

9. POVERTY AND AID

a) Absolute and relative poverty

Those who have known only the prosperity of the West in the last few decades sometimes find it difficult to understand that, until quite recently, poverty was the natural state of most of the world's population. It can be hard to appreciate that the real question is not why so many people have remained poor, but why some have managed to escape poverty while others have not. Presumably something unusual happened in the West and, later on, in other areas to make this change possible. The poverty of the vast majority of Africans, which began with the first humans hundreds of thousands of years ago and has lasted into the twenty-first century, has been too consistent and unchanging to justify searching for a historical cause.¹

Nor can we point to static social structures as a possible cause of Africa's poverty, since this ignores the internal dynamism that in fact characterises African society. What is more, the world altered dramatically in the latter half of the twentieth century, and Africa with it. Yet while much changed, none of these changes led to a substantial reduction in the extensive poverty that besets the continent. There is no simple explanation as to why this is so. This book therefore examines in greater depth why, despite the rising prosperity elsewhere in the world and the widespread changes that took place on the continent itself, Africa failed to break free of poverty after gaining independence.

Our study of poverty in Africa will be most meaningful if we compare it with parts of the world where poverty was eradicated or substantially reduced in the second half of the twentieth century. This happened in large parts of Asia and Latin America, as well as in the West.² Interestingly, both of these continents, together with Africa, were until recently seen as 'Third World' countries ('Third' after the 'First' and 'Second' Worlds, the West and the former Eastern Bloc respectively). The term 'Third World' has since fallen into disuse, not just because the 'Second World' disappeared after the fall of the Iron Curtain and the break-up of the Soviet Union, but above all because the gulf between Africa, Asia and Latin America in the crucial area of development had widened so much since the 1980s that it became unreasonable to group these three continents. So by analogy with the question of why some countries have managed to escape poverty while others have not, the key question about the differences between 'Third World' continents is: why did parts of Asia and Latin America become less poor and in some cases even fairly prosperous, while a similar rise in prosperity did not take place in black Africa? Why did Africa fail to attain prosperity despite the efforts of so many people, Africans and others?

Around the millennium, it was Asia, not Africa, that had the largest poor population. This was simply because Africa's total population was so much smaller than Asia's. India alone had a billion inhabitants by the year 2000, roughly four hundred million of whom were living below the poverty line. In the same year, sub-Saharan Africa had a population of six hundred and fifty million, three hundred million of whom were living in poverty. In many ways, Africa rather than Asia was the most poverty-stricken continent. Much of the Asian continent managed to struggle free of poverty in the late twentieth century and many millions of Asians succeeded in materially improving their lives. By the year 2000, the number of people enjoying at least a modicum of prosperity in Asia was many times greater than in Africa. Asia had a variety of social classes, whereas Africa was homogenous with practically universal poverty outside the capital cities. This may always have been the case, but with the advent of globalisation and vastly improved intercontinental communications, poverty started to become increasingly unacceptable to Africans. New emphasis was placed on relative poverty; Africa was becoming ever poorer around the end of the twentieth century, simply because the other continents were growing ever richer.

More than any other continent, Africa became associated with poverty, prompting some to draw attention to the remarkable contrast between the living conditions of its people and its natural bounty; above all, its natural resources. What are we to make of Africa's profusion of oil, gold and diamonds? There is no question that some parts of the continent contain immense riches waiting to be mined. Yet some qualification is required when considering the continent as a whole. After all, it is only logical that so large a continent should have considerable stocks of fossil fuels, minerals, metals and precious stones. The same is true of other continents. Moreover, when it comes to other crucial factors such as soil fertility, Africa does not score very highly. Europe and North America, and even large tracts of Asia, are far better suited to agriculture than Africa. This fact was important on the road towards prosperity. The vast majority of Africans did not live in an environment that was well suited to sustainable development.³

The way raw materials are used is another factor. With the exception of South Africa, no African economies managed to convert natural resources into a form of wealth that benefited more than a small elite. Consequently, countries with large natural endowments, such as Nigeria and Zambia, were economically no better off than those without such resources. In fact, natural resources often fuelled domestic tensions, on balance worsening rather than alleviating poverty and misery in the countries where they were found (such as Liberia, Sierra Leone, Congo and Angola). The political and social structures of independent Africa were such that natural resources tended to perpetuate poverty rather than bring prosperity.

The link between poverty and armed conflict in Africa is unclear. Poverty alone cannot have led directly to the outbreak of such conflicts, because it had been part of everyday life in Africa since time immemorial, whereas violent conflicts had not. In addition, one of the characteristics of poverty is that it restricts the ability to act, including the capacity to engage in armed opposition. On the other hand, for those who wanted to fan a conflict, Africa's large reservoir of impoverished people provided a useful source of combatants; poverty lowers the threshold for participating in armed conflict, since the poor have less to lose than those with a degree of material prosperity. In particular, the many young men who were frustrated by their poor economic prospects were relatively easy to draw into civil wars. The social and economic effects of these struggles were always devastating. A handful of individuals (primarily the leaders) were able to derive real material benefit from the conflict, while a larger group of fighters at least drew more income from the plunder that accompanied the fighting than they could have obtained in peacetime. This economy of violence was another major factor for prolonging the conflict. However, for the majority of those caught up in the hostilities – mostly civilians in conflict areas – impoverishment was the result. In short, armed conflicts were a direct cause, though not a direct effect, of poverty.⁴

So what exactly is poverty, in objective terms? The simplest way of looking at it is from the financial perspective. The criterion of one dollar a day per person has been used as a standard definition of poverty for many years, mainly by economists. Anyone living below this threshold is defined as poor. Obviously, this income poverty is a very crude measure which becomes less useful when local circumstances are studied in more detail. For example, what an individual can buy with one dollar can vary quite widely within a country, or even within a small area. An income of one a dollar a day might make you much poorer or richer in one place than in another. Even so, this approach was often taken because of its simplicity; since it was a quick way of gaining an impression of the poverty situation. According to this criterion, there were, as mentioned, more than three hundred million people living in poverty in Africa at the beginning of the twenty-first century, out of a total population of six hundred and fifty million. Nearly half of all Africans were poor.

In addition to the simple dollar-a-day yardstick, there was another that tied in more closely with what poverty really meant in practice. There are, after all, many dimensions to poverty: economic, social, political and psychological. This second

yardstick saw poverty not just as a low income, but also as inadequate control over productive facilities, lack of political influence and poor access to services such as health care (including contraception), education, water and sanitation. Other components frequently added were lack of information and insufficient awareness that public services were available. This was a form of social marginalisation or exclusion that was closely linked to poverty and that threatened people's self-reliance and independence. This human poverty approach was undoubtedly closer to reality than the criterion of one dollar a day, but it was too complicated to serve as the basis for a poverty line. It was not clear what percentage of the population was poor by these standards.

Another approach to the poverty phenomenon was put forward by the Indian Nobel laureate Amartya Sen, who was discussed in chapter 3 (section h) in connection with the importance of democracy. In his book *Development as Freedom* (published in 1999), Sen argued that poverty is effectively equivalent to a lack of freedom. People who are poor are not free. If development takes place, people become more prosperous and have more choices. They thus become more free. Poverty is a lack of opportunity, a lack of choice. This does not underplay the importance of a lack of income, since that is one of the main reasons that poor people cannot lead the sort of lives that they regard as better or more valuable. Obtaining income or education is, however, viewed as means rather than an end in itself. Sen's theory thus draws a connection between poverty and human rights issues. This yardstick also very clearly defines Africa as a poor continent, although it is impossible to say just how poor.

What did Africa's poor feel was the worst thing about poverty? In the late 1990s, the World Bank sponsored a project entitled *Voices of the Poor*, in which sixty thousand poor people around the world were interviewed about their living conditions. The overall impression was that their lives had grown harder in recent years due to the erosion of their traditional social support systems. As a result, poor families often had only themselves to rely on, which made them more vulnerable. The survey found that poor people regarded the social and psychological aspects of poverty as the most important. Many interviewees said they wanted to belong to a group and did not like having to be wholly self-reliant. They felt cut off from society and totally excluded from facilities that were meant for the entire population. They also felt that they were treated badly (often 'like dogs') by service providers, retailers, tradesmen and government officials. Their relationship with state institutions was particularly bad. Almost all the respondents said that they had no confidence whatsoever in the government, that they were never given any help by the state and that officials were corrupt. Oddly enough, nongovernmental organisations (NGOs) emerged from the survey as only slightly better than the government itself. The poor expressed the most confidence in religious institutions and indigenous local organisations.⁵

Only rarely did respondents mention shortage of income as their main problem. A far greater concern was the difficulty of obtaining loans and getting by when times were especially hard; those with little income are less able to borrow. Over half the poor people in Africa were trying to make a living in the informal sector. Their biggest practical problem was food security; many spent their entire time simply trying to scrape together their next meal. Availability of food was far less of a problem for the poor on other continents. This showed not just how appalling the African food security situation had become, but also how severe poverty was in Africa; for over a hundred million Africans, life was little more than a basic struggle to survive the next twenty-four hours. The situation for most of the poor in Africa had not improved since 1990. While food security probably improved in rural areas, it worsened for many city-dwellers. Per capita income in Africa fell by approximately one per cent in the 1990s.⁶

b) The poor continent

A closer look at the extent of poverty in Africa in the 1990s reveals a wide disparity between percentages and absolute figures. In percentage terms, little changed, with a probable decline in the number of poor people from 48 per cent in 1990 to 46 per cent in 1998.⁷ However, due to rapid population growth, these percentages applied to populations of very different sizes. Consequently, a relative decline in the percentage could still mean a sharp rise in the absolute number of poor people, from 240 million in 1990 to just under 300 million in 2000. This phenomenon of a relative improvement but a worsening in absolute terms was also seen in South Asia and Latin America in the same period. The numbers of poor people in Eastern Europe and Central Asia rose, in both absolute and relative terms. East and Southeast Asia, on the other hand, recorded the fastest progress in poverty reduction. Despite the growth in the population, the percentage of poor people there fell from just under 30 per cent in 1990 to around 15 per cent in 2000. Much of this drop was due to favourable developments in China.

If we look solely at the rise or fall in the number of poor people since the end of the Cold War, then East and Southeast Asia show the best results, with the number of poor people dropping by approximately 140 million. The number of poor people in the Middle East and North Africa remained largely constant, while in Europe and Latin America it rose slightly. The number of poor people in South Asia and in sub-Saharan Africa rose sharply. By the new millennium, global poverty was becoming increasingly concentrated in these two regions. There were now roughly fifty million more poor people in South Asia and an additional sixty million in sub-Saharan Africa. Considering Africa's small population, it is clear that after 1990, poverty in Africa affected a relatively large group.⁸

Some blamed Africa's relative decline on globalisation. As the world's poorest and most dependent continent, Africa was seen as particularly susceptible to the predatory forces of international capitalism. Yet there was little sign of a 'race to the bottom' between developing countries, with wages forced further and further down as a way of attracting international investment. Africa was insufficiently integrated into the global economy to be led by international market forces or the competitive drive. Wage levels in Africa were not low enough to attract potential investors; moreover, political instability, physical insecurity and lack of facilities did far more to keep investors away. On the global level, there was growing inequality between countries, with significant social repercussions. The share in global income of the poorest twenty per cent of the world's countries fell in the last decades of the twentieth century, but not to the benefit of the highest income group. Instead it has benefited the middle-income countries, mainly in Asia.⁹

Social inequalities in African countries remained as wide as ever. Around 2000, the gulf between rich and poor was probably wider in Africa than on any other continent, although some estimates suggest that it was wider in Latin American countries, with their feudal traditions.¹⁰ The source of this yawning gap was, as always, the structure of society, particularly the legacy of colonialism and decolonisation. The African inheritors of the former colonial states had become a new ruling class. The typical social structure that emerged within a few years after independence had two distinct parts: a small group of haves and a very large group of have-nots. The smaller group – the national elite – held all the country's means of production, while the rest had nothing. A Marxist interpretation would have identified two distinct classes. The gulf between the two was widened by the fact that one – the elite – also held all the political and economic power.

