



## After the Promises: Re-thinking UK policy in Africa

Coalition government in the UK is an opportunity to revise policy on Africa. More aid is touted as proof of politicians' compassion and conscience. But an emerging cross-party consensus has ignored significant policy failures. Democracy, trade, technology and regional integration are transforming Africa – often in ways which policymakers did not anticipate. These notes argue that effective engagement demands more coherent support for Africa's national and regional institutions, less grandiose ambition.

- Rising social inequality and entrenched poverty in every 'successful' economy.
- Key Millennium Development Goals will not be achieved.
- Agricultural growth slowed by narrow focus on 'poverty reduction'.
- Bilateral trade and aid deals frustrate closer regional integration.
- 'Governance' agenda is often naïve, at worst counter-productive.
- Strong case for funding skills and education in proportion to African professionals in UK.

### The vanishing new era

A vast majority of African states are in the throes of an epic liberalisation. Old hegemonies are confronted by the reality of competition – in government, the economy and the new pluralism of burgeoning civil society. In 1990, just four African governments were electoral democracies. That tally rose to a peak of 24 in 2005.<sup>1</sup> In spite of a global downturn, robust economic growth in most of Africa has been reinforced by a new scramble for energy and raw materials. But the legacy of reform includes a daunting variety of unintended consequences.

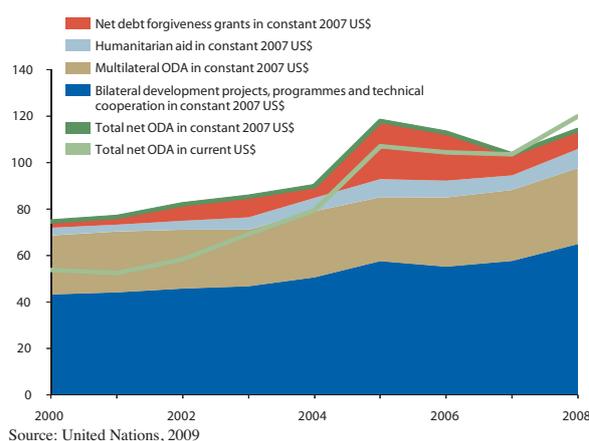
The UK has led the trend among international agencies by adopting a new agenda to reduce poverty. Under Structural Adjustment Programmes launched by multilateral lenders in the 1980s, African governments were encouraged to dismantle tariff barriers, abolish subsidies and cut back the scale of the public sector. In the new century, donors expect governments to spend more on health and education. But, in policy terms, the changing fashions are as much evolution as revolution.

Popular campaigns – from *Live Aid* to *Live 8* – have championed the cause of 'pro-poor' development. At the same time, most western donors have urged a parallel process of institutional reform based on ideas of 'good governance'. According to the World Bank's chief economist for Africa, the investment climate has "never been better".<sup>2</sup> From 2007-9, investment in telecommunications reached more than US\$21 billion in private capital. About 80% of Africans in the largest economies will have a mobile phone by 2012.<sup>3</sup>

Liberalisation has coincided with a dramatic increase in social inequality. A new and predominantly urban middle class has expanded cheek-by-jowl with the stark poverty of an

entrenched under-class. As the solidarity of Africa's independence struggles has fragmented, the apparatus of state power is controlled increasingly by a new breed of elected 'securocrats'. In economies as dissimilar as Angola, Rwanda and South Africa, presidential authority depends on the loyalty of intelligence chiefs, commercial oligarchs and the machine politics of former liberation movements.

### Development aid (US\$ billions), 2000-2008



Oil and other natural resources still define key bilateral relationships – a trend evident in the formation of US Army Africa Command and China's oil-for-infrastructure swaps. In 2008, Chinese state companies displaced the World Bank as the pre-eminent sponsor of new infrastructure in Africa: the first imperative of Beijing's foreign policy is to achieve energy security at home. By comparison, western investors have been generally more risk-averse than investors from Asia.

## The MDGs, a reckoning

Total global spending on international development reached a new high in 2009, but among G8 countries only the UK and Japan have substantially increased their contributions for Africa. The UK has more than doubled bilateral aid to sub-Saharan Africa from its 2003-4 level, and was the first G8 nation to commit to the United Nations' target of allocating 0.7% of national income to development by 2013. Even so, Africa will achieve none of the principal UN Millennium Development Goals (MDGs).

