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THE FOUNDATIONS OF SUSTAINABLE DEVELOPMENT IN AFRICA: TEN TRENDS AND ONE CONUNDRUM

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ABSTRACT

There is a tendency in any historical analysis to focus on the major events. Any reading of Africa's recent history must note the changing political and economic environments in Africa -- the process of political and economic liberalization. In many ways, however, the civil wars and failed states, structural adjustments, and the struggle to maintain macroeconomic stability are the context in which historic changes are occurring in Africa, not the changes themselves.

This discussion focuses on the foundational changes that are sweeping Africa, changes, which for both good and evil, will shape the Africa of the 21st century. These long-term changes in population growth, health, environment, education, economic opportunities, and social life will determine whether many or most countries in Africa, by the year 2025, will be the sites of incredible human tragedy; or whether they will be beacons of hope that humanity has finally "tamed" his environment, and that the worst manifestations of poverty can be eradicated from the human family. There are many reasons for optimism and several trends that call for caution; but on the whole, the glass is more than half full.



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1. Ten Key Trends

I do not know how many of you have read Robert Caplan's article, *The Coming Anarchy*, in the February, 1994 edition of *The Atlantic Monthly*. I recommend it highly, not because it is an accurate vision of the future, but because it is an important one. Caplan's thesis is that overpopulation and environmental degradation are leading to migration to cities without jobs. In these cities, unemployment and social disorganization lead to crime and apathy. This increasing separation of young men from both traditional values and modern ones eventually leads to the kind of chaos that engulfed Sierra Leone and Liberia in recent years. From this description of urban hell, compounded by his jeremiad about African disease, Caplan builds an apocalyptic view of the future as failed states, mercenary armies, ethnic wars, environmental catastrophes, and life without hope or value. We are back to Thomas Hobbes.

There is a tendency in any historical analysis to focus on the major political events. Any reading of Africa's recent history must note the changing political and economic environments in Africa -- the process of political and economic liberalization. In many ways, however, the civil wars and failed states, structural adjustments and the struggle to maintain macroeconomic stability, are the context within which historic changes are occurring in Africa, not the changes themselves.

This article is a discussion of some of the foundational changes that are sweeping Africa, changes, which for both good

and evil, will shape the Africa of the 21st century. These long-term changes in population growth, health, the environment, education, economic opportunities, and in social life will determine whether many or most countries in Africa in the year 2025 will be the sites of incredible human tragedy, or whether they will be beacons of hope.

This article is divided into two sections. The first section examines ten trends which will change the face of Africa in the twenty-first century. Most of these trends are positive, but two are very negative. The second half of the article examines the conundrum -- the future of the concept of the "state" in an era when state failure is increasingly the norm.

The ten trends presented below are meant to capture some of the critical changes that are likely to make the Africa of the first twenty-five years of the 21st century fundamentally different from the Africa of the last twenty-five years of the 20th century .

1. Increased Human Capacity: The Africa of today is fundamentally different from the one of ten years ago in terms of high-level human capacity. Large investments made by the United States and other donor countries have paid off in creating a much larger, better-trained, more self-confident cadre of African scientists, professionals, and even political leaders. The number of university graduates has increased by eight-fold since 1960. Increasingly, this group is taking over the institutions of development in both the private and public sectors, and taking charge of Africa's future. For example, in the area of agricultural research, there were 2000 agricultural scientists in Africa in 1961, of whom only 10% or 200 were Africans. By 1990 the number of agricultural scientists increased to around 8,000, of which 7000 were Africans. These scientists are responsible for a constant stream of agricultural technological advances, some of which are

currently being utilized in the United States to provide new and better germplasm for US agriculture.

But the clearest and single most important result of this increase in capacity has been the new-found ability of Africans to manage their own development. This is clearly demonstrated in the expanding number of African-managed development institutions, in the growth of African entrepreneurs, and in the self-confidence of world-class government policy analysts who are now able to deal equally with their donor partners. This means that the future of development in Africa will be increasingly in the hands of Africans, and that Western models will be modified and even, in some cases, rejected.

2. A Paradigm Shift: The fall of Communism in Eastern Europe was the final step in a total reversal of the intellectual underpinnings for statism and authoritarian government. As recently as three years ago, the U.N. Economic Commission for Africa, the Organization for African Unity and numerous African countries were still trying to find a way to wed their ideas of neo-colonialism and self-reliance into a development theory that emphasized calling for debt forgiveness, greater aid flows, and reindustrialization. That rhetoric is now largely, if not completely, passé. The new paradigm for African development is coming out of the Global Commission for Africa (GCA) which reflects much of what is now believed by the development community outside Africa.

