Reality of Aid
Africa edition 2003/4

"Without good governance, we cannot eradicate poverty; for no corrupt government is interested in the eradication of poverty; on the contrary, and as we have seen in many parts of Africa and elsewhere, widespread corruption in high places breeds poverty".

Julius Nyerere, former President of Tanzania

Photograph by William Mafunga (The Herald)
ISBN 0-7974-2807-0

Cover designed and printed by
High Gloss Printers
Tel: 263-4-796214/5
Harare, Zimbabwe

Table of Contents

List of Acronyms

ACP	African Caribbean and Pacific Countries
ADB	African Development Bank
AFRODAD	African Forum and Network For Debt and Development
AGOA	Africa Growth Opportunity Act
AIDS	Acquired Immune Deficiency Syndrome
ANEEJ	Africa Network for Environmental and Economic Justice
APRM	African Peer Review Mechanism
AU	African Union
CSOs	Civil Society Organisations
CSSDCA	Conference on Security, Stability, Development and Cooperation in Africa
DAC	Development Assistance Committee
DfID	Department for International Development
DPG	Democracy and Political Governance
ECA	Economic Commission for Africa
EITI	Extractive Industries Transparency initiative
ESCR	Economic, Social and Cultural Rights
EU	European Union
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GNP	Gross National Product
GoT	Government of Tanzania
HIPC	Highly Indebted Poor Countries
IFIs	International Financial Institutions
IFMS	Integrated Financial Management System
ILO	International Labour Organisation
IMF	International Monetary Fund
IMG	Independent Monitoring Group
KENDREN	Kenya Debt Relief Network
MAP	Millennium Africa Recovery Programme
MDGs	Millenium Development Goals
MMD	Movement for Multi-Party Democracy
NAI	New Africa Initiative
NAM	Non-Aligned Movement
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organisations

NPES	National Poverty Eradication Strategy
OAU	Organisation of African Unity
ODA	Overseas Development Assistance
OECD	Organisation of Economic Cooperation and Development
PAF	Performance Assessment Framework
PER	Public Expenditure Review
PFRMP	Public Financial Management Reform Programme
PRBS	Poverty Reduction Budget Support
PRGF	Poverty Reduction Growth Facility
PRSPs	Poverty reduction Strategy Papers
PWRDF	Primate World Relief and Development Fund
ROA	Reality of Aid
SADC	Southern African Development Community
SAP	Structural Adjustment Programme
SSA	Sub-Saharan Africa
TA	Technical Assistance
TAS	Tanzania Assistance Strategy
TASOET	Tanzania Social and Economic Trust
TCDD	Tanzania Coalition for Debt and Development
TRIPS	Trade Related International Property Rights
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WHO	World Health Organisation
WTO	World Trade Organisation
YAZIM	Youth Alive Zimbabwe
ZARD	Zambia Association for Research and Development

Preface

The Reality of Aid is an independent assessment of the nature and performance of development aid. The project aims to contribute to more effective strategies to eliminate poverty, based on principles of solidarity and equity, by analysing international aid and development cooperation and lobbying for changes in north/south systemic relationships in aid practices.

It does so by:

- Providing reliable and well-researched reports on international aid performance;
- influencing national and international policy-makers, in the north and the south, through lobbying and policy dialogue;
- contributing to an informed debate on the role of aid in poverty eradication;
- increasing public knowledge and awareness and thereby popular and political pressure for accountable development co-operation policies in donor countries;
- facilitating collaboration and shared learning between CSOs from all regions of the world to enhance their capacity to advocate for effective development cooperation.

Since 2000 when the regional chapters (African, Asian, European, Non-OECD, Latin American) of the Global Reality of Aid project were formed, AFRODAD has taken an active role in the Reality of Aid work in Africa.

The African Chapter's mission is to *"To ensure that aid to Africa brings positive impact and sustainable human development"*.