The key UN targets – to reduce the incidence of poverty and hunger by half by 2015, and to achieve full employment – remain beyond reach in Africa. Shortfalls in donor funding are not a significant cause. **Advocates of more aid should acknowledge that sub-Saharan Africa receives 40% of global aid, yet the social impact of economic growth has diverged from most other developing economies.** Worldwide, the number of people living in extreme poverty fell by a quarter between 1981 and 2005. In Africa, the number almost doubled over the same period.<sup>4</sup>

The record includes notable successes: universal primary education could be available by 2015, and safe drinking water is more accessible. Both are priorities for the UK Department for International Development (DFID). But overall, progress in health has been described as 'poor' by the UN Economic Commission for Africa – and no advance has been made in reducing maternal mortality.<sup>5</sup> Bold declarations of a new era in international development are premature.

DFID has challenged conventional wisdom – up to a point. General Budget Support, a mechanism to channel aid directly to national treasuries, was devised to encourage local ownership of policy. Yet the UK National Audit Office found it impossible to measure the value for money of donor funds allocated for GBS. Among recipient governments, researchers have described a process of 'political ventriloquism'. Ministers and bureaucrats can say one thing in the 'shop window' of public office and another in the 'smoke-filled rooms' where real decisions are made.<sup>6</sup>

## Agriculture, being competitive

Two thirds of Africans depend on agriculture, yet African states spend an average of just 3-4% of their national budgets on the sector – well short of their a 10% target adopted in 2003 under the African Union's Comprehensive Africa Agriculture Development Programme. More support for smallholder farmers is a new priority among donors, albeit not for the first time. But rising investment in African agriculture has not been matched by clear policy goals.

### Progress to MDG goals, by region

- Already met the target or very close to meeting the target.
- Progress sufficient to reach the target if prevailing trends persist.
- Progress insufficient to reach the target if prevailing trends persist.
- No progress or deterioration.

	North Africa	Sub-Saharan Africa
<b>GOAL 1   Eradicate extreme poverty and hunger</b>		
Reduce extreme poverty by half	low poverty	very high poverty
Productive and decent employment	very large deficit in decent work	very large deficit in decent work
Reduce hunger by half	low hunger	very high hunger
<b>GOAL 2   Achieve universal primary education</b>		
Universal primary schooling	high enrolment	low enrolment
<b>GOAL 3   Promote gender equality</b>		
Equal girls' enrolment in primary school	close to parity	close to parity
Women's share of paid employment	low share	low share
<b>GOAL 4   Reduce child mortality</b>		
Reduce mortality of under-five-year-olds by two thirds	low mortality	very high mortality
Measles immunization	high coverage	moderate coverage
<b>GOAL 5   Improve maternal health</b>		
Reduce maternal mortality by three quarters	moderate mortality	very high mortality
Access to reproductive health	moderate access	low access

Source: United Nations, 2009

### *'Until African agriculture is commercially viable there will always be hunger in Africa'*

– Dr Stephen Mbithi, chief executive,  
Fresh Produce and Exporter Association of Kenya<sup>7</sup>

Agriculture is Africa's most neglected, and important, potential competitive advantage in the global economy. In recent years, donors have supported measures to achieve both national food security and self-sufficiency among rural populations. An array of new initiatives – from subsidised fertiliser to high-yielding hybrid seeds – have encouraged self-sufficiency among rural households. In fact, most smallholders in Africa are net purchasers of food.

**Policy must separate agricultural investment – cleanly and unambiguously – from other measures to reduce poverty among rural populations.** Policymakers have been preoccupied by arguments over the relative productivity of smallholder and largeholder farms. Yet scale is an unreliable measure of competitiveness. Labour-intensive smallholder farms can be, and often have been, more productive than more capital-intensive large estates. In Kenya, exports of high quality vegetables tended by smallholders have made horticulture the largest sector of the economy.