For example, this is what Aleke Banda, the Minister of Finance in Malawi said on June 5, 1995:

It is critical that high inflation, which both hurts the poor and deters growth, be brought down quickly before it becomes entrenched. It is equally critical that new poverty alleviation initiatives, such as free primary education be incorporated into a sustainable expenditure framework. The Government's top priority in the short term will be given

to regaining macroeconomic stability and reversing adverse fiscal trends. Structural reforms which support fiscal adjustment will be given precedence. At the same time, structural reforms that address the root of Malawi's pervasive poverty problem will be implemented: these include agricultural pricing and marketing reforms, land policies, privatization and private sector development, capacity building and public sector reforms; and other pro-investment policies.

Note the linkage between structural reform and poverty alleviation. These are not phrases that would have been found in the mouths of African leaders five years ago. In fact, the last remaining holdouts to this new paradigm are mostly found in the academic community.

In 1990 the World Bank presented a synthesis of what has been learned in thirty years of development economics theory and practice.¹ There are five basic commandments:

I. THOU SHALT INVEST IN PEOPLE. Development is, above all, a process of human capital accumulation.

II. THOU SHALT NOT SPEND MORE THAN THOU HAST. Fiscal probity leads to macroeconomic stability and private investment.

III. THOU SHALT COMPETE IN THE WORLD MARKET. We totally underestimated the benefits, in terms of firm-level efficiencies, of competing in the world market against the best in the world.

IV. THOU SHALT DEPEND ON THE MARKET. The market is a wonderful, magical instrument of human creativity; market failures are much less important than government failures.

V. GOVERNMENT SHALL BE THE FAITHFUL STEWARD OF THE PEOPLE. Governments should manage their resources as if economic prosperity depends on the careful spending of their last penny, because it does.

There are no other economic principles upon which to build, and these principles are now largely embraced by the African political and intellectual communities..

3. Basic Education: It has been clear for many decades that education, particularly education in the basic skills of literacy and numeracy, is absolutely fundamental for long-term sustainable development. This has been shown in country after country and study after study. Between 1975 and 1990, the number of literate Africans grew by 150%. Equally important, female literacy is increasing even faster. This is now a major feature of many programs by the United States Agency for International Development (USAID). Progress has not occurred without problems. The rapid growth of school age children has put considerable pressure on the public sector to increase access while maintaining quality. Unfortunately, quality has been declining. When USAID started its basic education program in Ghana we started with testing quality (what is called criterion reference testing). The results were startling to both us and the Ghanaian authorities -- less than 4% of third graders could pass tests on language skills and mathematical skills. This is the result from what was once the best educational system in West Africa. African educational systems need to be overhauled; with more emphasis on teacher training, text books, and materials which will be necessary to improve quality.

The ability to increase literacy in the future will depend on a number of important changes that are now being put in motion. These include:

1. Financial Sustainability: We are now seeing commitments by African governments to increase their allocations to primary education sector, and to ensure that there is sufficient financial resources to pay for materials and books.

2. Local Control: Increasingly we are seeing authority over school matters being delegated to local communities and to a growing number of parent-teacher associations, which are supplementing government resources by raising their own local resources for buildings, materials, and even teacher salaries.

3. Public-Private Partnerships: The failure of government to provide educational services during economic crisis has led to an expansion of private education, particularly by religious groups such as Islamic schools and by local communities. There is the need to sort out public and private roles, such as certification qualifications and minimal curricula.

4. Population Growth: The most important trend in Africa has been the rapid rate of population growth. With substantial declines in mortality, Africa, over the past twenty-five years, has been experiencing population growth of approximately 3% per year. This means a doubling of the African population every twenty-five years. This rapid growth has put pressure on the environment, made it difficult for governments to maintain the quality and availability of social services, and has led to demand for jobs creation. It is estimated that the population of Ethiopia will increase to 100 million, that of Nigeria to perhaps 200 million, and that of Sub-Saharan Africa (SSA) as a whole, to over one billion people.

However, the last ten years, and especially the last five, have produced signs of the beginning of a demographic transition; that is, a reduction of birth rates to levels closer to that of death rates. Increase in contraceptive prevalence and declines in

fertility are now being experienced by a large number of African countries; from the early successes such as Kenya and Zimbabwe, to Tanzania, Malawi, Ghana, and Senegal. Even in the Sahel we are experiencing expansion in contraceptive use, albeit from a low base.