The African project seeks to;

Understand the reasons for the resource gap in African economies (which is usually filled by development aid);

explain the increasing poverty despite the continued aid flows to the continent;

neutralise the negative motivations of aid by the donors;

ensure that aid contributes to sustainable development;

understand why aid has made such a low impact on development over the past many years;

assess in what areas aid is most effective and where it is least effective;
analyse the modes of aid delivery;
analyse the impact of corruption, misuse and mismanagement of financial resources and other valuable resources, including aid, on the continent with a view of reducing the leakages of these resources.

The ROA 2004 Africa Edition is the second in a series that gives Africans a chance to voice their concerns on development aid by critically analysing its quality, quantity and effectiveness. Taking from the 2004 ROA Global Edition theme "*Governance and Promotion on Human Rights in International Cooperation and aid,*" this edition analyses governance structures at international, regional and national levels and how different policies, interests and actions violate human rights in the name of globalisation, personal and corporate interests and the security agenda.

To present a truly African perspective of the issues, in 2003 AFRODAD started wide consultations across the continent in collaboration with its affiliates and other organisations in Kenya, Zambia, Tanzania and Zimbabwe. Workshops were held in these countries where research papers on various themes were presented and intense discussions on various subjects were held. Workshops participants included high level government officials, donors, civil society and grassroots organisations and members of the general public.

A new and exciting initiative taken by AFRODAD in 2003 was the expansion of ROA activities into West Africa. A West African regional workshop, involving 10 countries was held in Lagos, Nigeria in collaboration with ANEEJ/ECONDAD. West Africa is a diverse region combining both Anglophone and Franchophone countries as well as conflict and post conflict countries, dynamics which the ROA Project believes are crucial to bring to public attention for action. While we would like our work to gain more ground and depth in that region, some of the challenges we face include the language barrier and shortage of resources.

The Africa-wide consultations are the beginning of a process in which we seek to articulate genuine African views and opinions on the performance and effectiveness of development aid and to ensure that it benefits all.

This piece of work is targeted at policymakers in Africa, particularly Heads of States, African Finance Ministers, Ambassadors to the United Nations and other agencies.

It is also aimed at enlisting wider support of CSO groups both in the South and North to stimulate discussions with their constituencies on issues raised.

AFRODAD has already started preparatory work on the next ROA edition, which will focus on the contribution of aid to the achievement of the Millennium Development Goals.

It is our hope that this work will make a significant contribution in improving the impact of aid on Africa's development.

Barbara Kalima
AFRODAD Coordinator

Acknowledgements

AFRODAD would like to extend its sincere gratitude and appreciation to the following affiliates and organisations that organised the various workshops and also participated actively in the meetings. Kenya Debt Relief Network (KENDREN), Zambia Association for Research and Development (ZARD), Tanzania Coalition for Debt and Development (TDCC), Tanzania Social and Economic Trust (TASOET), Youth Alive Zimbabwe (YAZIM) and African Network for Environmental and Economic Justice (ANEEJ). To all the authors , Opa Kapijimpanga (Zambia), Prof. Edward Oyugi (Kenya), Elikana M. Balandya (Tanzania), Leo Atakpu (Nigeria) and Leonard Maveneka (Zimbabwe) for both writing some chapters and editing the publication, thank you all for the hard work.

The entire report is indebted to the tireless and hardwork of **Moreblessings Chidaushe , Programme Officer.**

Without KEPA, Primate World Relief & Development Fund (PWRDF), and DIAKONIA our sincere donors, it would not have been possible to carry out the work and get the book published. We look forward to your continued support.

Introduction

Since the discovery and export of oil in 1958, Nigeria has earned in excess of US$350 billion in foreign exchange from the commodity roughly US$100 per head per year. But there is very little to show for it in terms of development. Instead, Nigeria has slipped from being an upper medium income to a low-income country. On the other hand, Botswana which at the time of independence was considered a basket case because of its supposed low resource endowment and desert climate, moved rapidly from a low income to an upper medium income country when it discovered diamonds.