Politicians routinely conflate food security – having enough to eat – with self-sufficiency, which means eating your own crop. The Alliance for a Green Revolution in Africa (AGRA) – chaired by Kofi Annan and funded by the Gates Foundation and DFID – has funded diverse stimuli for smallholders. Yet

the most vulnerable subsistence farmers are unlikely to escape poverty by becoming more dependent on agriculture. The lesson from Kenya is that only smallholders who are well organised and integrated with the commercial sector can become competitive.

Commercial investment in agriculture is certain to expand in response to global food insecurity. Already, China is importing grain from Africa. Egypt has forecast US\$40 billion of new investment in agro-industries.<sup>8</sup> The policy environment should not discourage African farmers, large or small, from participation in industrial agriculture. More investment in infrastructure, irrigation and improved access to markets will make farmers competitive, and foster alternative livelihoods. Donors must beware well-intentioned policies which preserve an impoverished way of life.

## Think regional

Greater cooperation between states is the fast track to economic development and the provision of public goods, from cross-border infrastructure to coordinated treatment of disease. Trade and investment are vital to economic growth and the pursuit of long term prosperity, but their direct impact on poverty is often slight. While common markets and other measures to boost trade have dominated policy, a narrow economic agenda has obscured the role of regional public goods as a catalyst for poverty reduction.

The benefits of regional public goods tend to be widely distributed. Improvements to the supply of electricity from a regional power pool are useful both to industry and to the public. New roads reduce the time and costs of transport for all. Infrastructure, common standards in law and regional mediation of conflicts are proven means to foster economic growth and reduce poverty. Regional public goods are the key to unlock economies of scale in Africa.

Bilateral relationships which impede regional integration do not serve the longer term interests of Africans or donors. The European Union (EU) remains Africa's leading trading partner, but negotiations between the EU and individual African states have proved confusing and divisive. Bilateral Economic Partnership Agreements (EPAs) have slowed the pace of regional integration. Among regional blocs, only the East African Community may reach a multilateral agreement on behalf of its member states in 2010.

### **The UK should exert influence in Brussels to revive agreements between the EU and regional blocs in Africa.**

The case for cooperation is reinforced by the example of African delegates at the Copenhagen summit in December 2009. Their unified stance on climate change augurs well for a more coherent African position in world trade talks. Recognition of common regional interests is evident in other forms of integration – from development corridors to power-sharing, whether of electricity or in politics.

## Conflict, resolution

Regional organisations in Africa have an improving record of interventions to defend peace and democracy. Since its inception in 2003, the Peace and Security Council of the African Union has coordinated mediation in conflicts and political crises across the continent. Troops from the AU, Economic

## Skills migration From 'drain' to gain

The UK has benefited from the migration of African professionals. About 20,000 skilled Africans leave to work in industrialised nations every year.<sup>9</sup> More than a third of South African and Zimbabwean nurses work in OECD countries.<sup>10</sup> **The UK should dedicate a share of its aid budget – in proportion to the tax contribution of African professionals in Britain – to reduce the skills deficit in Africa's health, education and engineering sectors.**

In an era of global economic integration, it is neither feasible nor morally defensible to prevent qualified African professionals from seeking opportunities abroad. Skills migration can bring social benefits from the repatriation of wages to Africa. In the UK, average salaries for nurses are about ten times those in Kenya.

Cash remittances from the African diaspora are worth about US\$40 billion a year, a sum equivalent to all development aid to Africa in 2007.<sup>11</sup> But shortages of skilled labour deter investment, while the cost of importing expatriate skills to sub-Saharan Africa has been estimated at about US\$4 billion a year.<sup>12</sup> Innovative training schemes are a viable means to compensate African countries for their investment in education and training of skilled migrants.

In Nairobi, the African Medical and Research Foundation (AMREF) has developed a distance learning programme for nurses to upgrade their skills while continuing in work. More than 7,000 Kenyan nurses have enrolled for training with AMREF at their own expense since 2005, but clinical placements and other resources are limited. Donors should fund new capacity to upgrade the skills of African professionals, especially in health.

Community of West African States (ECOWAS), and Southern African Development Community (SADC) have been deployed in six countries. In Darfur, the consent of the Sudanese government for international peacekeeping was contingent on the inclusion of African troops under AU command.