Much of this change is resulting from expanded family planning programs and changes in values. Very few African governments are now pro-natalist. Equally important are social changes coming from increased awareness and independence of women. For example, in Senegal, the age of marriage has increased. In Rwanda before the ethnic tragedy, fertility rates declined from over seven to around five in ten years, largely because land pressures were beginning to manifest themselves as parents subdivided their plots for their children.

While these early changes may not presage a continuous reduction as changes in behavior in the urban areas begin to impact on rural areas, there are good reasons to believe that this trend will continue. Africa's experience so far represents the fastest early reduction in fertility in history.

5. Health: In the article by Caplan cited above,² he describes a "disease wall that threatens to separate Africa... from the more developed regions in the planet in the twenty-first century." But the truth is much more complicated and much more promising. We will discuss HIV/AIDS later on, but the emerging disease threats in Africa are tuberculosis and malaria.

The last five years have seen a new approach to disease prevention and health care in Africa; a movement away from the vertical programming of immunizations and oral rehydration therapy, which was both ineffective and unsustainable. The new approach is the integration of primary health care services to provide treatment for the "sick child." This should do more to stabilize vaccination rates, as well as providing more effective treatment against malaria.

It is clear that the original approach to malaria -- mosquito spraying and use of chloroquine based medicines has become less effective, and may have even been responsible for the development of chloroquine-resistant strains of malaria and insecticide-resistant strains of mosquitoes. New technologies, such as bednets and new medicines for malaria, are already showing promise. Experiments in Malawi show that we can reduce mortality rates from malaria by at least 25% with these new treatments. The overall data continue to show improvements in health, including the decline in infant mortality over the last thirty-five years. These declines have been steady but slower than in other regions. Moreover, adult health has improved as well, with adult mortality declining by 10% over the past decade. We have every reason to expect the continued improvement in health status over the next few decades; were it not for the specter of HIV/AIDS, which we will discuss below.

6. Economic Opportunity: The macroeconomic data on growth in Africa have not, until recently, presented a positive picture. However, from 1985 to 1995, economic growth has generally exceeded population growth; and per capita income has been improving. On the whole, African economies have experienced real per capita growth over the decade 1986-1995. But the growth has been slow (about 0.7% per year). Such a growth rate is too slow to change people's lives (it would take 96 years for per capital income to double). In order to substantially reduce poverty, GDP growth rates in excess of 6% have to be sustained over 50 years. That would lead to a more than quadrupling of real income over that time period.

However, these macro-statistics probably understate the real gains for the following reasons:

(1) They do not accurately capture activities in the informal sectors which have been exploding in large portions of Africa, where we have seen growth in employment of more than 10% per year.

(2) They underestimate agricultural growth because they depend on statistics collected by very suspect organizations.

(3) They reflect the decrease in the size of the formal sector (largely, government and parastatal) and miss the increase in the size of the underground economy. We have data from several countries indicating that from one-half to two-thirds of GDP is simply not counted.

What has really been occurring is a rapid expansion of economic opportunities. For example, in Zimbabwe, agricultural marketing reforms have led to declining production of the four large commercial grain mills; conversely, it has also led to the establishment of 40,000 local hammer mills.

The result has been some impressive experiences with respect to poverty reduction. This data is only now becoming available. Ghana has been one of Africa's most successful economic reformers. It is also the only country in Africa with time series data on household income. The data show a significant reduction in poverty the five year period, 1988-1992: (a) those below the poverty line decreased from 36% to 31%; (b) rural poverty declined largely because of the expansion of non-farm employment; (c) the proportion of female-headed households in poverty is now slightly lower than that of male-headed households; and (d) social spending is now more equitable geographically, but the poor still receives a disproportionately small share.

We are also noticing similar results in other countries: in Ethiopia, between 1989 and 1994, rural poverty declined dramatically from 56% to 41%. In Tanzania, two studies show substantial reduction in poverty during the 1980s. Poverty reduction is not occurring in countries that are not experiencing economic growing. In Cameroon, with poor economic policies, poverty in Yaounde increased from 1% in 1983/84 to 20% in 1993. In Kenya from 1988 to 1992, the number of people in poverty did not change, but the depth of poverty during the same period

increased. What is most important is that conditions are being established for long-term sustainable growth. The heavy hands of governments have receded in most countries, and the result has been an expansion of private sector activities.