What are the lessons to be learnt from these two disparate cases? The most obvious lesson is that Nigeria has not used its oil wealth wisely to benefit its people. Rather a string of military dictatorships misused the oil revenues to corruptly enrich themselves and to consolidate their hold on power. On the other hand, Botswana has used its diamond revenues prudently to the point of being accused of being miserly and has saved millions in reserves for a rainy day. The benefits from the diamonds have also been spread more evenly across the population resulting in the achievement of a higher human development index compared to Nigeria where it has been falling.

Sadly, Nigeria's case is not unique in Africa. Numerous other regimes have squandered national resources to perpetuate themselves in power - Mobutu in the Democratic Republic of Congo and Idi Amin in Uganda are examples that quickly spring to mind. Both countries are still to recover from the devastation caused by poor governance in the past. In other African countries, the impact of poor governance has been less dramatic but equally devastating not only on the economies but on the very survival of the nation states themselves. In several countries, bad governance has fuelled civil wars or has manifested itself in gross human rights violations contributing to worsening poverty levels.

In more recent years, Africa is taking steps to correct its poor governance record. Many countries have grudgingly introduced multi-party democracy, limited presidential terms and are increasingly making past corrupt leaders account for their misdeeds- Chiluba in Zambia and the Moi regime in Kenya. Through its Peer Review mechanism, the New Partnership for Africa's Development (NEPAD) also lays a strong emphasis on good governance and government accountability.

Just how much of these actions are out of the genuine realisation of past mistakes or are mere window-dressing to meet IFIs conditionalities still remains unclear. But they have sent a clear message that bad rulers cannot always get away with it and that sooner or later they have to account for their mistakes.

From that perspective therefore, Africa seems to be getting its act together. But it would be foolhardy for Africa to sit back and expect the good times to start rolling in. There is a lot more they need to do to centre their development agendas on the human person and to internalise the true concepts of good governance.

What makes their job more difficult is the double speak at the international level, where good governance is defined to suit the hegemonic interests of developed countries' governments and their multinationals, where neo-liberalism continues to rule the roost as the dominant economic paradigm despite the havoc it has wreaked on the continent through SAPS.

During the Cold War years, despots such as Mobutu were propped up by the US as “bulwarks” against communism, never mind their atrocious human rights record. At the end of the Cold War, they became expandable, but only if they were replaced by new leaders who would tow the neo-liberal economic line that favours Western countries by opening up their economies to new forms of exploitation through lopsided trade under the all embracing SAPs. Through the WTO and other multilateral agreements, including the EU/ACP Agreement, Western countries continue to extract concessions from developing countries that threaten the livelihoods of their people. Agreements such as TRIPS limit the capacity of African countries to benefit from cheap technology transfer while attempts to force open public procurement in developing countries also have serious consequences for building indigenous entrepreneurs in the South. The lopsided global trading regime, where developed countries continue to spend billions subsidising their exports is a major violation of the economic and social rights of people in developing countries by denying them the chance to develop their industries and agricultural sectors.

While African countries are making frantic efforts to clean up their governance act, there have been no parallel attempts by donor countries, including the IFIs to become more accountable and in the process to respect the economic and social rights of people in developing countries. SAPs have been discredited, but they have resurfaced under different guises as elements within PRSPs and as part of necessary reforms in NEPAD.

In this Africa edition of the Reality of Aid, which follows the global theme of the Rights Based Approach to development, we take some African governments to task for their failure to place the fulfilment of their people's human rights-civil and political as well as economic, social and cultural rights-at the centre of their development agendas. We also analyse the debilitating impact of corruption on people's economic and social rights as well as the insidious role of multinational corporations in Africa's corruption game.

At the international level, we assess the extent to which programmes of the IFIs are responsible for violating people's economic and social rights through the conditionalities they impose. We question the moral high ground from which the World Bank and the IMF preach good governance to African governments considering the lack of transparency in their own governance structures and their policies that in many instances have worsened poverty in developing countries.

