection on Objectives and Priorities

The Blair Commission Report identified capacity and accountability as the two main obstacles to Africa's advances. This is well known. What is most refreshing is the emphatic allocation of the primary responsibility for improving capacity and accountability on Africans themselves and the broadening of the location of the sources of the continent's perennial incapacities to include 'poor systems and incentives, poor information, technical inability, untrained staff and lack of money.'" Despite the curious exclusion of endemic corruption from the list, I believe these will make any inventory of the causes of weak capacity in governance prepared by Africans in the continent. Capacity building in the past tended to be restricted to the shoring up institutions of (especially the central) government with aid funds -- provision of computers, training and the like. These are not unimportant, but they do not touch on the roots of the problem, the wider society of limited education, good health and loyalty. Therefore, I will share a few reflections on the types of capacity building that I will like to see.

Capacity and Policy effectiveness

It has been rightly observed that the environment in which aid is used is one of the two predictors of its effectiveness.¹ If that environment happens to be a society governed by an unresponsive government, that effectiveness will be diminished. This is even more so in African countries where the expectations of the citizenry that democracy will improve their material lives are dashed by mismanagement and corruption. Afro-barometer's findings on the new democratic dispensation now abroad in many African countries reveal the extensiveness of this expectation across the continent:

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¹ The other is the conditions for the aid.

When asked about the features of “a democratic society,” almost everyone (89 percent) thinks it important that citizens have access to the basic necessities of life (like food, water and shelter). In practice, people want democracy to deliver these benefits, including education, even more strongly than they insist on regular elections, majority rule, competing political parties, and freedom to criticize the government (all about 75 percent). Thus, Africans are predisposed to judge the performance of democracy primarily in terms of its record at delivering improvements in the socioeconomic sphere.²

The implication is obvious. While Afro-barometer also found that a majority of Africans (almost 70 per cent) prefers democracy as a system of government, almost all know that they cannot “chop” democracy. This unenthusiastic feeling about the performance of democracy is exacerbated by the massive corruption and conspicuous consumption of the few that have access to political power. And, it nourishes a mind-set that threatens legitimacy of African governments and reduces support for the system.

In many African countries, there are many well-crafted policies. The problem with their effectiveness is not so much that they are ill-designed or delivered inefficiently. It is that they are largely disobeyed. This is what makes them ineffective. One key to understanding policy ineffectiveness in Africa (frequently blamed on institutional incapacities) lies in the perception with which one views system legitimacy. Legitimacy is the invisible emotive force that ties policy makers (the state) to the citizens that are supposed to obey the policies. In much of Africa, the ties do not bind. Rules may be legitimate by procedure, and the delivery may be effective but they become totally ineffectual when they are disobeyed without compunction even by officials of government. This is especially the case in Nigeria.³ I suspect that one reason for this is the limited affection for the state in many African countries. Many years ago Almond and Powell taught that for all governments, legitimacy is a function of an intricate mixture of procedure and policy substance and that responsiveness to citizen demands is one of its anchors.⁴ This is still true. For most citizens living under the nascent African democracies of today, governmental legitimacy is seriously weakened by the inability of the state to respond to their pent-up demand for improved material conditions. Aid

² Afrobarometer Briefing Paper #1, “Key findings about public opinion in Africa,” April, 2002.

³ See Ebere Onwudiwe, “Nigeria: Assessment of degree of respect for civil liberties, rule of law, anticorruption and transparency, accountability and public voice” in Freedom House, *Countries at the Crossroads*, New York: Freedom House, 2004.

⁴ Gabriel A. Almond and Bingham Powell, Jr. *Comparative politics: systems, process, and policy*, Boston: Little, Brown and Co. p.31

targeted to the realization of this expectation for material dividends of democracy will increase support for the system. The promotion of citizen support is an important part of the capacity-building equation.

Recommendation: The promotion of respect for the state should be treated as a form of capacity building for governance in African countries. In some African countries such as Nigeria, aid should target the promotion of national cohesion, patriotism and legitimacy of the general political community perhaps through a national agency established for that purpose in order to create a level of general system support required for effective capacity building through citizen compliance.⁵ Two steps that may be taken to help the promotion of legitimacy in Africa and help the course of poverty alleviation are as follows:

1. On Legitimacy

When elections are rigged, international organizations that monitor elections should not sit on the fence as they now appear to do, but should courageously stand against the “winners” of rigged elections for national power. The roots of illegitimacy begin with stolen mandates by leaders who add insult to injury through unresponsiveness to citizen demands⁶.