7. Agriculture: Probably no sector is more important for the future well-being of Africa than agriculture. Typically, it generates 30%-50% of GDP, 50%-70% of employment, and for most countries, over 80% of foreign exchange earnings. Agricultural production continues to be re-energized. In 1994, 16 out of 28 countries, for which we have data, had agricultural growth rates exceeding 3.0%; that is, a growth rate greater than the population growth rate. In 1995 the number of countries rose to 15 out of 22 with growth rates greater than 4%, well exceeding population growth.

For Africa as a whole, cereal imports increased between 1970s and 1986, at which point they peaked. With the exception of 1992, when Southern Africa experienced a serious drought, they have been declining ever since. In the last two years, the two major food deficit countries, Mozambique and Ethiopia, have made major progress; and cereal imports should decline by 50% between 1993 and 1996.

These changes have occurred because of economic liberalization, investments in agricultural technology, and the rehabilitation and construction of major road networks into the interior of most countries. Liberalization, which has manifested itself in declining control of agricultural markets and the elimination of foreign exchange rate overvaluation, has resulted in substantial reduction in marketing margins between farmers and consumers. In most cases farm-gate prices increased even while urban market prices decreased. The marketing wedge has been decreased by 40% and more. Food prices have declined, allowing the real incomes of the poor to increase substantially. Many new strains of germplasm have been released; and they are being adopted by more and more farmers, leading to improved

yields. Cassava in Nigeria, potatoes in Rwanda, and maize in Mali are only a few of the many technological success stories. We have every reason to believe that these changes will continue and intensify over the next twenty-five years.

Finally, the last few years have seen a tremendous increase in agricultural diversification. Most notable has been the increase in fruit and vegetable exports, which have been growing at astonishing rates. Since 1991 the growth in agricultural exports has accelerated, and we are seeing non-traditional exports in Ghana, Uganda, and Kenya beginning to challenge coffee and cocoa as the most important source of export earnings.

8. Political Empowerment: The 1980s was a period during which states failed. Government power to regulate economic life waned, as people moved to black markets. At the extreme, people used private institutions to deliver services such as health and education, which were normally the purview of the government.

With structural adjustment, this *de facto* replacement of the state became, in many instances, *de jure*. As a result, there has been an explosive growth of private institutions and associational groups, both for profit and non-profit. Cooperatives, women's groups, environmental groups, human rights groups, parent-teacher associations, farmers associations, guilds, labor unions, chambers of commerce and other industrial and commercial associations, professional associations, and village groups have all mushroomed, almost overnight.

While the growth of civil society is essential to both improved governance and increased democratization, we should be cautious in assuming that local organizations are perfect representatives for the people they are supposed to represent. Likewise, while much has been written about the traditional democratic nature of pre-colonial village life, that is not universally true; village political structures can be as authoritarian as central structures.

Nevertheless, decentralization is becoming more widespread, as certain responsibilities are being devolved to local governments (Ethiopia being the extreme case). Nevertheless, many caveats remain. In a summary of a study of decentralization of education and health services in several countries in Africa, James Thompson reported the following:

- (1) The form and content of local governments continue to be dictated by national rather than local standards. Thus local government units (LGUs) have less latitude to increase the efficiencies in terms of both economics and quality that are supposed to result from decentralization.
- (2) Funds in LGUs are overwhelmingly spent on overhead rather than operations.
- (3) Communities do not receive, nor do they expect to receive, much from their local governments by way of service delivery. Experience reveals that local governments have too few resources because of infrastructure and staffing requirement imposed by the central government.
- (4) Local revenues remain a problem. Where increased local revenue mobilization has occurred, it has not resulted in an increase in the quality or quantity of services delivered. In many other places local revenues have not increased, and heavy dependency on central government transfers persist.
- (5) When they deem an activity potentially profitable and beneficial, communities exhibit a remarkable capacity (in cash labor and kind) for service related projects.⁴
- (6) That development does occur in communities that are often locally funded or organized. Studies show that the dynamism that leads to development seems to depend more on the residents, their leaders and their history, rather than on ties between the community and their local government.

Finally, media freedom has led to a proliferation of information, with an increase in the number of independent

newspapers and even radio stations. For example, Michael Bratton writes:

African journalists have been a driving force for liberalization, starting literally scores of newspapers and magazines across the continent. Almost all speak with critical voices. Political opinions that governments previously banned as “dissident” or “subversive” have entered mainstream discourse.⁵

Moreover, the new technologies of e-mail, faxes, international TV, and cellular phones have already placed African elites in a new information environment, both in terms of instant and decentralized links to the external world and more effective communication links among various elites and local associations. These technological changes will mushroom in Africa over the next decade.