The Edition also looks at the youth, a group that is often sidelined in the development aid discourse partly because their problems are regarded as transitory (until they join the rest of the adult population) and because it is felt that their problems are not unique and will be dealt with through society-wide interventions.

But a closer look shows that the youth face unique problems requiring specific attention. Unemployment among them, for instance, is worse than in the adult population and consequently poverty tends to be higher among the youth than in the rest of the population. Sub-Saharan Africa is home to at least 60 million poor youth (living on less than a dollar a day), out of the global total of 238 million.

The region also has a disproportionate number of youth suffering from HIV/AIDS 8.6 million out of the global total of 12 million. Given their special circumstances, there is a need to design youth-specific interventions to tackle the most pressing problems they face-poverty, unemployment and HIV/AIDS.

The human rights centred approach to development puts the actions of African governments under the spotlight. It highlights the culpability of developed countries governments and their multinationals in the continued violation of the economic and social rights of people in developing countries and calls for a more balanced view of good governance, which goes beyond the creation of structures that merely facilitate the continued dominance of neo-liberalism under its different guises to the more people-centred approach that addresses issues of equity in the global trade environment.

A human rights centred approach accepts development as a human right and therefore questions the actions of governments and IFIs that deny people opportunities to develop. Rather than a mere focus on GDP growth rates, the human rights centred approach gives equal weight to issues of equity and access to basic social services for the majority of the people as fitting priorities for governments and donors for which they must aim. It also assesses their policies from the perspective of how they serve to fulfil or to deny people the totality of their rights.

Chapter 1

Governance and Promotion of Human Rights in International Cooperation

Introduction

Decades of development aid to Africa do not seem to have helped the continent advance its development agenda. Despite the amount of aid coming into Africa, poverty has continued to deepen. As noted in the World Development report of 2000 [2] "if the aid that went to Zambia between 1961 -1994 had gone to promote investment and if the investment had been as important to growth as initially predicted, the country's per capita income would have been more than $ 20,000 in 1994 and not $ 600". The fact is that the majority of Zambian people have become poorer (per capita income of $ 1,000 in 1964). So it is important to know why development aid cooperation is not being more effective in reducing poverty in Africa.

It is estimated that the financial gap between what African countries can raise, and what they need to spend on development is about US$64 billion per year.[3] Closing the leakages of financial outflows from Africa could easily fill the gap. These are estimated at more than US$75 billion, which includes terms of trade losses of over US$ 60 billion, illegitimate debt of US$10 billion and barriers to markets of US$5 billion per year.[4] This raises the need to pay more attention to trade as an alternative to development aid.

Africa generates less than 2% of global trade. Given that open trade is the most profitable business in the world today, it is argued that trade could give Africa what development aid has failed to provide, sustainable development. It is for this reason that access to markets becomes so important in development discussions.

In support of Africa's development through trade access, former US President Bill Clinton introduced the Africa Growth Opportunities Act (AGOA) through which selected African countries qualify to export 6,000 products to the United States duty and quota free. Since the AGOA enactment in 2000 US imports from Sub-Sahara Africa have increased by over 60%, making the US the largest single market for the region accounting for 27% of exports. AGOA's development impact seems to be promising. Kenya is reported to have established and reopened at least nine factories, which have generated at least 20,000 jobs. In Lesotho, 11 new factories and the expansion of eight additional ones have resulted in 15,000 new jobs allowing manufacturing sector employment to exceed government employment for the first time. Equally, Malawi is reported to have created 4,300 new jobs as a result of AGOA and some US$ 78 million of investments have been attracted to Mauritius with the consequent increases in employment.

Notwithstanding the problems surrounding AGOA, this new reality gives hope for Africa's transformation and a possible exit strategy from development aid that has trapped Africa into the debt and conditionalities. It offers new realities that will increase employment and incomes and create a sustainable environment in which it will be possible to realise good governance and people's rights.