Marxist commentators had always maintained that such a concentration of total power would also occur in the West at the height of liberal capitalism, but this proved not to be the case. In Africa, this concentration of power was much more clearly present. Setting aside influences from abroad, some of which were quite considerable, practically all the power in the country was held by a small elite. This group had a monopoly on contacts

with the West, for example in connection with economic globalisation and international development cooperation. The masses formed an almost destitute underclass that could survive only through clientelist ties with the elite and through charity. Confusingly, during the Cold War, many wealthy African rulers called themselves Marxists and used Marxist rhetoric to conceal the true situation in their countries.

The national elites had accumulated so much wealth, especially in countries with vast natural resources, that they could have brought about greater stability by redistributing it more effectively. Why did this almost never happen in Africa? There were several causes for this. The main factor was the role of the military. In most states the civilian authorities either had to share power with the army and its commanders or came to depend on them more and more. Alongside redistribution of wealth, the army provided other means of maintaining stability. Elites used military authority in many ways, including downright oppression, to keep people in line. This political role of the military allowed leaders to divert more money into their own pockets and keep a relatively firm grip on their own position. Of course, the military commanders who served them had to be rewarded, at the expense of patronage networks involving other social groups. This development was made possible by the lack of checks and balances in African societies, and it further damaged the few checks and balances that remained.

There were other causes that redistribution rarely became a force for stability. Long-serving presidents – who were common in Africa – gradually lost interest in wide-reaching patronage networks and instead tended to focus on their own personal projects. Félix Houphouët-Boigny used part of the fortune he amassed in his forty years as president of Ivory Coast to build a huge cathedral in his hometown, Yamoussoukro. He may have felt that this grandiose gesture would be so awe-inspiring that it would win him more support than ordinary redistribution of wealth. Another factor may have been the fading of the national ideals which had been so strong at the time of independence. This tendency undermined countries' sense of national solidarity. Finally, social developments such as individualisation, urbanisation and globalisation also had a negative impact on redistribution.

However, there were exceptions to these general trends. South Africa, for example, had one of the widest social gulfs in the world, even though the elite was quite large. Following the abolition of apartheid, the white elite's share in the country's wealth shrunk, mainly because the black population grew much faster.¹¹ There were also countries with an entirely black population where the trend was favourable. For instance, overall income disparities in Uganda and Ghana narrowed in the 1990s following reforms.¹² Although there were areas and groups in both countries that became poorer, poverty was nevertheless reduced in relative and absolute terms. And there were other countries in Africa, such as Ethiopia and Mauritania, where reforms were likewise successful in reducing poverty after the Cold War.

In most countries, rapid population growth was a major obstacle to combating poverty. Even if a country was pursuing reasonable policies, and even if circumstances were favourable, as in Mali in the 1990s, it remained extremely difficult to reduce poverty. Following the introduction of democracy in 1991, Mali was able to invest more in education and health care, despite government cutbacks, but it was impossible to keep pace with the population explosion.

The small size of African economies also posed a fundamental problem. Most African governments set aside a percentage of their GNP for education and health care comparable to that in other countries, and sometimes even slightly higher.¹³ This had been the case ever since independence. So in some cases, lack of progress was due less to an unwillingness on the part of African governments to set aside resources for these sectors than to the fact that little could be achieved with such percentages, for a relatively small population of just a few million spread over a large area, due to the low levels of GNP involved. The sum available for the education and health care of each

citizen was minuscule. Moreover, due to mediocre policies and governance, funds were not used optimally, which made the situation in these sectors even worse.

Whereas almost everywhere else in the world, rapid strides were being made in education, African countries continued to lag behind. In the 1980s, the average percentage of children attending primary school began to decline from roughly eighty to seventy per cent. More children in the cities attended primary school than in rural areas, more boys attended than girls and only a tiny proportion of the poorest children went to school. Less than a quarter of all African children attended secondary school; those who did were almost all better-off city-dwellers. Less than three per cent of young people went on to attend an African university. Since, like primary and secondary schools, universities were often very poor, members of the elite who could afford to do so sent their children to universities in the West. Africa had almost no capacity to prepare its own people for senior jobs in government, industry or the social sector.

Another consequence of poverty was the decline in health care. Child mortality in Africa rose to a level that contrasted starkly with that in other parts of the world. One out of ten newborn infants died.¹⁴ Illness and death also began to loom larger in the lives of most adult Africans. The healthy lifespan of the average African adult decreased. On average, Africans spent fewer years in good health than the people of any other continent. In 2000, the World Health Organisation (WHO) surveyed life expectancy and the severity and duration of illnesses in all the countries of the world. This enabled it to evaluate the impact of armed conflicts and AIDS on populations. The survey revealed how many years on average a country's people were likely to live in good health. The ten countries at the bottom of the list were all African. The people of Ethiopia, Mali, Zimbabwe, Rwanda and Zambia averaged approximately thirty years. Right at the bottom was Sierra Leone, with just twenty-five years of good health. The list was headed by the world's richest countries, whose people could expect an average of more than seventy years in good health.

The health of the African population was undermined by food shortages, which were especially hard on children. If they were underfed for even a brief period, their weight lagged behind their height. If this went on for longer still, then they remained short for their age. The incidence of these symptoms of malnourishment rose most sharply in the poorest African countries, although there were also areas where the situation improved, usually in the cities.¹⁵ Children remained especially vulnerable. Millions of orphans were forced to eke out a living on the streets of large cities. There they were exposed to all sorts of dangers; for instance, they could be drawn into violent conflicts. Children living in war-torn regions were most at risk, particularly those in Angola, Sierra Leone and Liberia.

c) The human rights situation: political poverty

According to Amartya Sen, poverty goes together with unfreedom, and greater freedom with greater development. There is a clear connection here with human rights, and not just with economic and social rights, which relate to minimum standards of material security, but also with classic civil and political rights, such as freedom of expression, freedom of assembly, religious freedom, freedom from torture and the right to elect representatives. To uphold these rights, governments generally do not have to do a thing; in fact, they have to refrain from certain actions. To protect freedom of expression, for example, governments must leave their critics alone rather than arrest them. In a sense, this makes these rights easy to uphold, even in poor countries.

Although independent African states generally showed little respect for the civil and political rights of their citizens, that does not imply that most Africans were not 'free'. Only at the height of the Cold War, around the time that a few countries were declaring themselves 'democratic people's republics', did governments try to control all aspects of their citizens' lives with no regard for their liberty. This ideology could have led to totalitarian systems in some African countries, as it had in other parts of the world.

However, this did not happen due to the absence of a cultural basis. African cultures simply did not have the neurotic compulsiveness required for totalitarianism. In any case, African state structures were far too weak and ineffective to maintain a totalitarian system. Even if governments had wanted to exercise total control, they would have lacked the necessary organisation, resources and mentality to make such a system work.

So while most Africans lived in poverty, they did not lack liberty. Even in major cities, the government was often far too remote to make life even more difficult for its citizens by violating their civil or political rights. As state institutions broke down, governments gradually lost their hold on their populations. Yet this did not mean governments and states were weak in the sense that they handled their citizens with kid gloves. On the contrary, when states were capable of cracking down, they did so. Here and there, the decline of the state even exacerbated this tendency towards oppression. Human rights remained under threat.

An opinion poll conducted in six African countries around the turn of the century found that many Africans were confused about political freedoms. A large number regarded freedom as a birthright, as 'the right to everything' or as control over their own lives. When asked about more specific political freedoms, they generally cited freedom of expression, including the freedom to voice an opinion, freedom of the press and freedom of dress.¹⁶

The gradual advance of political liberalisation brought with it greater political freedom for the population. In many African countries, including some that had undergone democratisation, journalists who criticised the government were persecuted; even so, freedom of the press marginally improved across the continent. There was also growth in privately operated media. Government censorship and control of information decreased, though television and radio were subject to more legal restrictions than the print media. Freedom of the press was greatest in Mali, Benin, Botswana and South Africa and most restricted in Sudan, Equatorial Guinea and Congo (Kinshasa).¹⁷

Despite the spread of liberalisation, there were still arbitrary arrests throughout the continent and people were still sentenced without trial, or without a fair trial. Individuals who challenged the views of their governments ran a risk – even if those governments were democratic – of being detained without any formal charge being brought against them. What is more, African jails, some of which were little more than detention camps, were quite simply appalling. Detainees were forced to live in cramped and crowded conditions, and the level of hygiene was very low, encouraging the spread of disease. Prisoners were frequently mistreated or tortured.

The death penalty is part of the penal system in almost all African countries. Most Africans regarded capital punishment as a normal and necessary punishment for certain crimes, not just for atrocities such as the genocide in Rwanda, but also for less serious misdeeds. However, in response to strong international opposition, many African countries no longer carried out executions. In others, such as Kenya and Cameroon, death sentences continued to be both imposed and carried out. At the millennium, around a hundred people were awaiting execution in Kenya. Extrajudicial executions were also carried out in many African countries.

In many African countries a wide gulf exists between the political, economic and social status of men and women. Another striking human rights issue was the level of discrimination based on sexual orientation. Some African politicians declared homosexuality inimical to African culture and African values. Some went further still; President Mugabe of Zimbabwe claimed that homosexuals were 'worse than pigs'. In some countries, homosexuality was banned by law but not actively prosecuted. In Namibia, where the constitution prohibited homosexuality, President Nujoma called on the police in 2001 to arrest all homosexual men and women, but nothing came of this in practice.

Africa has its own human rights charter and associated institutions and procedures, based on those of other continents.¹⁸ The charter was drawn up around 1980 at the initiative of

the Organisation of African Unity (OAU), which in 2002 was transformed into the African Union. By the beginning of the twenty-first century, all the member states of the African Union had become parties to the charter. The African Commission on Human and Peoples' Rights is responsible for monitoring compliance with it. Violations of the rights enshrined in the charter can be reported to the Commission by states, individuals or NGOs.

In the 1990s, many African countries also set up national commissions to scrutinise their own human rights records. The first was established in Togo in 1989. By the year 2000, more than half of all African countries either had set up or were in the process of setting up such commissions. However, only three of them earned a good reputation by actually bringing violations to light: those in South Africa, Ghana and Uganda. The rest had no real authority and were too unwilling to stick their necks out for victims of human rights abuses. They appeared to have been established mainly to ward off criticism from the international community. As a result, they did not make ordinary Africans feel any safer.¹⁹

One striking aspect of the OAU/African Union's approach to human rights was its recognition of collective rights. The official name of the African human rights charter was the African Charter on Human and Peoples' Rights. Collective rights were included partly because African cultures have traditionally been centred on the community and on the communal, defining the individual chiefly through his place in the social order or group. A second reason is the emphasis placed on economic, social and cultural rights in developing countries. Unlike classic civil and political rights, which apply to the individual, economic, social and cultural rights are more group-oriented. On the other hand, studies have shown that by the beginning of the twenty-first century, Africans were saying they considered individual rights to be more important than collective rights.²⁰ In this respect, they were no different from people on other continents.

In the area of collective rights, although the African Charter includes the established economic, social and cultural rights enshrined in the UN system, it particularly emphasises the need to eliminate colonialism, neocolonialism, apartheid, Zionism and 'aggressive foreign military bases'. So although there is a link with human rights in their more traditional form, the Charter primarily reflects the international political agendas of African governments at the time of the Cold War. They were not especially concerned with protecting and upholding the rights of their own people more effectively. Instead, the message they wanted to convey was that Africa's human rights problems were caused by hostile foreign powers. They simply ignored their own share of responsibility.