9. HIV/AIDS: Perhaps the trend which is the most frightening is the continued expansion of HIV prevalence throughout Africa. While there is fragmentary evidence that the spread of the disease may have peaked in some countries (Uganda and Zaire), HIV prevalence continues to increase in most countries of the AIDS belt (Central and Southern Africa), and is also rapidly increasing in some new countries, particularly Botswana.

What do we know about HIV/AIDS? We know that people will change their sexual behavior, and in fact are changing it on a daily basis. We know that certain interventions are very effective, although we do not yet know how cost-effective they are. We know that the rise in AIDS will swamp the health care sector, and that, without great care, AIDS treatment, even if it is only a hospital bed, will crowd out treatment for other illnesses. We know that AIDS is directly related to an increase in tuberculosis. And we think we know two startling facts:

(1) the spread of HIV/AIDS will wipe out all the gains in health status that have been painfully achieved over the last forty years, and will probably reduce population growth rates; and (2) that there is no evidence that the AIDS pandemic will have an appreciable negative impact on economic growth.

Demographic Impact: In looking at thirteen seriously affected countries in Africa, demographic models suggest the following dramatic changes:

- (1) Crude death rates in the year 2010 will be more than twice what they would have been without AIDS: for example, from 6 per thousand to 21 per thousand in Kenya and from 11 per thousand to 29 per thousand in the Central African Republic.
- (2) Infant and child mortality rates will be about 50% higher in 2010 than they would have been without HIV/AIDS.
- (3) Life expectancy will decline by as much as 59% from around 60 to around 30 in most AIDS-belt countries.
- (4) Population growth rates will fall from about 3% to 1% or less.
- (5) Total population for the thirteen countries in 2010 will fall from a projected 410 million to around 305 million.

Economic Impact: There has been some research on the expected economic impact of this pandemic. Surprisingly, despite the expectations of the author, the research so far indicates minimal economic impact from HIV/AIDS. In general, the negative economic effects of HIV/AIDS, whether measured as reduced investment in schooling, loss of trained manpower or loss of agricultural labor, seem so far to be swamped by all the other changes occurring in African economies.

For example, preliminary examination of the loss of manpower in a farm demonstrate that for every loss due to sickness or death from all causes, there are more than ten times as many from normal turnover of staff. Macro-economic projections using assumptions about declines in savings and reduction of skilled manpower show at most a loss of 0.5% of growth at

the maximum. As far as we can tell then, HIV/AIDS will be a demographic tragedy and a substantial drain on the health sector, but it will have limited other impacts.

10. Environment: The last trend is the continued degradation of the environment. We now have evidence from our research in Rwanda (before the blood-letting started), and from the Sahel, that environmental degradation can reduce agricultural output by as much as 20%.

There are a number of local successes. In the Sahel we are having some impact by helping governments turn over control of wood resources to local communities. Similarly, in Southern Africa, local community control over hunting seems to be leading to sustainable wildlife populations. But in Central Africa, where we are launching a new conservation program to preserve the Congo River Basin, we are losing the race against French lumber interests; which, since the devaluation of the CFA franc, have found African forests to be a source of substantial profits. Much of Gabon and the Congo are beginning to look like Brazil.

Finally, there are two areas in Africa (Machakos, Kenya and Kano, Nigeria) that stand out because they have demonstrated that it is possible to increase population densities, increase incomes, and not only sustain but actually improve the environment. For example, Machakos has five times the population it had in the 1930s, with perhaps five times the income and much greater agricultural yields; yet it is visibly greener, with much larger stands of forests than were present in the 1930s.

We are still struggling to determine how to proceed from local success to national success; but the increase in African civil society interested in environmental issues, and the increased income available from sustained use of forests, wildlife and soils, offer hope that this trend can be turned around in the future.

2. The Conundrum: The Future of the Nation State in Africa

It turns out that Karl Marx was dead wrong. Not only in his economics, but more particularly in his sociology and historiography. Marx believed that technology determined the economic structure, particularly in terms of returns to labor, land and capital; that these economic flows determined social stratification, and that social stratification determined culture.

Perhaps this is true in the long-run -- but over shorter spans of history, 50 years or so, economic systems are the superstructures -- and culture and history are the foundation. In between lies the basic structure -- politics and government, based on culture -- undergirding economies. Although, surely, there is a circular nature to this relationship; technological change does have a role in changing social structures, economic behavior and even culture. That is why development is so hard, because it is based on good governments doing the right thing. And we development practitioners, both academics and foreign assistance poobahs, have no idea of how to build good governments, or even if they are feasible from the outside.