This chapter examines international cooperation in relation to issues of governance and promotion of human rights. The main conclusions are:

a) The current aid regime undermines governance at the national level and violates human rights because of the conditionalities imposed. Africa must of necessity find a way out of this constricting relationship with the rich countries and their institutions (the World Bank, the IMF and the WTO) and instead participate in the global economy on the stronger basis of trade.

b) Africa should focus on the achievement of the Millennium Development Goals (MDGs) and should assess how best these can be attained without confining itself to the development aid framework which has so far failed to provide an exit route to poverty but continues to undermine national governance and violate human rights.

On governance

Definitions of governance, especially of good governance, vary widely according to the philosophy and underlying ideology of those defining it. For Africa it is imperative to argue that the State is, and must be, a delegated authority, which is expected to act in the interest of the people rather than those that constitute it.[5] The inclusion of stakeholders in decision-making processes is a fundamental aspect of good governance. African basic forms of governance begin from the village level up to the chieftaincy, and through the district and provincial levels to the national level. Beyond the national level are the sub-regional groupings, which form the building blocks of the African Union, all of which are also structures of governance. The most important issue is the extent to which these structures represent and secure, rather than undermine or violate people's interests and rights.

International cooperation assumes a framework in which states act and interact as equal partners. Where there is inequality, as is the case between the poor and rich nations, some level of good global governance is necessary to maintain equity and safeguard the interests of weaker nations. Good global governance implies a fully functioning multilateral system. The current crisis in multilateralism exhibited by the dominance of bilateralism and especially the hegemonic behaviour of the United States, the negative and undemocratic processes in the WTO, the disproportionate power of the Washington-based IFIs, can all constitute a source of bad governance at the global level. And this has negative impacts on governance at the sub-regional and national level as the same patterns reproduce themselves.

Any practices that result in the rolling back of the role of state (in its representation of people's interests) cause tension in national and international relations. These tensions undermine sustainable development, peace and security, which are the basis for good governance.

On Promotion of Human Rights

Since the United Nations General Assembly adopted the Universal Declaration of Human Rights in 1948, a series of declarations and covenants have moved beyond the first generation of civil and political rights, to broader conception of rights, which assert and protect the inherent dignity of all members of the human family: equal inalienable rights for all; the right to life, liberty, security of person, health, education, food, clothing, housing, livelihood, self determination; the obligation of the individual to all humanity and provide for the agreement that nothing shall justify domination of a people by another; human beings are the centre of concern for sustainable development; all states and all people shall cooperate in the essential task of eradicating poverty; and that states should cooperate to promote supportive systems leading to sustainable development.

There are specific covenants and declarations that are based on the specific experiences or history underpinning the declaration. An example is the African Charter on Human and People's Rights, which entered into force in October 1986. The African Charter declares in Article 19 that "nothing shall justify the domination of a people by another". [6] Thus any form of imposition on Africa by one group of people or institutions constitutes a violation of African peoples' rights.

At the Vienna Conference of 1993, the international community established a consensus on the right to development as a universal and inalienable right and an integral part of fundamental human rights.[7] The declaration states that, "Human rights and fundamental freedoms are the birthright of all human beings; their protection and promotion is the first responsibility of government."

Although it is recognized in the Covenant on Social, Economic and Cultural rights that every state in the world has a responsibility to support the development of peoples of other states in order to fulfil their rights, it is indeed the first responsibility of the African state to fulfil and promote people's rights rather than place emphasis on external support as the current dependency syndrome seems to suggest.[8]

The 1997 Maastricht Guidelines on violation of Rights [9] are an important pointer to the evolution of the promotion of rights. Some key aspects relevant to the responsibility and the role of the state (or states in international cooperation) include the following:

a). The State(s) has an obligation to respect, protect and fulfil human rights. Failure to perform any one of these three obligations constitutes a violation of such rights. Thus, the failure of States to provide essential primary health care, basic education, essential foodstuffs, basic shelter and housing (to its citizens) may amount to a violation.