In fact, they tended to see themselves as victims, in the same category as the citizens whose rights they violated. Human rights became a weapon that they could use to their own benefit in international politics. The more guilt the African governments could make the rich countries feel, the bigger the financial rewards for the ruling elites. They used their gains both for self-enrichment and to buy internal stability through patronage. Laying the blame on foreign powers also forestalled domestic criticism of African rulers. If the outside world and Africa's history were to blame for its problems, why criticise African governments? This attitude, which influenced many decisions by those governments, persisted even after the end of the Cold War, and briefly but spectacularly resurfaced at the United Nations World Conference against Racism, held in Durban, South Africa, in 2001.

The African states, which like those of other continents took a joint position at the conference, had no real interest in combating racism in Africa. This was surprising given the extreme violence that had flared up across the continent, especially in the 1990s, in which race (or 'ethnicity') had played a significant role, such as the struggle between the Hutu and Tutsi in the Great Lakes region. Since African governments had tended to fan the flames rather than try to reconcile the warring factions, the conference should have called on them to resolve their conflicts and impose specific sanctions on those found to

be guilty of inciting racial hatred. It could also have launched many other initiatives to defuse racial tensions among the population, for example through education.

In fact, it did none of these things. African governments simply did not want the world to scrutinise their own human rights performance. Instead, they preferred to focus entirely on the past, targeting the slave trade and colonialism, and demanding compensation for the victims of slavery. They called for the creation of an International Compensation Scheme and a Development Reparation Fund to be financed by Western governments and voluntary contributions from private individuals in sectors that had benefited directly or indirectly from intercontinental racist activities. It was unclear precisely who should be regarded as the victims, but the African governments were of course more than willing to act as their representatives.

The African Group in the UN represented the whole of continental Africa, including the Arab north. Oddly enough, it was an Arab member, Egypt, that was the driving force behind the African position. This was surprising, since the Arab world had historically played a very large role in the African slave trade. This involvement went on for much longer than that of the West, and in fact continues to this day in some parts of Africa (especially Sudan and other states on the edge of the Sahara). Moreover, Egypt's colonialist activities in Africa – which included slavery – began in ancient times and lasted until well into the nineteenth century, extending as far as the country's military power could reach. However, the North African countries did not feel any sense of culpability. In fact, together with the black Africans, they tended instead to see themselves as the victims of Western expansionism and its attendant evils.

The antiracism conference in Durban ended in failure. This was chiefly because it tried to equate Zionism with racism, but the issue of slavery was also divisive. Western nations, while willing to accept their share of the blame for slavery, were reluctant to pay compensation. In any case, the modern-day victims of racism who needed protection, in Africa and elsewhere, were people suffering at the hands of their own governments. Since these governments had managed to shrug off their responsibilities, ordinary Africans could expect few active steps to protect their rights. The situation remained bleak.

d) Mounting debts

Let us now return to the material side of poverty. Poverty can include debt. Individuals have personal debt and countries have national debts. While it is impossible to determine the total household debt burden of the African population, we can nevertheless reach some conclusions about national debt. In the 1990s, African countries owed two to three hundred billion dollars to foreign creditors. Given that the population expanded from five to six hundred million in the same decade, this represented a debt burden of approximately five hundred dollars per person, which was more than the average annual income in most parts of the continent. Yet while this shows the size of Africa's debt problem, it also suggests a debt burden for individuals that they did not actually experience. The vast majority of Africans never came into contact with either public loans or public debt, since their connections with their own governments, which negotiated the loans, were too weak. The money was seldom used to pay for activities that benefited the general populace, and much of the debt incurred was cancelled, or restructured and then not often repaid in full. For most Africans, the loans and debts of their governments thus existed only on paper.

Obviously, these debts were not evenly spread across the continent. Almost all of Africa's poorest countries, such as Burkina Faso, Burundi, Cameroon, the two Congos, Ethiopia, Ghana and Guinea, had large debt burdens. However, so did wealthy oil producers like Nigeria and Gabon. Only a handful of the poorest countries had more moderate debts; these included Benin, Chad, Gambia, Kenya, Senegal, Togo and Zimbabwe. Among the poorest countries, only Eritrea and Lesotho had practically no debts at all. The same

applied to a few of the wealthier countries: South Africa, Botswana, Swaziland and Djibouti.²¹ South Africa's debts were almost all internal.

Approximately three-quarters of Africa's foreign debt came from loans made by either foreign governments or international institutions.²² These debts were often the legacies of concessional loans; that is, loans with favourable, non-commercial conditions. This usually meant a low annual rate of interest (one per cent or less) and a longer grace period and repayment term (often ten years for the grace period and twenty-five to forty years for the repayment term). In 1980, Africa's debt to multilateral organisations totalled ten billion dollars; it rose to twenty-three billion dollars by 1985, to forty-four billion by 1990 and to fifty-eight billion by 1994.²³ Forty billion was provided by the World Bank and the IMF, mostly as part of structural adjustment programmes. The rest was lent by the European Union (under the Lomé Conventions), the African Development Bank (which lent a surprisingly large amount to countries that were wholly uncreditworthy) and other multilateral banks and organisations.

In truth, almost all African countries were even more financially dependent on the World Bank and the IMF than these figures suggest. Throughout the 1990s, other multilateral organisations and bilateral donors began to adopt the criteria applied by these international financial institutions. As a result, it became increasingly difficult for African countries to play one donor off against another, for instance by turning to a second rich country if they were refused aid by the first. After the Cold War, this time-tested strategy became almost totally ineffective for developing countries. International lenders began presenting a unified front, coordinated by the World Bank and the IMF. In an effort to gain or to remain in favour with these two leading institutions, debtor states began to focus on paying off structural adjustment loans, almost to the exclusion of any other kind. The ability to keep to strict payment schedules was highly valued by the financial institutions, and it largely determined whether any new loans were issued. A staggering ninety per cent of multilateral loans were repaid on time.

However, this jeopardised the repayment of other, notably bilateral, loans, most of which were part of development aid from the industrialised nations. In the 1990s, a mere twenty per cent of these loans were repaid. Although bilateral loans were generally far smaller than multilateral loans, the share of bilateral loans in the debt burden grew much faster than the multilateral share.

Total foreign commercial debt (debt to foreign lenders in the private sector) probably remained largely unchanged at around sixty-seven billion dollars. In 1980, this form of debt made up approximately three-quarters of Africa's total debt, but by 1994 this share had fallen to just a third. If we exclude South Africa, which had a high level of commercial borrowing, then the share of commercial loans in Africa's total debt fell to less than a quarter by the mid-1990s.²⁴

By that time, Africa's debt equalled around seventy per cent of its total annual output, with some fluctuation. This was substantially higher in other regions, where the debt burden rarely rose above forty per cent of GNP.²⁵ Given that public debt is generally repaid using export revenue, we can see how difficult the situation was for Africa, where the public debt burden was two to three times as great as revenue from the export of goods and services.²⁶

The growth of debt in Africa was very much stimulated by the policies of the international financial institutions, especially the World Bank, which tried to promote economic growth on the continent by providing loans. In the mindset of officials at those institutions, the more loans they could convince African authorities to take out, the better they were doing. Even though most of the loans were concessional (i.e., their terms were favourable), they did have to be repaid, with interest. African countries were usually unable to do so, due to their premodern domestic environments, in which the main objective was not to invest the money in an economically sound way, but to use it for social and political purposes. Consumption took priority over production, and the money thus used could not be repaid. When new loans continued to be provided, the resulting situation most resembled a contemporary variation on

debt bondage; countries were kept under pressure through debts they would never be able to repay.

These debts hung like millstones around the necks of the African economies, regardless of whether they were performing well or badly. As a result, there was increasing support for cancelling most of the continent's debt. A large-scale debt relief operation was proposed, raising the issue of whether to distinguish between governments whose economic policies met generally accepted standards and those that were guilty of economic mismanagement. In the latter case, wouldn't debt relief be seen as a reward for poor policy? And would it really have a positive economic impact?

The World Bank and the IMF, which prepared the debt relief programme in cooperation with leading donors in the mid-1990s, decided to proceed selectively. In 1996 they came up with a special debt initiative for poor countries with high debt burdens, known as the Heavily Indebted Poor Countries (HIPC) initiative. To qualify for debt relief, would-be beneficiaries had to have a sound economic track record going back several years. How well they had implemented their structural adjustment programmes was also crucial. Not only did the programme make debt relief a reward for good policy, it also made it more likely to have a positive effect on the economy. The aim was to reduce a country's debt burden enough to create a manageable financial situation.

Around the world, there were around forty highly indebted poor countries that could in principle benefit from the HIPC initiative. Once the World Bank and the IMF had approved the policies being pursued by their governments, the first African countries to have their debts reduced were Burkina Faso, Mali, Mozambique and Uganda. The debt relief package for the four countries totalled three billion dollars, or six billion dollars if we include accrued interest.²⁷ The World Bank and the IMF also considered requests for debt relief from many other African countries.

The costs of the HIPC initiative were shared by the multilateral and bilateral creditor groups in proportion to their outstanding claims. The bilateral creditors (the rich nations with outstanding loans to the HIPCs) decided how they would share these costs in the Paris Club, which sets bilateral debt repayment schedules. The World Bank and the IMF were able to bear the costs of cancelling their own HIPC debts, but other multilateral institutions had to ask their rich member states for extra financial support to help them meet the costs of their HIPC debt relief operations. Some countries had their official debt (that is, both bilateral and multilateral debt) cancelled by the Paris Club and their commercial debt cancelled by its counterpart, the London Club. The scope of the HIPC programme was constantly expanding, partly at the urging of Jubilee 2000, an ad hoc alliance of supporters of developing countries, who called on the rich nations to cancel the debts of the world's poor countries as a magnanimous gesture at the start of the new millennium. By 2003 already about twenty African countries had received debt relief for a total of around 70 billion dollars.²⁸

e) The aims and approach of development cooperation

Even after African colonies gained their independence, some strands of their relationship with the former colonial powers continued in a new form; namely, humanitarian aid and measures to improve the lives of the general population. Although the (newly appointed) governments of the fledgling nations bore primary responsibility for their development, the former colonial powers and other rich countries remained closely involved, either out of a sense of enlightened self-interest (since rich business partners were always preferable to poor ones) or for humanitarian reasons. The 1960s saw the birth of an extensive international 'development industry' of industrialised nations and international organisations, whose budgets grew in absolute terms year after year until well into the 1990s. The nature of these development activities changed continually to reflect the latest theories and the *Zeitgeist*. By the turn of the century, the field was known as 'international cooperation' or 'development cooperation'.

The policy areas in which rich and poor countries worked together, and the approaches they took, were quite varied and changed constantly from the 1960s onward. It was not until the 1990s that the wealthy nations and international development organisations finally reached a broad consensus on what they wanted to achieve. Surprisingly, perhaps, this shared goal was not 'development', which was regarded as too complex and controversial in meaning to serve as a primary aim. On the other hand, it became easier over time to agree that poverty reduction should be the central focus of development cooperation. Almost everyone was willing to view poverty as the main problem of underdevelopment, and so poverty reduction became the key goal of international development efforts.

This consensus had become possible because, in the 1990s, a start had been made on integrating the economic and social approaches to development. Although the World Bank's World Development Report 1990 had brought poverty alleviation into the limelight, international institutions like the World Bank and the IMF had for many years tackled development issues largely from an economic point of view. They had approached development primarily, though perhaps not exclusively, in terms of economic growth, which they regarded as the engine and hence as the essence of development. Other international organisations (notably the UN agencies) and bilateral donors had viewed development far more from a social perspective. They emphasised the ways that people's living conditions needed to change before development could be said to have taken place.