The motherlode for analysis of this question of the interface of economic behavior, political structures, culture and social structures, and history is the experience of the Asian tigers. In particular, the behavior of Asian governments is in strong contrast to the behavior of African governments. A cursory look is all that is needed to point out some stark contrasts.⁶

First, Asian governments have taken the long view. It is part of Asian culture to think in generational terms. China, Korea, Japan, Vietnam, Thailand, and Cambodia all have rich histories dating back centuries or millennia. History begets culture and culture begets policy. Almost every Asian tiger have conceptualized their development objectives in five to ten to twenty-five year chunks. By contrast, with the exception of Botswana, no African government is able to plan beyond one

fiscal year. Not surprisingly, African governments with the exception of Ethiopia have no real history. This is not to say that Africa has no history; but that the historical legacy, which goes back centuries, has been cut off by the colonial experience. Even in Anglophone Africa institutional continuity is by far the exception rather than the rule.

Second, Asian governments are bureaucratic. In part, this stems from their historical roots, and a history of technocratic government. For example, "In Singapore they actually have a policy that the best minds must always be in public service, and they are paid accordingly. Hence, the prime minister of Singapore, which is a city of 2.5 million people, gets paid more than George Bush."⁷ By contrast, because African states are prebendalist, all public decisions become political. This leads to disastrous public policy, for decisions are taken for their short-term rather than long-term impact.

Third, Asian governments are stable, particularly the technocrats. The Vice-Governor of the Central Bank of Malaysia has held that post for thirty years; by contrast, Mali has had four ministers of education within eighteen months.

Fourth, Asian governments often had an external enemy (Japan, the United States, Korea, North Korea, Taiwan and China), which led them to focus on economic growth as a prerequisite for their national security. Moreover, after Japan's success, Asian nations had successful models to emulate.⁸ By contrast, in Africa, enemies were internal; so national security depended on prebendalism and dividing the wealth rather than increasing it.

Fifth, Asian governments had a much chummier role with the private sector, particularly the large-scale, formal private sector such as the *zaibūzu* in Japan. Most Asian governments viewed the private sector as a partner, not as an adversary. In the words of one official, "The private sector is our partner; as it grows so do we grow." In Africa the private sector has always

been controlled by either multinationals or alien ethnic groups. As a consequence, it has always been distrusted and controlled.

Lastly, Asian governments kept corruption within acceptable limits. Take, for example, the story of the Governor from a western state in the U.S. who had as a visitor, the Governor of Shaba Province, Zaire. After a number of preliminaries, his guest noted that they were both men of the world and that he had studied the life of his host. He knew that he came from modest beginnings and had pursued public service all of his adult life. "So how," wondered the Zairois, "did you accumulate all this wealth?" His host took him to a window of the Governor's mansion and pointed to a river valley, where a huge hydroelectric plant could barely be seen. "Ten percent," he said, and pointed to his chest.

Six months later the Governor visited his Zairois friend, and they had a similar conversation as to the source of the African's vast wealth. As before, they walked to the window, and the Zairois pointed to the rain forest which stretched for miles. "See those roads?" he said. "Which roads?" asked the governor. "One hundred percent," he said, pointing to his own chest.

The central problem Africa faces is to shift the perimeters of governance. The failures of African states have been ascribed to the weakness of the State in Africa, and that, in turn, to African history and culture. The problems African states face are myriad: (1) Lack of a history as nation-state; (2) A colonial heritage which created and nurtured national governments which had no historical or cultural legitimacy; (3) Multi-ethnicism which erodes the legitimacy of the state; (4) Prebendalist or neo-patrimonial models of government which are based on personal networks of loyalty and clientage, and make the practice of government more concerned with "pork-barrel" issues and less concerned with the broader national interest; (5) Lack of an indigenous capitalist class or aristocratic class; the only path to success was through government employment, which becomes the

ticket to wealth and power. Thus government employment was rarely seen as public service or as a sacrifice; (6) Dependence on economic models which enlarged the role of the state; and (7) Lack of a competent bureaucracy, and therefore an effective apparatus for delivering government services.