b). Financial resource scarcity does not relieve States of certain minimum obligations in respect the implementation of economic, social and cultural rights.

c). Rights are violated when a State does not pursue or fails to protect its people from policies that have a negative impact on them

d). Violations of economic, social and cultural rights can occur through the direct action of States or other entities insufficiently regulated by States. Examples of such violations include the active support for measures adopted by third parties, which are inconsistent with economic, social and cultural rights. (SAPs by World Bank and the IMF and the liberalisation Policies under the WTO) *f). The obligation of the state to protect includes the State's responsibility to ensure that private entities or individuals, including transnational corporations over which they must exercise jurisdiction, do not deprive individuals of their economic, social and cultural rights. States are responsible for violations of rights that result from their failure to exercise due diligence in controlling the behaviour of such non-state actors.*

g). The State should ensure that violations do not result from the programmes and policies of international organisations of which the State is a member (e.g. The WTO and the International Financial Institutions).

Following on from the above, a rights-based approach to development goes beyond charity and welfare and forces the question of the state's responsibility to its citizens. The international human rights law assumes that international cooperation will promote human rights, especially the economic, social and cultural rights including the right to development. The reality of underdevelopment in Africa poses questions about the relationship between development, governance and promotion of human rights in key aspects of international cooperation in a global context.

The Reality and Experience of Aid in Africa

The NEPAD-estimated financial gap of US$64 billion per year to stimulate development in Africa provides for various options, one of which is the desperate need for development aid. Aside from the aid dependency that this creates, it provides for donors and other key players in the aid industry to define how such aid is used and what approach should be pursued for poverty eradication. The World Bank and the IMF remain the dominant drivers and gatekeepers of donor policy in Africa. Their assigned position gives them an added role as instruments of governance at the global level, even when this has no legitimacy. They continue to put pressure on African development through their conditionalities, using development aid as a lever to impose the neo-liberal paradigm of privatisation, liberalization and the markets. Under poverty reduction strategies (PRSPs), they impose the same neo-liberal framework through the Poverty Reduction and Growth Facility (PRGF). This undermines peoples' rights and the sovereignty of the African state - and therefore governance.

Added to the family of the World Bank, IMF and the OECD donors is the WTO. As innocent as the WTO may be seen in the area of trade, the power relations in the WTO suggest that this intergovernmental institution plays an important role in global governance. Trade is strongly linked to development and therefore to development aid. The resource gap that exists in Africa is largely due to problems that the continent faces in the trade arena. Pressure from the United States on some countries, using development aid as a lever to secure agreement in the WTO, is a clear link between the trade agenda and development aid.

Aid, conditionality, rights and governance

Aid conditionality has been widely discussed. Perhaps the best civil society exposure of the conditionality problem is that undertaken by the Structural Adjustment Participatory Review Initiative (SAPRI).[10] The SAPRI process identified some of the underlying policy impositions that have contributed to African poverty. These include the following:

a) Trade liberalisation is based on the neo-classical notion that competition from imports leads to specialisation, efficient allocation of resources and cleansing of inefficient producers, thus removing the burden on society of sustaining such entities. Reality reveals that in the absence of institutions to deal with a world trading environment which is grossly uneven, manipulation of prices by large international monopolies and imperfect competition have substantially contributed to increased poverty. In Zimbabwe, the manufacturing sector was the biggest victim of trade liberalisation. The manufacturing production index showed a decline of more than 20% between 1992 and 1997. Retrenchment of employees and bankruptcy of enterprises resulted. It is important to remind ourselves that retrenchment and loss of jobs is a violation of rights. The Zimbabwe Congress of Trade Unions estimated a loss of 20,000 jobs especially in the textile sector, which could not compete with cheaper imports. [11] A similar fate befell workers in the electronics industry. In reality, the right to a job is lost. The state had rolled back and not intervened, thus directly contributing to the loss of a right. The policy origin, the World Bank and especially the IMF, do not take responsibility although they were the fundamental cause of the loss of the right!

b) Financial sector liberalisation continues to have the following consequences:
The withdrawal of the state from of the financial sector has reinforced structural weaknesses in many African states and regions. In Zimbabwe, liberalisation of interest rates caused an upswing in interest rates throughout the 1990s, increasing

fivefold to 50% and making it impossible for small producers to access finance. The increase also led, among other things, to diversion of investments from productive sectors to speculative activities where returns were more than 30%. This worked against employment creation.