In the 1990s, the advocates of both approaches began to find themselves on common ground. They decided that the two philosophies were in fact not opposed, but complementary. The international financial institutions accepted that, while economic growth was still necessary, this alone was not enough to bring about development. For their part, the donors came to recognise the importance of economic growth, yet continued to insist that it must be pro-poor; in other words, that growth must be used to benefit the poor and reduce poverty. This view was reflected in *Voices of the Poor*, a three-volume series commissioned by the World Bank and published around the turn of the century. The World Bank's World Development Report 2000/2001, with the revealing title *Attacking Poverty*, was also wholly devoted to poverty reduction.

The World Bank also tried to make Poverty Reduction Strategy Papers (PRSPs) the basis for international development aid. These national poverty reduction strategies had to be drawn up by the governments of the developing countries themselves, in consultation with the broadest possible range of local organisations, to encourage strong grassroots support in the country concerned. The first African governments submitted their PRSPs around the turn of the century. Uganda's came to be regarded as a model.

This approach, based on national strategies, ascribed a key role to the individual developing countries. More generally, since the end of the Cold War, the international community had held a series of international conferences on key development cooperation issues, at the initiative of the United Nations. These conferences not only developed strategies but also set targets against which progress could be measured later. Topics included education (in Jomtien, Thailand in 1990), the rights of the child (in New York in 1990), environment and development (in Rio de Janeiro in 1992), food and nutrition (in Rome in 1992), human rights (in Vienna in 1993), population and development (in Cairo in 1994), social development (in Copenhagen in 1995), women and development (in Beijing in 1995), human settlements (in Istanbul in 1996) and food security (in Rome in 1996). The level of development aid from rich countries was discussed in Monterrey, Mexico in 2002. The participating countries used these conferences to work towards international consensus on specific development goals under the umbrella of poverty reduction.

The United Nations Millennium Declaration of 2000 set out eight goals or 'pledges' which the international community agreed to pursue. The leading donors, all of whom were members of the Development Assistance Committee of the Organisation for

Economic Cooperation and Development (OECD/DAC), used these goals as a springboard for a public relations offensive aimed at raising awareness of the aims of international development aid. The eight pledges covered the whole developing world, not just Africa, and the eighth had to do with international aid for developing countries. The pledges took the situation in 1990 as their baseline, and their target date was 2015. The sole exception was the target for girls' participation in education, which declared that as early as 2005, as many girls should be receiving an education as boys.

Not surprisingly, at the top of the DAC list was poverty reduction, with the donors agreeing that between 1990 and 2015, they would try to halve the percentage of people living in extreme poverty (less than one dollar a day). The second goal was to make sure that by 2015, all children would be attending school (compared to eighty per cent in 1990). Third on the list was the girls' education target for 2005, mentioned above.

The fourth goal was to reduce infant mortality and deaths among children below the age of five by two-thirds between 1990 and 2015. The fifth was to reduce the number of women dying in childbirth by three-quarters in the same period. The sixth pledge concerned reproductive health care, that is, health care relating to sex and reproduction. The aim was to make this care available to all who wanted it by 2015. Further, donors pledged to protect and better manage the natural and physical environment, establishing a link between development and environmental concerns. The seventh goal stated that if development were to be sustainable, the environment must not be allowed to deteriorate any further. All countries were therefore called on to launch their own strategies for sustainable development by 2005, to ensure a reversal of the trend of degradation or loss of natural resources, both nationally and globally, by 2015.

The eighth pledge was different in character. It called for a world-wide partnership for development. Its main objectives included developing a fair, rule-based, predictable and non-discriminatory trading system, giving products from poor countries better access to rich-country markets, and increasing aid to poor countries that made progress with poverty reduction.

The fact that the donor community had agreed on a set of targets, and even given some indication of how these targets were to be met, generated great enthusiasm in the international development world. This enthusiasm perhaps owed more to the fact that all those involved in the development process had for the first time reached agreement about what they wanted to achieve (everyone was finally 'on the same page') rather than to the belief that this approach would be far more effective than previous methods. Now and again it was sardonically remarked that development cooperation was the only area in which people still appeared to believe that societies could be remade, or at least steered in the right direction.

Yet there was another factor at work. A new approach known as results-based management was making the governments of Western nations increasingly anxious to set targets and make detailed plans. The work of policymakers was no longer defined in terms of input – that is, in terms of the manpower and funds used to carry it out – but in terms of outcomes, or the results to be obtained. For example, in the fight against crime, the important thing was no longer how much money was being spent or how many policemen were on patrol (both of which were forms of input), but the results of these measures; in other words whether crime levels were actually declining (a form of outcome). It was hoped that this method would spur government agencies, which lacked the natural competition of the private sector, to greater effectiveness.

Admittedly, this approach had a certain logic. To begin with, it set clear targets, which could in theory increase motivation. However, there were practical difficulties. Responsibility for each goal was distributed among a large number of organisations and individuals, so while it could provide extra motivation, this method could also encourage participants to pass the buck. Obviously, whether or not a target was met also greatly depended on external factors, most of which could not be controlled. Initial experiences with

results-based management were therefore not particularly encouraging. Yet was this really the first time such an approach had been tried? Hadn't the socialist planned economies functioned – or rather malfunctioned – along these lines? 'If targets work, then the Soviet Union would have worked,' was how the British economist John Kay dryly summed up the results-based approach.²⁹ However, such warnings went largely unheeded.

The new international consensus was not restricted to the eight goals, but gradually began to extend to the way development cooperation was put into practice. This trend was fuelled by dissatisfaction about the effectiveness of aid. The new approach gave a leading role to the recipient country. Experience had shown that development aid would have little impact if the state receiving it functioned badly, or not at all. Emphasising individual projects in areas such as education, health care, infrastructure or agriculture had been the staple approach to development cooperation. But projects could not achieve lasting results if the context was unfavourable; for example, if the authorities were not doing their jobs properly. The role of the state was therefore reassessed, with new emphasis on the quality of governance and policy. If the state fell short in those areas, there was no point in giving aid (see chapter 10, section c).

These new insights, which were authoritatively expressed in the World Bank's report *Assessing Aid* (1998), gathered pace throughout the donor community and led some donors to shift their emphasis from project aid to programme aid. Programme aid can take many different forms. Essentially, it is financial support linked not to projects but to the overall development policy and programmes of a recipient country. It is therefore channelled through the national authorities of the recipient countries, creating a direct link to state structures. Donors' new insights also led them to give more support to state institutions. Capacity building and institutional development became key development cooperation activities. A large proportion of the international aid to Africa was no longer directed at the national or local level, but now consisted either of programmes targeting an intermediate level or a particular sector (the 'meso' level), or of a package of activities aimed at different levels.

A second important change was the new emphasis placed on the input of participants in the developing countries, whether they came from government or, for instance, from civil-society organisations. 'Ownership', as it was known in development jargon, had to be in the hands of the developing countries themselves. The word was not used purely in its literal sense, but instead suggested responsibility, participation or even motivation. It was felt that this largely psychological notion deserved a bigger role in development cooperation; people in poor countries who were directly involved in development needed to see both policies and specific activities as 'their own'.

If governments of developing countries wanted international aid, they therefore had to show evidence of good policy and good governance, and to accept ownership and the responsibilities it brought. However, this is not to suggest that the new-style development relationship only imposed responsibilities on the developing countries. The donors also made specific commitments, particularly in the eighth pledge, and they promised to coordinate their activities better. The Special Programme for Africa (SPA) played an important role in these developments. The SPA, which was established in 1987, was an informal forum chaired by the World Bank in which donors could coordinate their efforts in support of economic reform in Africa. This generally involved coordinating funds and activities in order to boost the effectiveness of aid. But in the eyes of many, the most important promise they made was to give more financial aid.

f) Money and effectiveness

Money plays an important role in development cooperation, both practically and symbolically. Investments often cost money – sometimes a great deal. And while not all reforms increase costs (some in fact save money), aid is frequently used to oil the gears

when trying to wring concessions from African governments. If Western states do not open up their wallets, then there is generally no place for them at the negotiating table. Rich countries themselves often point to the financial contributions they make as a measure of their solidarity with the world's poor. The usual yardstick is the percentage of GNP they set aside for development cooperation. In the 1970s, the rich countries agreed to gradually increase their aid to the Third World to 0.7 per cent of their GNP.

In reality, only one or two of the more prosperous countries reached this target. Scandinavian countries and the Netherlands made the biggest relative contributions, giving between 0.7 and 0.9 per cent of their GNP by the year 2000. The larger countries gave less. France came closest to the target, donating just under 0.5 per cent of its GNP. After 1990, most countries slightly reduced the percentage of GNP they allocated to aid, a trend that led to the term 'donor fatigue'. Germany and Britain froze their contributions at around 0.3 per cent, while the United States gave just 0.1 per cent. Surprisingly, perhaps, it was the only large non-Western donor, Japan, that gave the most in absolute terms for many years: almost ten billion dollars, more than 0.2 per cent of its substantial GNP.³⁰ In 2002, the United States moved to the top of the list.

The total amount that wealthy countries spent on development cooperation worldwide came to over fifty billion dollars a year. This was sizeable, especially in view of the limited opportunities to spend it effectively. Yet compared to some of the losses that poor countries suffer due to the policies of rich countries, fifty billion dollars is not all that much. If rich countries were to lift all their trade restrictions on imports from developing countries, developing countries could potentially generate several times that amount in additional revenue. Moreover, if rich countries were to stop subsidising some of their own products and dumping them in poor countries, the developing world could make tens of billions of dollars more.

The donor fatigue of the 1990s, coupled with growing competition for development aid by countries in Eastern Europe and Central Asia, gradually ate away at the funds that had been reserved for Africa since the end of the Cold War. This reversed the trend of previous decades. Prior to the 1990s, Africans had received more per capita aid each year, partly because right from the start of development cooperation in the 1960s the total amount increased annually. By 1970 aid to Africa had reached an annual amount of two US dollars per person. By 1980 it had gone up to twenty dollars and by 1990 it had reached thirty dollars. This was a huge increase, especially considering the explosive growth of the African population. In 1991, at thirty-two dollars per person, the absolute level of foreign aid peaked. Because the African population continued to expand rapidly, per capita aid began to fall sharply from that year onward, from thirty-two dollars in 1991 to just twenty dollars in 1998.³¹ On average, foreign aid accounted for ten to twelve per cent of the GNP of African countries, although the exact percentage differed substantially from country to country.³² Of course, foreign aid often made up a much higher percentage of the recipients' government budgets. For most African countries (thirty-five of them) development aid was the main form of external financing.³³

However, it was not so much the amount of international development aid that mattered when it came to attaining development goals; far more important was how it was spent. There were some indications that too much aid could be 'addictive'. Studies suggested that aid was used less productively if it rose above a certain percentage of a country's GNP.³⁴ Since the 1960s, a total of developing countries worldwide had received approximately a trillion dollars in international aid, about half of which (more than 500 billion dollars) had gone to Africa.³⁵ The results had generally been unimpressive.

So did international aid make a demonstrable contribution to development or poverty reduction, or did it in fact make little difference? Might international aid even have slowed down or held back development? There are no clear answers to these questions. The saga of development in the former Third World is quite complex, and because almost all poor countries received aid, it is not easy to gauge precisely what its

overall effect was. Some countries, for example, made progress while receiving aid. Others made progress without aid. Still others received aid but did not make any progress, and a fourth group neither made progress nor received aid.