All of these factors together have led to governments which are weak, corrupt, and incompetent. It is important to note that at one level, this has little to do with regime type. The democratic winds of change since 1989 have been a mixed blessing. The most positive aspect has been to engender a sense of accountability in governments rather than entitlements. But democracy in Africa can be described as “weak”, and there is little political infrastructure; political parties are not issue-oriented, but ethnic, regional or personal.

To reiterate, the development equation is as follows: sustainable development follows from adherence to a small group of economic principles, including good governance. However, for reasons of history and culture, African states are weak and are prone to “bad” governance, and we do not know how to fix this problem.

3. What Has Changed as a Result of the Political Liberalization Process?

Nevertheless, just as in economic liberalization, political liberalization is eroding the foundation of the existing political structure and building entirely new foundations.

A New Paradigm for Africa

Basil Davidson, in a 1992 book,⁹ argues that the central problem for Africa is the basic political organizational unit -- the nation-state. Davidson’s thesis is that the colonial powers in the late 19th century, and now post-colonial Africans, are trying to

organize human activity and development in Africa along the lines of the European nation-state. This is a huge mistake. The European models of government, especially of a coherent unitary state, he argues, are not transferable to Africa. It is interesting to note that some of the biggest European states, like Italy and Germany, did not complete their modern political development and establish unitary states until well into the 19th century.

For Africa, the European nation-state, Davidson believes, has been responsible for the multiple disasters of ethnic conflict, civil war, economic collapse and genocide. Davidson's prescription is to dissolve Africa's unitary states and replace them with a loose federation of ethnic groups which could come together for specific mutually agreed purposes and go their own way at their option. For example, two or more groups might cooperate on a highway project, but then undertake education or police separately; more like the Swiss confederation than the strong centralized governments of France, the former USSR or Britain. By and large, African states do not have the ethnic or national cohesion, or the feeling of a common destiny, to have a strong European style nation-state.

This is an idea that must be taken seriously. The European nation-state is a failed institution in Africa. In Sudan, Zaire, Liberia, Rwanda and Nigeria, the results of that failure have been tribal-based civil wars and millions of deaths. In the rest of Africa, the results have been poverty, misery and slow death.

At a time when many of the state's roles and responsibilities are being eroded or devolved, there is also an increasing trend towards building stronger regional institutions. Economic forces have led to the idea of reducing barriers to trade and investment across borders in Africa. There is also the increasing realization that due to the small sizes of most African states, many state functions are inappropriate; and that regional cooperation and coordination are needed in areas such as

agricultural research, high level training, international infrastructure, and conflict resolution.

If these two processes were allowed to continue, or were accelerated, the future political organization of Sub-Saharan Africa might look like this: (1) **Devolution of Responsibilities to local communities.** The economic and political tradeoffs are between economies of scale, on the one hand, and improved governance, on the other. Those functions which can be appropriately devolved include: (a) Education, although larger units would have responsibility for providing curriculum models and a variety of textbooks; (b) Health care; (c) Local infrastructure, including secondary and tertiary roads, community markets and warehouses, water, and local connections to communication and power trunk lines; (d) Police powers; (e) Judicial powers; (f) Local legislation; and (f) Management of local common property. (2) **Devolution of Responsibilities to the Private for-Profit Sector.** Government must continue to get out of the business of business. This involves privatization, deregulation and decontrol.

(3) **Responsibilities of New Multi-National, Regional Political Unions:** These unions must provide public goods that, because of economies of scale, are best produced by larger units: (a) National Defense, although more in the nature of a central police force and directed toward maintaining internal security rather than external threats.

(b) Economic policy, particularly the development of a legal framework for property rights and contract enforcement.

(c) Monetary policy, much along the lines of the CFA zones, with both prudential and supervisory responsibilities of the financial sector; and for a time, international supervision and backing for the union currencies, which would be floated, rather than fixed exchange.

(d) Either regulation or provision of public goods -- communications, this may be overtaken by technological change; long-range

transport infrastructure, including trunk roads and rail; and electric power.

(e) International economic policy, based on free trade and investment among local communities within the union; free convertibility of currency, no import or export licensing, a uniform tariff only for revenue purposes, and limited regulation of international investment.

(f) Higher and specialized education and agricultural research, as well as any other functions that exhibit economies of scale. In this context one would expect the citing of universities and regional research institutions to be decided jointly by the local communities and the union; and (g) Foreign Policy.

(4) **Budgetary Roles:** By and large, most revenue collection would be the responsibility of local communities from their tax bases. Where possible, there would be a heavy reliance on user fees. There would also be revenue sharing from the central government based on an equitable formula. Regional union revenues would come from two major sources: (a) a uniform tariff and (b) royalties and mining rights for large scale natural resources in the mining sector, oil, bauxite, gold, and copper. These royalties would have to be shared with local communities in the resource rich areas.