Removal of government controls has been interpreted to mean a weakening of the state itself as an institution. As noted under governance, a weakened state generally plays a negative role as a delegated authority to secure the interests of its citizens. In this regard, the existence of a liberalisation policy that stifles increased job creation is bad governance practice!

Despite the many arguments against the conditionalities attached to multilateral lending and development assistance from bilateral donors, the conditions have intensified. It becomes increasingly clear that there is a hidden agenda for those that propagate the conditionalities. The so-called economic reforms, which are the key elements of the conditionality regime, are designed to meet the interests of those who impose them. Using the governance and human rights criteria, international cooperation based on conditionality does not meet the minimum standards for governance and promotion of human rights.

As is already well known, the Bank and the Fund started to impose structural adjustment policies on African countries beginning 1980 following the World Bank Berg Report. These were further intensified following the 1989 Report, Sub-Sahara Africa: From Crisis to Sustainable Development. Under the current environment of HIPC and poverty reduction strategies, policy conditionalities continue to be imposed. The Bank and the Fund continue to propagate their notion that strengthening the use of policy conditionality in lending is an important element in improving aid effectiveness.[14]

c) Impact on Labour: The impact of adjustment on labour market policy springs from the notion that employment will be attracted by fewer regulations concerning labour stability and firing practices, greater flexibility in labour conditions; lower labour costs and less ability of the workers to organize. Labour liberalisation in Zimbabwe actually resulted in a violation of rights, because labour no longer had the right to organise into a strong trade union, employers resorted to short contracts to lower the costs of labour by not paying various benefits associated with permanent labour. After signing its first stabilisation agreement with the IMF in 1983, the Zimbabwean government immediately abandoned the relatively high minimum wage

Established soon after independence in 1980. By 1995 the Labour Relations Act had been reformed, making the workers vulnerable, reducing the real wages and minimising rights to safe and secure employment.

In 2000 the failure of the Zambian government to pay a minimum monthly wage of K200,000 (well below poverty line) was largely because the IMF did not approve![15] Much later, the failure of Zambia to reach the HIPC completion point in December 2003 was because the World Bank and the IMF did not approve the government budget overrun resulting from wage increases intended to ensure the people's right to a decent standard of living. This contradiction brings into question the real role of the Breton Woods institutions and whether they are the development institutions they claim to be considering their role in undermining people's rights.

Civil society in Nigeria has openly complained that privatisation amounts to "giving away" national assets.[16] While it is true that in many African countries, state enterprises do not perform well, this is due to problems for which privatisation is not necessarily the answer. In Uganda for example, poor performance in the past was largely due to the country's violent political reality. In more recent times the reasons have included the lack of foreign currency and political interference.[17]

Perhaps the most important political reason why privatisation is disliked in Africa is that generally it benefits foreigners. In Uganda, foreigners took over 75% of the privatised assets, thus enriching a few transnational and large companies and not the nationals. This is seen as "legalised robbery".[18] It explains the resistance to privatisation of the electricity and telecommunications companies in Zambia. The Zambian government argues that Zambian society has invested far more than they will gain through privatisation of these assets. The IMF will most likely be persuaded to accept partial commercialisation of these enterprises, in the ongoing negotiations for Zambia to reach the HIPC completion point. Zambia's resilience over the issue, is also fuelled by the discovery that the World Bank's insistence on the privatisation of the telephone company, was to safeguard the interests of its sister institution, the International Finance Corporation (IFC) in Celtel. The IFC was interested in taking a major stake in the local telephone company.[19]

To bridge the gap between what the Bank and the Fund purport to support and what they do in reality, their work should be assessed by the extent to which it furthers people's economic rights since they are economic institutions. A rights-based approach will address the contradiction between their call for pro-poor policies and the policies they impose that deepen poverty. The pro-poor policies of the IFIs must fulfil the human rights criteria and enhance good governance.