2. On Poverty Alleviation

The Millennium Account ties aid to what it calls ‘just governance’ which requires reforms in politics, economy and law from participating developing countries. It defines good performing countries as those that must score above the median on half of the indicators in each of the above three areas of policy. On the face of it, the fairness of this criterion is beyond reproach, but its underlying assumptions inadvertently punish the poor in corrupt petro-states like Angola, Cameroon, Congo-

⁵ This is not the exactly the same as promoting the rule of law, even though they are not unrelated.

⁶ I realize that it is difficult select what action can be taken when there are conflicting observer reports. For even when there are points of major agreement, the differing emphases are frequently considerable, as for example in the cases of both Nigeria and Zimbabwe.

Brazzaville, and Nigeria where oil wealth has failed to generate development because of corruption and which have failed to meet the criteria for the Millennium Challenge Corporation funds that could help many poor citizens. It should be no surprises that the eight African countries that have worked hard to qualify for the MCC funding (Benin, Cape Verde, Ghana, Lesotho, Madagascar, Mali, Mozambique and Senegal are not victims of the so called “natural resource curse,” the phenomenon whereby natural resource wealth leads to stagnation rather than development. Huge oil revenue and corruption tend to reduce the incentives for public officials in petro-states to work to implement the laudable policies required by the millennium account on investing in people, promoting economic freedom or governing justly. One reason may be that the amount from the new Millennium Challenge Funds that could accrue to the state for meeting these requirements is simply a very small fraction of the pool of oil revenues available for stealing by some public officials. While meeting the conditions will alleviate poverty and improve the living conditions of the poor, the amount from the funds is simply not worth the effort for the public officials of the Nigerian government, for example. The poor continues to suffer. I suggest, therefore, that there should be a different model designed to meet the needs of the poor in these rich countries of poor people. Commodity rich and corrupt countries (those commodity rich countries of poor people that make the top 20 list of Transparency International’s directory of corrupt countries) should constitute a separate category of countries. For these countries, the formula for receiving MCC funds should be designed in a way which bypasses the state. The eradication of extreme poverty from such countries could be done through the private sector. I venture one suggestion below.

There many small private businesses in Nigeria located in poor neighborhoods and in small towns. These small companies can employ more people if the government can provide the necessary infrastructure that will reduce the cost of production for them -- rural roads, water, electric power, telephone, and upgrading of the slum areas where the urban poor are concentrated. But the government is not doing these things in sufficient numbers and quality. In a recent article, Dan Isaacs of the BBC shows how the government's negligent attention to the infrastructure suffocates the efforts of enterprising

Nigerians in the private sector in a way which has disabled Nigeria's manufacturing sector.

Isaac's article is a story of how small Nigerian businessmen and women are continuing to manufacture products for the domestic and regional markets despite collapsed infrastructure that has increased their cost of production by about 25 per cent. This is obviously a very uncompetitive and unprofitable position for any government to place its private sector manufacturers especially at a time when the country has yet to take full advantage of the immense opportunity offered by the African Growth and Opportunity Act (AGOA). Many of the poor in Nigeria who could benefit from employment in these small companies cannot because of the high cost of production occasioned by government negligence. Again, the concentration on oil revenues, the same resource curse diseases that Terry Karl has aptly called the “paradox of plenty,”⁷ continues to warp the rationality of Nigeria’s political leaders. My prediction is that left alone, Nigeria will not achieve the Millennium Development Goals that aim to eliminate extreme poverty and hunger among others. This is why the state needs to be bypassed if effective poverty alleviation is to be achieved in poor petro-states.

Concluding Remark

The best way to bypass a petro-state is to target civil society organizations in the country as agents of poverty alleviation. A conference of selected leadership of civil society organizations could be organized to work out the modalities of this type of parallel government for poverty alleviation. African civil society organizations are made up of dedicated professional who are frustrated by perennial unresponsiveness of government and are prepared to move beyond mere spectators to proactive participants in policy execution.

The anchors for good governance and development should not be limited to institutions of the national governments alone. To consolidate democracy and promote development,

⁷ Terry Lynn Karl, *The paradox of plenty: Oil booms and petro-states*, Berkeley and Los Angeles: The University of California Press, 1997.

aid should target the development of other institutions that will serve as balance to the power of national governments. Promoting the growth of several African owned large and viable businesses domicile in petro-states can serve this countervailing purpose. There is also need to improve the quality and to expand the general public policy domain through sponsorship of credible think tanks and internal agencies for periodic assessment of public opinion. In all, the provision of the capacity for good governance should not be restricted to the state. Aid that empowers some of the continent's social institutions is just as relevant for the struggle for democracy and development.