(5) **Political Relationships:** The executive and judicial branches of the union should be relatively small. Most executive functions, particularly those dealing with provision of services such as higher education and infrastructure development, could be devolved to independent authorities which are governed by assemblies of the communities. The judicial branch would largely be responsible for resolving disputes among local communities and government organizations.

The executive responsibilities of the regional union should be limited to foreign affairs, internal security, and economic policy. The use of these powers should be subject to a union

assembly, with little independent discretion by the union executive.

(6) **Relations among local units:** One can imagine the development, as Davidson suggests, of associations of local units, either for the purpose of providing economic services more efficiently, or for representation of the views of particular ethnic groups or of regional groupings more effectively in the union assembly. These local super-organizations might also be the best mechanism for providing donor assistance directly to local communities. Moreover, one can envisage unions of local communities along sectoral lines: export producers, health providers, women's groups, human rights groups, and farmers. These would also be able to influence local and union governments as well as donors.

(7) **Relations with Donors:** Relations with donors will be extremely complicated. At the union level, as noted above, one can envisage macroeconomic support in the form of technical assistance and most especially in the backing of the local currency. At the community level, new forms of larger associational groups would interact directly with donors and international NGOs and get financing directly.

(8) **The Transition:** Even if these ideas make some theoretical sense, it will take decades to see them come to fruition. What is first needed is an intellectual dialogue among Africans and donors regarding either the inevitable or desirable evolution of these ideas. For it is clear that this transition must be evolutionary rather than revolutionary. If, in fact, a consensus emerges that this form of governance is feasible and desirable, then the important intermediate steps are to strengthen both supra-national institutions and local organizations, including both civil society and local government, as well as avoid taking actions that strengthen governments at the nation-state level.

4. The Future

It is easier to describe an ideal model of the future rather than figure out how to get there. National governments and political leaders will not give up authority willingly. There are numerous problems with local governance and with union governance. Nevertheless these are deep questions, and we need to think about them deeply. At this writing, it seems that current trends are leading in the direction described above. If, after much debate, it seems desirable to encourage the trends toward regional integration and local empowerment, then these should become part and parcel of the donor ethic.

For donors this means rethinking the very purposes of foreign aid. Should aid not be used more strategically and perhaps more parsimoniously. Should we not be much more aware of the inadvertent negative consequences of our aid? Have we not been giving life support to the very structures that may need to die, although the alternatives must be ready before the existing structures disappear? A short menu of actions might be: (a) Reduce aid, particularly balance of payments support, while at the same time providing increased debt relief; (b) Retarget aid at local, community organizations; (c) Continue to support adjustment measures that reduce the role of central government in all aspects of economic life; (d) Work at strengthening local governments, particularly in the area of local resource mobilization and financial accountability; (e) Work at strengthening local governments, particularly in the area of local resource mobilization and financial accountability; (e) Strengthen regional cooperation and networking; and (f) Make local ownership a serious principle of foreign assistance.

ENDNOTES

1. The World Bank, *World Development Report, 1991*.
2. Caplan, *op. cit.*, p. 54.
3. James T. Thompson, an oral briefing presented to USAID staff in October, 1994, drawn largely from Maurice Garnier et. al., "Decentralization: Improving Governance in Sub-Saharan Africa," a report sponsored by USAID, December 1991.
4. Melinda Smale and Vernon Ruttan, "Cultural Endowments, Institutional Renovation and Technical Innovation: The Groupements Naam of Yatenga, Burkina Faso," (mimeo 1994). Also, Elinor Ostrom, "Investing in Capital, Institutions and Incentives," (mimeo, 1994).
5. Michael Bratton, "Political Liberalization in Africa in the 1990s: Advances and Setbacks," in *Economic Reform in Africa's New Era of Liberalization*, *op. cit.*, p. 42.
6. Much of the discussion following comes from, *African Development: Lessons from Asia*. See also, David Lindauer and Michael Roemer, *Asia and Africa: Legacies and Opportunities in Development* (Institute of Contemporary Studies, 1994).
7. *African Development: Lessons from Asia*, *op. cit.*, p. 83.
8. *Op. cit.*, p. 89.
9. Basil Davidson, *The Black Man's Burden, Africa and the Curse of the Nation State* (New York: New York Times Books, 1992).