However, not all of these scenarios were played out in Africa between the 1960s and 1990s. Few African countries made any progress at all in this period. Only Botswana took major strides. And although one or two other countries, such as Senegal and Ivory Coast, performed relatively well, all this meant was that they were stagnating rather than shrinking. They only stood out because practically every other African country was in decline.

Given that all the African countries were receiving foreign aid in one form or another – most of them in substantial amounts – it might seem logical to draw a negative link between aid and development. Yet this would also be too simplistic, since there need not be any causal relationship between the two. Moreover, even if there is such a connection, then it is not immediately obvious which is the cause and which is the effect. Africa's decline may explain why it attracted so much aid; in other words, perhaps it was its underdevelopment that led donors to give aid, rather than aid causing underdevelopment. It is, of course, also possible that, without aid, Africa's decline might have been more severe. A causal link cannot be established easily, and not at all unless other factors are taken into account.

It became even more difficult to identify a causal link between aid and development from the 1990s onward. Until then, aid had been used mainly to stimulate development by fuelling change. The basic idea was: aid first, development second. After 1990, however, this approach underwent a fundamental change. International development cooperation began to focus on countries with a record of sound policy and governance, where development was on the horizon or already under way. This was intended to foster to a close connection between development and aid, in which each would bring more of the other. In one or two African countries this approach worked, notably in Uganda and Ghana. In the 1990s, the percentage of Ugandans below the poverty line fell from fifty-six per cent in 1992-1993 to forty-four per cent in 1997-1998, and to thirty-five per cent in 1999-2000, despite the country's rapid population growth.³⁶ Ghana recorded a similar trend, and there were one or two other countries, such as Mali and Benin, where, with a little good will, we could also identify positive developments.

A World Bank study of ten African countries identified a link between progress and the structural adjustment programmes in the 1990s.³⁷ In countries where the structural reforms had been successful – again, primarily Uganda and Ghana – foreign aid had played a major, positive role. Conversely, substantial international aid to countries with poor policies had simply led to the entrenchment and continuation of those policies. Attaching conditions to aid had had no effect on poor performers. In general, aid had been largely ineffective as a means of steering developing countries in the right direction. In Africa, policies were influenced mainly by domestic political considerations.³⁸ These conclusions matched the predictions of the World Bank's development theory, which maintained that reasonable, or even 'good', policy and governance had to be in place before development aid could achieve results.

Even so, the study also concluded that, when actually deciding what countries should receive aid, donors made little distinction between those that had carried through successful reforms – and where there were consequently good conditions for development – and those that were lagging behind. There was a major drawback to focusing aid on successful reformers with good policy and governance: few countries in Africa actually met these criteria. So amidst mounting political and public pressure to give more aid to Africa, the opportunities to spend that aid in an effective way remained limited. Inevitably, this meant that aid was also given to countries with dubious track records on both governance and policy, and even to some that utterly failed to meet the criteria.

The resulting relationship between the quantity of aid and the worthiness of its recipients, especially in Africa, could almost be called perverse. This was partly due to the self-imposed requirement of some donors to spend a fixed amount each year on development cooperation, a requirement adhered to ever more stringently as Africa slipped further into decline. African rulers could always be certain that aid would come, if not from one donor, then from another. And if the donors failed to deliver at the start or even in the middle of the year, then they would be sure to come through in November or December, when they were forced to relax their criteria in order to use up their budgets in time. The aid budget for Africa was simply too large for the kind of systematic, selective policy that was needed to ensure effectiveness according to the new theory. The new consensus was that aid should no longer be given automatically; it now had to be earned. The expected results were development successes that would be emulated in neighbouring states, paving the way to prosperity across the continent. However, this approach was constantly being undermined, by both the sheer size of the aid budget for Africa and the need to spend it quickly.

The debt relief plan for Highly Indebted Poor Countries (HIPC) illustrates these difficulties. The original idea behind the initiative was that, before HIPC could have their debts cancelled, they would have to prove that they had pursued sound policies for a number of years. At the core of this approach was a desire to influence national policies. Yet the original criteria were diluted by pressure from the international public and from donors eager to use up their budgets. The result was more and more spending on debt relief. Eventually, even countries with highly dubious records were able to obtain short-term relief. One of these was Cameroon, which in 2001 was granted debt relief under the HIPC programme despite being high on the list of the world's most corrupt countries and having an abysmal record on policy and governance. Such decisions undermined the positive effect that the HIPC initiative might have had on development. Policy successes were subverted rather than propagated, since even governments that had made no effort to improve their policies were rewarded with aid.

The 20/20 initiative encountered similar problems. In 1995, the World Summit for Social Development launched this initiative. Developing countries were to set aside twenty per cent of their budget for basic social services (such as basic education and primary health care) and donor countries would set aside twenty per cent of their aid budgets for the same purpose. In practice, however, this link (which was never formalised) was soon abandoned. This was because some donors were so concerned about meeting their twenty per cent spending commitment that they paid little attention to what the developing countries were doing.

They thereby risked achieving the exact opposite of what they had intended. Instead of encouraging developing countries to take responsibility for their own social programmes (by setting aside twenty per cent of their own public funding), the 20/20 initiative gives them the opportunity to have them subsidised by foreign donors. If this is allowed to continue, then it could result in the creation of a wide range of social services for which there is no local basis. And while that would be unlikely to greatly worry the local population, it would thrust Africa back into the nineteenth century, when amenities were provided by foreign missionaries. Although things have not yet reached this stage, African governments know perfectly well that when push comes to shove they can ignore the conditions imposed on them by foreign donors, whether for the HIPC programme or for the 20/20 initiative. The extra funding allocated to these initiatives may, therefore, even impede the long-term development of the recipient countries.

Was Africa any closer to the international donor community's eight development goals by the start of the new millennium? Six of the goals had set 2015 as their target date, so there was still a long way to go. Moreover, the donors had taken 1990 as their baseline; back then, the new approach of rewarding good governance and good policy had barely begun. It was too early to draw any firm conclusions, positive or negative, from the interim results.

By the turn of the century, the following progress had been made (not just in Africa, but globally).³⁹ The world was more or less on schedule for four of the eight goals: reducing poverty, raising the percentage of children attending school, improving the availability of reproductive health care and increasing the number of countries with national sustainable development strategies. Some progress had also been made in reducing mortality rates for newborn infants and children below the age of five. However, there had been no real reduction in maternal death rates. Nor had any appreciable progress been made in increasing the proportion of girls in education, which was particularly striking because 2005 was the target year for sending as many girls as boys to school. When it came to assessing Africa's progress, the only possible conclusion was that it was still no nearer to the most important development goals.⁴⁰

A final issue relating to the effectiveness of development aid is its concentration on countries with no access to the capital market. Some developing countries, notably in Asia, had built up sufficient commercial creditworthiness to borrow money from private lenders. Donor countries decided to shift their focus accordingly, to countries that were not as far along the road of development. The only African country with genuine access to the capital market was South Africa, which for political reasons (to encourage a clean break with the apartheid system) was nevertheless receiving substantial amounts of international aid. The rest of Africa had little or no access to private capital. Why was this? Clearly, one reason why more private capital was not finding its way to the continent was the poor quality of governance and policy in so many African countries.

As a result, development aid was funnelled towards countries where the prevailing criteria suggested it could not be used effectively. For example, many African countries receiving foreign aid were high on Transparency International's corruption index. Due to inefficiency and corruption, each dollar spent on development cooperation generated less than a dollar's worth of results. Fortunately, this rule did not apply across the board. A few poor countries achieved reasonable standards of governance and policy; they included Ghana, Uganda, and, despite their war with one another, Ethiopia and Eritrea. These examples showed that better governance and, above all, better policy need not always be costly, and can even generate revenue. The shortage of private investment, even in these well-performing countries, was largely due to other factors, such as their negative image overseas. Foreign investors often steered clear of a country for the simple reason that it was located in Africa.

So what picture should African governments be painting of their domestic situations in order to obtain as much development aid as possible? Should it be one of misery and powerlessness (in accordance with the traditional theory of international development) or of an effective government that is beginning to take control of internal developments (in line with the theory that rose to prominence in the 1990s)? In practice, donors' decisions about which countries would receive aid had little to do with effective poverty reduction, but were based chiefly on other considerations. Donors like the United States, France and Japan were motivated mainly by geopolitical factors and the aim of supporting their own companies. For many other countries, humanitarian concerns took primacy, especially when it came to aid for Africa. For that reason, putting on the traditional guise of helplessness was usually the most effective way for African authorities to obtain aid.

To be sure, there were some genuine failed states, but many African governments put on an exaggerated show of incapacity, especially in the social and economic spheres. This sometimes raised suspicions that development was simply not at the top of their agenda. For example, during the war with Eritrea in 1998-2000, Ethiopia managed to supply the right kind of diesel for its tanks and food for its soldiers as soon as they were needed, in villages that had never seen a schoolbook or medicines for tuberculosis, supposedly because the authorities lacked the capacity to provide them.⁴¹ This suggests that efforts to promote more effective development cooperation often floundered due to the priorities of African political systems and their leaders.

g) Aid and politics

We have seen that aid is not allocated solely on the basis of humanitarian or development considerations. Foreign policy is a major factor in donors' decisions. Choices about which countries to support are influenced by historical ties and geopolitical factors. The relationship between France and Francophone Africa is the best example. Yet even these links weakened during the 1990s, as the French government grew more critical of some of its former colonies and became more open to cooperation with non-Francophone African countries such as South Africa and Nigeria. However, France's rivalry with the United Kingdom and the United States, which it regarded as an Anglophone bloc, continued to shape its decisions, especially in the Great Lakes region.

Donors' economic motives could also influence their development policies. Some gave 'tied aid', which had to be spent in the donor country. For instance, an African country might be given funds to buy supplies or build roads, but the goods or services would have to be purchased from businesses in the donor country. This strengthened economic ties and allowed the private sector in the donor country to benefit from the development aid provided by its own government. Some donors barely distinguished between aid and export credits for domestic companies. Tied aid made development activities more expensive and less effective by obstructing market forces. Some countries thus held that all aid should be 'untied' and that the recipient countries should be allowed to decide how and where to spend it. The Netherlands and the Scandinavian countries were the leading advocates of untied aid, while France and Japan preferred to give large proportions of tied aid.

Yet the effectiveness of aid was not determined solely by the political motives of the giver; it was also heavily influenced by political dynamics within Africa. Almost all Western institutions and individuals with Africa's interest at heart have always assumed that the continent's development was also the main priority of African leaders. In donors' eyes, development was the only conceivable goal. This assumption was fuelled by the many declarations and statements to this effect that African authorities made to their Western associates. Obviously, there were some critical scholars, mostly Marxists and dependency theorists (see the introduction), who pointed out that African development policy was not getting anywhere, but their arguments were either ignored or countered with the claim that the obstacles to progress were personal or incidental in nature, not structural.

It was not until the 1990s that structural problems were widely recognised as undermining most development initiatives and efforts to reduce poverty in Africa. This conclusion was not fully accepted, however, until sharp critiques had come from unexpected quarters, such as the universally respected Nigerian social scientist Claude Ake. Ake caused shock waves by arguing that poverty reduction and internal development were by no means the main priorities of African governments. These goals, whose supreme importance seemed so obvious to the West, looked much less compelling to African elites. Given their fragile political and economic power bases, they had what they saw as higher priorities than development. It was not that Africa's leaders were against progress; most of them simply had more pressing concerns.