Institutional mechanisms have prevailed over individuals. In 2009, Libyan president Muammar Qaddafi was rebuffed, while AU chairman, when he opposed sanctions against coup leaders in Mauritania. "President Qaddafi has taken his own steps," stated Edouard Aho-Glele, Benin's ambassador to the AU, "If the junta brings back constitutional order, there will be no sanctions. But we have not been informed of such a state of affairs for the moment."<sup>13</sup>

The AU has a short but robust record of defending constitutional systems. *Coups d'état* – or 'unconstitutional changes of power' in AU jargon – have triggered punitive measures, including suspension of AU membership, freezing of assets and travel bans. Multilateral interventions are more frequent in Africa than in Latin America, Asia or the Middle East. In February 2010, AU heads of state agreed to take a tougher stance on unconstitutional conduct by sitting presidents.



Refusal to relinquish power, and disputed election results, have been met with varied responses. AU troops were deployed in the Comoros in 2008, forcing provincial leader Mohamed Bacar to stand down after elections deemed illegal by African diplomats. In the same year, election violence in Kenya and Zimbabwe led to power-sharing agreements brokered by, respectively, an AU 'panel of eminent personalities' and a *troika* of SADC heads of state. But regional interventions in political disputes have often fallen short of expectations.

## Accountability, not jargon

'Poverty' and 'governance' have become the watchwords of international development policy – a trend encouraged in the UK by DFID. Professor Robert Rotberg at Harvard's Kennedy School has marshalled substantial data to demonstrate that when governance improves, every other development indicator improves – from child mortality to adult literacy to industrial competitiveness. But while poverty reduction is a simple idea with popular appeal, governance has come to mean all things to all men.

The jargon of international development is dangerous, because no two people who want better governance are likely to have the same priorities. Is it the rule of law? The sovereignty of institutions? Or property rights? Can it be measured in the head count of technocrats in the finance ministry? Or the conduct of an election? Ambiguous language is an obstacle to candid and effective scrutiny of institutions.

African parliamentarians often describe a system of 'parallel accountability' inherent in the symbiotic relationship between donors and governments. Although DFID and other donors aspire to reinforce fragile constitutional systems, their influence and technical resources can usurp the 'oversight' function of parliamentary committees and national auditors. Amid the myriad projects and competing priorities of donors, local institutions routinely find themselves outside the loop.

***'The mere presence of donors in Tanzania has in some way diluted the power of parliament'***

– John Cheyo, chairman,

Public Accounts Committee, Tanzania<sup>14</sup>

Contrary to the prevailing rhetoric, governance is not a zero-sum game. More good things and more bad things are happening at the same time in Africa. As technocrats gain ground, old loyalties fray and politics becomes more volatile. In almost every liberalising economy, improved governance has failed to curb rising inequality and entrenched poverty. Many of the development agencies' assumptions about 'governance' are, at best, naïve.

## The fragile centre ground

All the main UK political parties share similar priorities for international development and a commitment to spend 0.7 per cent of national income on aid by 2013. Both sides of the UK coalition government, the Conservatives and the Liberal Democrats, have emphasised agriculture, health and education, climate change, food security and 'good governance'. The Conservatives argue for a 'business-like approach to aid' and more use of vouchers. The Liberal Democrats anticipate 'a decline in the significance of development assistance' as China and other developing powers gain influence.

The emerging cross-party consensus in Westminster is not warranted by the mixed record of UK diplomacy and development. However well-intentioned, the sheer complexity of donors' programmes in Africa is an obstacle to sustainable reform. The imperative of effective regional cooperation and security is recognised, but not well understood. No UK political party has proposed new ways to engage with the African Union or to consolidate its early achievements. The varied mandates of multilateral institutions – in Addis Ababa, Brussels, Geneva and Washington – must be revised for clarity and credibility. Contrary to many politicians' hopes, UK influence in Africa is in decline.

The UK is unique among leading donor nations in having a dedicated development ministry. But parliamentarians on all sides have largely failed in their duty to sustain keen scrutiny and more competing ideas. More strategic international engagement requires a grasp of the limits of British influence – and the opportunities. A coalition government in Westminster should ensure less grandiose ambition, simplified programmes, and solid support for Africa's national and regional institutions.

**Africa Research Institute is a non-partisan think tank based in London. Our mission is to draw attention to ideas which have worked in Africa, and to identify new ideas where needed.**

### FURTHER INFORMATION

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