Development cooperation must therefore be seen in the context not just of external financing, but also of domestic politics. Accounting for ten to twenty per cent of the continent's GNP, and a much larger share of government budgets, international aid was not entirely indispensable,⁴² but it was very important, in part because it shored up the political status quo and created internal stability. Both states and individual leaders benefited from aid in many ways. It was difficult to separate the two, largely because leaders often used the state for their own ends. Some of the aid was skimmed off, either for government purposes other than those originally intended or else simply for personal

use. In the 1990s, growing scrutiny of the way funds were managed and accounted for made large-scale misappropriation increasingly difficult. Extreme forms of abuse, such as the Ethiopian government's decision in the 1980s to tax foreign emergency aid to its starving people, became increasingly rare.⁴³ On the other hand, the growing tendency to channel aid through the central state budget was a godsend for the ruling elites. Provided they showed evidence of good policy and good governance, African governments could obtain financing for their activities in some sectors. This assistance, which was almost always accompanied by institution-building, strengthened the rulers' ties to the supporters who ensured their survival. In this way, channelling aid through state budgets made it easier for African elites to maintain or even fortify their patronage networks.

Development cooperation also had secondary benefits for African leaders, mainly in the form of international contacts. Not only did foreign representatives come to Africa, but their African counterparts were also invited to attend meetings and conferences in donor countries. In addition to giving African delegates the opportunity to shop in London or Paris, these visits were a chance to acquire international experience and forge new contacts. This gave them major advantages over their rivals in the small African political arena. There were generally very few people in African countries with political, administrative or academic skills. In fact, there were too few educated people to create a flourishing civil society or academic world alongside the apparatus of government. It was therefore only logical for highly skilled individuals, whether they worked inside or outside government, to try to tap into foreign financing. They could then use the contacts they made to arrange for their children to study abroad, or even to leave Africa themselves if they had to, which they often did. Even if university graduates managed to find government jobs, their employment conditions and fringe benefits were often far worse than those on other continents. By the turn of the century, around a third of African university graduates (a very small group to begin with) were living and working outside Africa. Some Africans established exceptionally good relations with the representatives of donor countries, international organisations and research institutes, reaping countless invitations to seminars and conferences. This small group of Africans, who became fully-fledged participants in international dialogue, led extremely busy, globetrotting lives.

Because Western donors dealt largely with this small group, a situation similar to that in the colonial period began to emerge. Then, white colonialists had struck deals with the representatives of black elites, and both had inhabited a world far removed from the everyday lives of ordinary Africans. However, it should also be remembered that, in both colonial and post-colonial Africa, the elites also formed part of another, African, world. This double web, in which the elites served as a link between domestic African networks and international circles of donors, operated in many respects like the colonial system of indirect rule, in which black elites had formed a link between the foreign rulers and the African population.

The policy of channelling aid through the state provided these leaders with an ongoing incentive to think nationally rather than in terms of subnational ethnic groups. This tied in well with the historical background of African elites, who had inherited state structures – and little else – from the departing colonial authorities. The state was their only source of income, and only when it was no longer sufficient to meet their needs did they explore other options. These might include natural resources, such as diamonds, gold or oil, or the illegal drug trade. Leaders who had managed to find an alternative source of funds no longer felt the need to think in national terms.

Life was more difficult for those who were not (or were no longer) part of the established order, but aspired to become part of it. For decades, the only way to secure advancement was generally to join the ruling party, but sometimes this was not possible for ideological or personal reasons, such as a poor relationship with the current leader. However, the years after the Cold War, with their emphasis on democratisation, pluralism and civil society, provided an alternative. Many Western nongovernmental organisations distrusted African governments and preferred to keep their distance from them. Instead, they

sought partnerships with African nongovernmental organisations like themselves. These partnerships always involved funding for the activities of the African NGOs. This attracted the interest of African activists and socially committed individuals, as well as would-be politicians.

African NGOs are often very different from their Western counterparts. The latter generally have a clearly defined social goal and substantial public support. As a result, they have independent sources of funding. This is rarely the case in Africa. With one or two exceptions, none of the African NGOs which popped up in thousands during the 1990s had a well-defined political or social goal. Their programmes were generally as unclear as those of the emerging African political parties. The one element binding an organisation was usually an individual who for personal reasons wanted to develop a stronger network of clients. If this individual pulled out, the NGO ceased to exist.

These NGOs seldom had any real foundation in society, let alone substantial funds of their own. Most were in fact established principally to tap foreign sources of revenue. They often did not decide what type of image or programme to present until meeting with Western organisations. Then they adapted to the wishes of their Western sponsors. The more funds they managed to raise, the larger their support base became and the more political power they accrued. And while even the most successful African NGOs could never genuinely compete with their governments, they could nevertheless chip away at government authority and erode the country's political stability. And that was doubtless precisely what some of their leaders intended to do. Many Western sponsors failed to uncover the hidden political and personal agendas of some of these African NGOs, and their idealism and naiveté made them easy prey.

African governments were also careful to take account of the sensitivities of Western donors when making policies on domestic NGOs. Sometimes they even used civil society to drum up international support. The government of Tanzania, for example, held extensive talks with Tanzanian NGOs while drafting the country's PRSP. This drew fulsome praise from the donor community, which was eager to see evidence of broad-based support for African governments' approaches to poverty reduction. However, the obvious question was why the government had chosen these particular NGOs to consult with and who exactly they represented. Many NGO representatives in fact turned out to be former public officials or others who had links with government. Interestingly, the country's parliament, which should have provided the real representatives of the people, was effectively left out of the consultations.

African governments were far less dependent on foreign benefactors for their survival than African NGOs. Unsurprisingly, however, they tried to get their hands on as much foreign financing as possible, for their country, for themselves and for their supporters. As a result, they became adept at tailoring their policies and rhetoric, at least on paper, to what was expected of them. This can be illustrated by an anecdote about talks on development cooperation in the early 1990s between the Netherlands and an African country that shall remain nameless. The African spokesman began by delivering a speech on his country's development policy that he had clearly written for a similar meeting the day before with the United States delegation (a fact that was visible to the head of the Dutch delegation, who was sitting close to him). In some places, the typewritten text had been adapted in pen for the Dutch delegation: the policy priority 'strengthening the private sector' (a favourite of the Americans) had been crossed out and replaced with 'rural development' and 'improving the position of women', which were two focal points of Dutch development policy.

Clearly, African governments were happy to tell donors whatever they wanted to hear. From their perspective, this behaviour was entirely rational. After all, what they most needed was money and other forms of support that would help to ensure their political survival. They simply adapted their stories (or their 'discourse', to use the postmodernist term) to the expectations of their audience.⁴⁴ Moreover, the picture they painted was more or less the same for every donor. It only changed significantly when the audience was a domestic one, since African rulers depended for their survival not only on foreign

networks such as the 'international community' and their personal contacts, but also on domestic ones. Foreign observers were vaguely aware that when African leaders addressed their own supporters, they frequently discussed very different issues from those they emphasised around donors. Furthermore, what they said at home was often difficult to reconcile with the policies they described at international meetings. The easiest thing was to ignore such discrepancies whenever possible, taking the position that outsiders should not stick their noses into African political rhetoric intended for domestic audiences.

Although better coordination among international donors may have made it easier for African governments to satisfy all their Western sponsors, growing democratisation and openness at home made it more difficult for them to satisfy their own people and keep all their stories straight. The British historian Stephen Ellis has compared African rulers to jugglers who have to keep several balls in the air at once: in one hand, their various discourses for foreign donors and in the other, their stories for domestic audiences. African politicians had no choice but to keep all these balls aloft. Those who failed to do so could not expect to stay in office for long.

The dawn of the twenty-first century inspired African leaders to launch new plans for the development of their continent. South Africa put forward a Millennium Action Plan (MAP), the Economic Commission for Africa in Addis Ababa put forward a Compact for African Recovery, and Senegal presented the Omega plan. In these plans, African authorities accepted certain obligations and asked the international community to pitch in. During the Organisation of African Unity (OAU) summit in Lusaka in July 2001, at which it decided to rename itself the African Union, the heads of state acknowledged that it might be asking too much of donors to support all three plans. They therefore agreed to merge the proposals into a single New African Initiative (NAI).

This joint African initiative, which was soon christened the New Partnership for Africa's Development (NEPAD), covered a wide range of topics, from strengthening peace and security to promoting the private sector. It also proposed a reassessment of the cooperative ties between Africa and its partners in the North. It assumed an aid relationship based on reciprocal commitment; in other words, one in which both the African governments and the donors set down their obligations in contractual form. This was a wholly new approach to what was perhaps the thorniest problem affecting development cooperation, namely the unequal status of donors and recipient countries. It touches on both the politics and the psychology of the relationship between rich and poor.

h) The psychology of aid

The relationship between developing countries and international donors has always been characterised by fundamental inequality.⁴⁵ As the term 'development aid' suggests, the rich industrialised nations were almost unilaterally able to dictate the nature and form that the relationship should take. Rich countries' ideas about development have changed profoundly over recent decades and this has led to a recognition that development is a complex process influenced by many factors within the recipient countries, such as the political landscape, respect for human rights, economic and social policy, the environment and the status of women. Donors tried to make provisions for all these factors, and this generally resulted in a form of cooperation that was tied to certain conditions, a characteristic referred to as the conditionality of aid.

Although the individual conditions placed on cooperation were sound, the approach as a whole was rather unsuccessful. The World Bank was the first to admit this; its researchers attributed the systematic decline in its returns on investment in the late 1980s largely to an increase in conditionality.⁴⁶ In the 1990s, it became clear that aid could only be effective within a favourable policy environment, defined chiefly in macroeconomic terms, using the criteria of a balanced budget, low inflation, a realistic

exchange rate and well-functioning markets.⁴⁷ Aid did not appear to encourage the creation of such a policy environment. For instance, a World Bank survey found that the policy environment in countries receiving less aid sometimes improved, whereas it often worsened in countries to which the flow of aid had increased.⁴⁸

This is not just unfortunate; in view of the consequences for the people of the countries concerned, it is tragic. Yet it was not entirely unexpected. It is, after all, a well-known psychological phenomenon that people make more effort to achieve what really matters to them than to achieve what others think should matter to them. An analysis of the relationships between seven donors and seven African countries concluded that inadequate 'ownership' by African countries was the main reason for the ineffectiveness of aid.⁴⁹ These findings were confirmed by many other publications.⁵⁰ The problem of ownership was most acutely visible in development cooperation between the West and Africa. It was less of an issue in relations with Asia or Latin America, since economic development in these countries had often reached the stage where Western conditions were less readily accepted.⁵¹ However, Africa's poor development record meant fewer opportunities for Africans themselves to exercise influence or make policy, not just because they lacked the power to do so but also because their countries' failure to develop had undermined their self-confidence.

Discussions on how to resolve this problem raised a fundamental question: to what extent was it possible for donors to hand over ownership to developing countries? Ownership was surely something individuals had or took, rather than something they were given. The term 'ownership' concealed a contradiction in terms. States which had the capacity to chart their own course were already exercising ownership without it ever being handed to them. Only states that were seen as incapable of finding their own path were given ownership, despite donors' suspicions that they did not have the capacity to exercise it. The term may have masked the fundamental imbalance of power but it did nothing to correct it. This problem was constantly hovering in the background whenever donors pursued a policy based on ownership. How could they give the concept any kind of substance?

The contradiction between conditionality and ownership was not new. The tensions to which this gave rise could be seen as simply the latest manifestation of an age-old clash between encroaching Western culture and the local cultures of Africa and other continents. During the colonial era, this confrontation between cultures had taken various forms, and it continued to adopt new guises in the postcolonial period. By the twentieth century, the relationship between Western and non-Western cultures was becoming increasingly centred on the concept of development. The West justifiably claimed to know a great deal about development (its power and wealth were, after all, founded on it) and it had a natural desire to attach this knowledge to the aid it granted. On the receiving end, many developing countries obviously welcomed development, yet were unwilling to embrace it at the cost of their own cultures and identities. They also had an understandable reluctance to accept all the rich countries' proposals wholesale. Instead, they wanted to retain some control over their own development. During the 1980s, this was the source of the tension between ownership and conditionality, all the more so because the progressive increase in 'macro aid' (funds channelled directly into the national treasury of poor countries) made donors feel more entitled to set conditions.

In the 1990s, after the World Bank concluded that the effectiveness of aid could be improved only by increasing ownership among the people directly involved in the recipient countries, this principle was soon embraced by practically the entire international donor community. The authorities in African countries immediately seized on this consensus to extricate themselves from some of the onerous conditions attached to aid. In all kinds of contexts, they tried to justify their choices to donors by asserting their right to ownership. This took place both at the highest levels of national policy, where governments tried to circumnavigate the IMF's conditions for financial aid,⁵² and in individual projects, where a recipient government might use the principle of

ownership to justify diverting supplies intended for the project for other ends, to the great irritation of donors.⁵³

Economic adversity forced many African governments to seek financial support from abroad. However, this did not necessarily mean that they always complied faithfully with the conditions set by donors. Negotiations between African governments and international donors were highly ritualistic in nature. Governments promised to meet donors' requirements, yet everyone knew that 'unforeseen circumstances' would largely prevent this from actually happening. For their part, the donors would warn recipient governments that they would suspend aid if this or that condition were not met, but this, too, was generally known to be an empty threat, given that such a move was generally considered 'too extreme'. On paper, then, it was possible to come up with a compromise that, while accepted by both sides, was in practice carried out half-heartedly, or not at all.

This affected not just the economic sphere but also spilled over into the political arena, partly due to the wave of democratisation that followed the Cold War. As a result, Western countries tried to impose their own version of democracy on African countries. They believed that democracy could not work without political parties, a view that many Africans did not think was correct, at any rate not at that stage in Africa's development. Nor was it clear what might form the basis for African political parties. Most of the continent's elites were unwilling to see the rise of parties divided along ethnic or religious lines. One solution, at least for a while, might have been a system based on locally elected representatives. This would have tied in with traditional systems that were in place in certain regions. However, donors not only felt that such systems entailed major disadvantages, but even went so far as to obstruct their further development. They preferred simply to go on insisting that African countries set up political parties. Tanzania, for example, eventually dutifully responded by establishing a multiparty system in which the parties were little more than empty shells created purely to satisfy the donors.⁵⁴ Uganda, whose political system was not based on parties, also caved in under donor pressure and promised to introduce a multiparty system in 2004.

At the other end of the spectrum were the African governments that insisted on going their own way. Though perhaps headed for better results, they created many problems for themselves when negotiating with donors. The best example was Eritrea. This former Ethiopian province had unilaterally broken away from Addis Ababa and now wanted to take its development into its own hands. Donors were welcome to provide assistance, but only on the Eritrean government's terms. Otherwise they were asked to stay away. This applied particularly to foreign NGOs. According to the country's president, these organisations represented an outmoded approach to development, since they had a low degree of transparency, extremely inflexible procedures and high costs. Furthermore, they did not fit into government policy. Eritrea was also reluctant to accept grants, taking the position that there were too many conditions attached to them. The Eritrean president claimed that these conditions reduced efficiency by thirty to forty per cent and that he therefore preferred loans.

Eritrea's stance presented a donor like the Netherlands with unusual problems. Proposed funding sometimes had to be withdrawn at the last moment at Eritrea's request, which complicated financial planning. Or a training institute might suddenly, inexplicably, have to be moved from the site originally chosen for it on wholly justifiable grounds by the Dutch architect. In another instance, a training institute designed by an Eritrean architect was hopelessly outdated by Dutch criteria. Should the Netherlands have simply paid up, even when projects failed to meet its standards? Or should 'he who pays the piper call the tune'? Should a donor pay for a plan that it believes is far from optimal? There were more questions than answers.

Let us now return to the origins of ownership. The international donor community believed that in order to boost the effectiveness of aid, recipient countries should have

more ownership of development cooperation. But precisely whom in the recipient countries did they have in mind? Opinions differed, but donors tended to focus on two groups, the authorities and local beneficiaries. Was it then primarily the donors who defined the concept of ownership? Generally speaking, it was. This may seem contradictory, but it was just the way development cooperation worked. Even so, individuals in developing countries did become more deeply involved in discussions about ownership. In Africa, these were generally the more sophisticated individuals (in other words, the elites) in the capital cities, especially those involved in national government. These groups used the ownership debate to bring African wishes to the fore.

At first it seemed clear that countries had taken ownership of national policies; governments made their own choices and assumed responsibility for them, preferably with a popular mandate. Ownership was right where it was supposed to be, namely in the hands of political leaders. This situation was cheered by the DAC members in their report *Shaping the 21st Century* (1996). Yet at the same time, the freedom of African governments to steer their own course had been reduced in recent years by the forward march of economic globalisation. More and more, the world was becoming a marketplace and countries had to tailor their policies to this economic reality if they wanted to make real progress. This perhaps applied even more strongly to Africa than to any other continent. Africa was still barely integrated into the international economy, yet it relied heavily on that economy for its development. The need to achieve integration made adaptation all the more urgent. As a result, Africa's freedom of choice was limited, above all in the economic sphere, but also politically and in other areas (chapter 7 addresses the effects of globalisation on Africa).

It was unclear precisely what remained of African ownership under these circumstances. The World Bank maintained that even complex reform programmes, such as structural adjustment, had a more sustainable result when there was more ownership by stakeholders in the developing countries themselves.⁵⁵ However, this remark was clearly prompted less by enthusiasm for the freedom to set policy priorities than by the desire to persuade developing countries to accept externally prescribed policies as their own. The DAC report *Shaping the 21st Century* may have advocated far-reaching ownership for developing-country partners, but it nevertheless expected their governments to subscribe to an impressive list of objectives in all sorts of policy areas when drawing up their development strategies. At the top of the list was adherence to 'appropriate macroeconomic policies'.⁵⁶

So for national authorities responsible for development strategies, ownership was something of a paradox: in the long run ownership became possible only if it was given up in the short run. It seemed to work only if African countries fell into line with international requirements and carried through the reforms prescribed by donors. This created opportunities for economic growth, which could in turn fuel development in sectors like education or transport. This approach was taken by a new generation of African leaders, of whom Uganda's President Museveni is probably the best example. They remade themselves to meet the demands of the new international economy. Some countries even managed to internalise the externally imposed requirements almost completely. This was the case in Ethiopia and even more so in Eritrea, both of which carried out structural reforms with the primary aim of adapting their economies to the global market, without any major involvement by the international financial institutions. The governments of these countries insisted that the programmes they were implementing were their own, thereby establishing ownership in the form of structural adjustment without conditionality.⁵⁷

The new self-awareness of these governments also left its mark on their societies. Their take-charge attitude often left NGOs with little breathing room, posing a threat to ownership below the national level. This created a development dilemma. The creation of effective state structures, including local institutions, was crucial for Africa's development.⁵⁸ And the economic recovery taking place in some countries opened the door to stronger states. Of course this did not necessarily have to make it more difficult

for NGOs to play a role in development activities, since an expanding government might even encourage these groups to organise more effectively for the benefit of development projects, especially at local level. However, in many African countries, the expansion of government influence undermined the authority of civil society, above all in its dealings with governments but often with respect to donors as well. Obviously, this made it more difficult for these organisations to take ownership of anything.

This lent new urgency to the question of precisely who was expected to exercise ownership in Africa. Several times now we have discussed the predatory nature of the African state, whose leaders exploited state power to prey on much of the population. It was primarily up to Africans to correct this situation, with assistance from the international community. The purpose of international development cooperation was to help build African states that were capable of bringing about their own development. Nevertheless, in individual cases the interests of different groups of Africans could clash. In such situations, donors relied chiefly on their assessment of the legitimacy of the authorities involved. They looked not just at the formal legitimacy gained through a popular mandate, but also at whatever practical legitimacy the authorities had built up through their development activities. Donors had to decide what stance to adopt on a country-by-country and even a case-by-case basis. Consequently, they always had to consider the potential political and social impact of their cooperation activities, and how they might affect the balance of power in recipient countries.

Boosting African ownership – whether that of African governments or of the groups directly involved in cooperation – should not be seen as a new development goal in its own right, but as a practical strategy to enhance the effects of international cooperation with Africa. It was meant to benefit not only the recipients but also the donor countries, by making their tax revenue go further. Yet because promoting ownership could conflict with other key development aims, such as establishing a sound and stable policy environment or building an effective state, frequent tensions arose. As a result, ownership could not always be given top priority. More often, it was a matter of searching for compromise, of assessing the pros and cons and deciding how much weight to give ownership. This meant that all the parties involved in an activity had to identify opportunities for ownership and make the most of them.

For their part, donors had to change their policies and organisational structures. They had the capacity to take unilateral measures that would strengthen the commitment, involvement, responsibility and hopefully even the motivation of their partners in developing countries. What held them back were their own bloated, byzantine bureaucracies, which had been designed to keep a firm grip on ownership rather than relinquishing it. Some donors placed ownership in the larger context of development cooperation with Africa, notably by trying to address the tensions between ownership and conditionality. Other initiatives were specifically geared to boosting ownership by Africans.

One goal was to give aid with fewer strings attached. Donors took a first step towards this goal: better coordination, with each donor imposing the same conditions. A second goal was more effective dialogue between donors and developing countries. Donors needed to listen more carefully to Africa's representatives. They faced the considerable challenge of changing their own attitude, though organisational reforms could also help. For example, their dialogue with recipients could be given more of an ongoing character and more of it could take place in Africa. The many brief missions sent out from the capitals of donor countries had to be replaced with permanent local representatives wherever possible. The consultative groups, usually chaired by the World Bank, in which the donor community would meet the recipient government to discuss its policies and potential roles for donors, were no longer to convene in Western cities such as Paris or Washington, but in the recipient country. The role of chair had to be given to the recipient government, so that it could coordinate the donors itself. However, the dialogue

was to continue to take the form of negotiations. Donors could not dictate terms to the recipient country, nor could they simply give the recipients whatever they wanted.

It was decided that cooperation between donors and African countries had to be based on national development strategies developed by the aid recipients. Yet in the 1990s, medium and long-term strategies were almost unheard-of. Around the turn of the century, PRSPs were introduced as a tool for development planning, emphasising the principle of ownership. PRSPs were to serve as the development plans of the national governments of developing countries and had to be drafted in close consultation with civil society and other local groups. In some countries, such as Uganda, this worked reasonably well from the outset, but in others, such as Senegal, development planning remained the preserve of the government, to the exclusion of civil society.

African governments could not afford policies that ignored the exigencies of structural macroeconomic stability and the global market. If in spite of this they insisted on pursuing an alternative strategy, then donors had no choice but to withhold aid, regardless of how much ownership that strategy enjoyed. Ownership may have been a necessary requirement for development, but it was by no means sufficient. Donors could not support poor policy decisions, no matter how firmly recipients stood behind them.

Many donors moved towards programme aid (general, non-project-based financial support) and away from project aid. Programme aid could take many forms. There were also hybrids of programme and project aid. Generally speaking, programme aid was more strongly geared to achieving a long-term impact than project aid, mainly because it was anchored in the development policies of the recipient countries. However, making it work was quite a challenge. In preparing programme aid, donors therefore had to spend a considerable time negotiating with national authorities in order to identify their priorities, discuss their policies in various sectors, put forward proposals for key areas of cooperation and so on. Once again it was crucial for conditionality to be applied mainly after the fact rather than in advance; aid could only be granted if a good policy environment was already in place. Good intentions were not enough. Only if the policy environment were deemed adequate would donors consider pooling their aid in a fund for a specific sector or policy goal, under the overall management of the recipient country itself. In addition to long-term effectiveness, programme aid had other advantages over project aid; it was easier to coordinate and because there was more input from local institutions, it sometimes gave a large boost to local institutional development.

Aid had to be flexible. That meant cutting down on conditions and procedures. The sheer number of donor countries, each of which had different rules and expectations, imposed a heavy burden on the Africans involved in international cooperation. It was not just psychologically debilitating; it also undermined practical efforts to generate more ownership among Africans. If the donors were genuinely to take a back seat, then besides simplifying their procedures for giving aid, they also had to work harder on coordination both with other donors and with recipients. The inadequacy of donor coordination was an old and thorny problem, but it had to be tackled if recipient countries were to exercise more ownership.

Donors had to show greater flexibility, but not at the expense of transparency. Donors and recipients had to conclude clear agreements governing all aspects of cooperation (though not necessarily right at the outset). Who would be responsible for what? The procedures governing cooperation, including the financial aspects, had to be unambiguous. On this particular point, donor governments could not afford to be flexible, since back in their own countries they were accountable for the way aid money was spent. Financial accountability on the part of the recipients was a crucial aspect of good governance, which in turn was a key factor in development. Obviously, poor oversight of authorities in many African countries posed a problem. Partly for this reason, capacity-building became a central element of policies to boost African ownership. As a result, more ownership in the long term sometimes required more donor

intervention in the short term. This illustrated the fluid nature of ownership. Once the institutional structures of recipient countries became more reliable, donors could gradually transfer more responsibility to them. However, donors had to be careful not to send their own development workers to areas where qualified Africans were on hand to do the same jobs. African ownership benefited enormously in instances where Western development specialists abandoned this self-serving practice. Donors were expected to call in their own experts only if it had been firmly established that no local expertise was available.

At the beginning of the twenty-first century, the World Bank and even the IMF were singing the praises of ownership as a way of achieving better development results. More generally, they acknowledged that their own economic strategies had failed to attain the desired goal of economic progress. Yet these specifications had probably been not so much misguided as incomplete. After all, a new economic policy could achieve little without sufficient attention to political and cultural factors, such as the way institutions worked (or failed to work). Moreover, these political and cultural factors could not be influenced by the international financial institutions; money was of little relevance. The World Bank and the IMF could not override the internal workings of African society, despite all their knowledge of what constituted good policy.

The international financial institutions in any case had a poor image in Africa, which was not surprising given that they were so often the bearers of bad news. People in Africa's Francophone countries even referred to the World Bank (*Banque Mondiale*) as the Deadly Bank (*Banque Mortelle*) and to the IMF as the Intransigent Monetary Fund (*Front Monétaire Intransigent*).⁵⁹ In an effort to improve their image, delegations from both institutions paid combined – and increasingly ‘Africanised’ – visits to African capitals. In 2001, World Bank president James Wolfensohn and IMF director Horst Köhler sat down with around twenty African heads of state during a tour of the continent. Their general message was that the international financial institutions would now be listening more closely to Africa's needs and concerns. The African leaders' job was to tell them how, and how quickly, they wanted to tackle the continent's problems, which could cover anything from the AIDS epidemic and armed conflict to corruption and economic malaise.

Critics dismissed this new approach as a publicity stunt. The World Bank and IMF stressed that it should not be seen as a sign of uncertainty but as the logical extension of encouraging African ownership. After all, development could only succeed if Africans themselves took the lead. However, this theoretical argument entirely failed to take account of the political conditions in African countries. The national elites, who were the main contacts for the international financial institutions, were not in a position to make development their priority. That would have required a fundamental shift in Africa's political culture (at the very least). While this was not entirely unthinkable, especially if there were inspiring success stories, past decades had shown just how firmly entrenched Africa's political culture was in African society. If the necessary reforms were to take place, they would doubtless fundamentally alter the relationship between the public and its leaders and therefore inevitably erode the power base of the ruling elites. This was one of the many fundamental dilemmas facing African states; if they wanted to make social and economic progress, they had to make decisions that would ultimately undermine the authority of the decision-makers. It is no wonder that African rulers preferred talk to action.

But even if African governments were to make the development of their countries a serious priority, a donor policy based on conscientiously applying the principle of ownership would inevitably give rise to new problems. After all, how were African rulers to decide which steps would lead to sustainable economic and social development? The donors all too readily assumed that the African elites knew how to solve the problems besetting their countries, but in many cases this was highly questionable. The elites lived at a considerable remove from the impoverished majority.

Yet consulting the poor rather than the elites was no solution either. Poor people obviously had insight into their own difficulties and could doubtless suggest practical ways to deal with them, but they did not necessarily know what fundamental changes were called for. Outsiders were too quick to assume that poverty turned people into development experts. But how could the poor of Africa have gained an understanding of development mechanisms? They had never experienced any actual development, nor, in most cases, had they had any dealings with organisations or individuals from non-African countries who knew what development was like. Ownership exposed this problem but did nothing to solve it.

¹ Landes, *The Wealth and Poverty of Nations*. If we examine the phenomenon more closely, there is of course plenty to say about it. See, for example, Iliffe, *The African Poor*, for a history of poverty in Africa.

² Norberg, *Leve de globalisering (In Defence of Global Capitalism)*.

³ According to Paul Collier, director of the Development Economics Research Group (DECRG) at the World Bank, as cited in *The Economist*, 13 May 2000.

⁴ Douma, Frerks and Van de Goor, *Major Findings of the Research Project 'Causes of Conflict in the Third World'*.

⁵ World Bank, *Voices of the Poor*.

⁶ World Bank, *Attacking Poverty*.

⁷ World Bank, *Attacking Poverty*, p. 23.

⁸ World Bank, *Attacking Poverty*, p. 4.

⁹ Dutch Ministry of Foreign Affairs memorandum, *Effecten van economische globalisering (Effects of Economic Globalisation)*, p. 11.

¹⁰ World Bank, *Can Africa Claim the 21st Century?*, pp. 92-95.

¹¹ World Bank, *Can Africa Claim the 21st Century?*, p. 94, box 3.2.

¹² World Bank, *Can Africa Claim the 21st Century?*, p. 95, box 3.3.

¹³ World Bank, *Can Africa Claim the 21st Century?*, p. 113.

¹⁴ World Bank, *Can Africa Claim the 21st Century?*, p. 87.

¹⁵ World Bank, *Can Africa Claim the 21st Century?*, pp. 86-87.

¹⁶ Bratton and Mattes, 'Africans' surprising universalism', p. 111.

¹⁷ Freedom House, Annual survey of freedom country scores, 1999.

¹⁸ A summary of the African human rights regime is provided in Ankumah, *The African Commission on Human and Peoples' Rights*.

¹⁹ Human Rights Watch, *Protectors or pretenders?*

²⁰ Bratton and Mattes, 'Africans' surprising universalism', p. 111.

²¹ World Bank, *Global Development Finance 1999*, p. 101.

²² IMF, *World Economic Outlook 1999*, p. 200.

²³ Mistry, *Resolving Africa's Multilateral Debt Problem*, p. 27.

²⁴ Mistry, *Resolving Africa's Multilateral Debt Problem*, p. 21.

²⁵ IMF, *World Economic Outlook 1999*, p. 204.

²⁶ IMF, *World Economic Outlook 1999*, p. 199.

²⁷ World Bank, *Global Development Finance 1999*, p. 76.

²⁸ World Bank, HIPC Initiative: Status of Implementation, 19 August 2003, p. 75.

²⁹ 'The trouble with targets' in *The Economist*, 28 April 2001, pp. 35-36.

³⁰ Dutch Ministry of Foreign Affairs memorandum, *Normverva(n)ging (Crowding out or pitching in. A new budgetary target for Dutch development cooperation)*, R.J. van den Dool (ed.).

³¹ See the diagram in World Bank, *Can Africa Claim the 21st Century?*, p. 236.

³² For an overview for 1994, see the Dutch Ministry of Foreign Affairs memorandum *Afrika ten zuiden van de Sahara (Africa South of the Sahara: Regional policy Document)*, appendix E, and *Geographical Distribution of Financial Flows 1994-1998*, OECD/DAC.

³³ IMF, *World Economic Outlook 1999*, p. 132.

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- ³⁴ Lensink and White, *Aid Dependence*.
- ³⁵ Mills, Greg, *Poverty to Prosperity*, p. 255.
- ³⁶ According to Uganda's own National Household Survey. These findings were confirmed by the World Bank. See *Internationale Samenwerking*, vol. 1, no. 2, May 2001, p. 8.
- ³⁷ World Bank, *Aid and Reform in Africa*.
- ³⁸ Goldsmith, 'Foreign aid and statehood in Africa'.
- ³⁹ World Bank, *Attacking Poverty*, p. 5.
- ⁴⁰ UNDP, *Human Development Report 2001*.
- ⁴¹ Marres, 'Schaf ontwikkelingshulp af' ('Do away with development aid').
- ⁴² Goldsmith, 'Foreign aid and statehood in Africa'.
- ⁴³ Hancock, *Lords of Poverty*.
- ⁴⁴ Chabal and Daloz refer to this as 'the politics of the mirror' in *Africa Works*, pp. 117-118.
- ⁴⁵ This section is largely based on a memorandum written by the author of this book for the Dutch Ministry of Foreign Affairs, *Tussen ownership en conditionaliteit in de ontwikkelingsamenwerking met Afrika (Between Ownership and Conditionality in Development Cooperation with Africa)*.
- ⁴⁶ World Bank, *Effective Implementation: Key to Development Impact*, better known as the Wapenhans report.
- ⁴⁷ A well-known survey is the one carried out for the World Bank by Burnside and Dollar on the relationship between aid and economic growth. Their conclusion – which has not gone unchallenged – was that aid only leads to growth in a good policy environment. They argued that it would have no effect in an average policy environment, and that in a poor policy environment aid would in fact impair growth (*Aid, Policies and Growth*, 1997). A survey conducted in 2001 (*Aid and Reform in Africa*) yielded similar conclusions.
- ⁴⁸ World Bank, *Adjustment in Africa*, cited in Collier, 'The failure of conditionality', p. 57.
- ⁴⁹ Van de Walle and Johnston, *Improving Aid to Africa*.
- ⁵⁰ Collier, 'The failure of conditionality'.
- ⁵¹ Asian countries reacted much more fiercely to these Western demands than those in Africa. The Malaysian prime minister Mahathir Mohamad, for example, accused the developed countries of trying to Westernise the world by setting conditions for trade and aid, a practice he described as a form of neocolonialism.
- ⁵² One of the many examples was the dispute between the IMF and the Ethiopian government in late 1997. Ethiopia asked for financial aid, but cited ownership as a reason not to comply with the condition that it should further liberalise its financial sector.
- ⁵³ In 1997, for example, Eritrea appropriated cars intended for joint Eritrean-German projects and used them for other purposes, to the intense annoyance of the German donors.
- ⁵⁴ The speaker of the Tanzanian parliament, in an interview with the author (1998).
- ⁵⁵ World Bank, *Borrower Ownership of Adjustment Programs and the Political Economy of Reform*.
- ⁵⁶ See the summary under the subheading 'Developing country responsibilities' in *Shaping the 21st Century*, pp. 14-15.
- ⁵⁷ This theme is also discussed in detail in the policy document *Een wereld in geschil (A World in Dispute)* 1993, pp. 27-28, although it uses a slightly different wording: 'Tussen autonomie en aanpassing' (Between autonomy and adjustment).
- ⁵⁸ The World Bank's *World Development Report 1997* covers this in detail.
- ⁵⁹ Hesselings and Kraemer, *Senegal/Gambia (Landenreeks)*, p. 43.