Poverty Reduction Strategies (PRSPs) and the Conditionality Regime

Poverty reduction has rightly taken centre stage in the development discourse because it is good governance practice and promotes human rights. From the experiences of ten African countries studied by AFRODAD,[20] key issues emerge relating to governance and rights:

a) In line with the African Charter for Popular Participation[21] PRSPs provide an opportunity for civil society to bring up micro-economic issues and suggest best practices for effective poverty reduction. These micro-economic realities should be used by governments in the design of macro-economic policies that enhance economic development.

b) Concepts of participation were notably different for the civil society and government-led consultation processes. While government appointed people who spoke on behalf of the poor countrywide, civil society organisations provided space for the poor to speak for themselves. The two approaches need to be integrated because they are strategically important to give the poor real opportunities to participate in policy formulation for poverty reduction. This is a good governance practice.

c) After local representative or governance structures (village headmen and chiefs), parliaments are the next institutionalised forms of popular representation or governance. Parliamentarians must participate in the PRSP process. But only in Burkina Faso and Mauritania did parliamentarians effectively participate in the process. Their exclusion in most other African countries is an indicator of centralised power and decision-making, which undermines national ownership of the PRSPs.

d) If people's participation is to be meaningful, governments should not ignore the issues they bring up for discussion. But in most African countries in the study, the final PRSP documents do not reflect civil society perspectives and inputs in any meaningful way.

PRSPs can become effective instruments to strengthen civil society participation in policy analysis and the linkage between on-going government planning (national plans and visions) and implementation processes such as budgetary systems. PRSPs should orient policies and activities towards poverty reduction. They should offer a framework for coordinating development assistance and for strengthening national ownership of poverty eradication strategies.

The link between PRSPs, development aid and debt relief poses a serious problem for Africa. AFRODAD studies show how the IMF and the World Bank imposed their macro-economic framework on the PRSPs. This meant that the PRSPs could not be reshaped at the level of macro-economic policy as the framework was already fixed. Thus the link between PRSP and SAPs is through the imposition of the SAP neo-liberal macro-economic framework.

In Tanzania, for example, the enhanced HIPC matrix has about 30 neo-liberal conditionalities. Of these 25 are from the IMF's PRGF document and only 5 from the PRSP. Given that the PRGF arrangement had been reached in January 2000, while the PRSP was only endorsed by the IMF and World Bank Boards in October 2000, the implementation of neo-liberal policies took precedence over the implementation and monitoring of poverty reduction policies. Furthermore, some bilateral donors cancelled Tanzania's debt on condition that Tanzania did not go off track on its obligations to the PRGF.

Donor resumption of development assistance for Kenya's PRSP, was based on conditionalities outside the PRSP process. Critical assessment and criticisms of neo-liberal policies raised at national and district level consultations with civil society were excluded from the final PRSP document. This confirms that the PRGF and its framework have been imposed on poverty reduction efforts in Kenya. But more important, the PRGF and not the PRSP document, defines support.

In spite of civil society submissions, the macro-economic focus of the Malawi PRSP, was on the so-called macro-economic stability through reduction of budget deficits, deregulation and privatisation. All these measures result in the contraction of the economy, job losses and increased poverty. The macro-economic language in the PRSP is the same as that of the conventional IMF SAP prescriptions.

Two conclusions emerge. The first is that the PRGF and the donor conditionalities based on PRGF, must be de-linked from HIPC and Development Aid. The second is that PRGFs must be shown to induce good governance and to promote human rights.

Institutional linkages- the WTO Example

African countries have a keen interest in fully participating in the multilateral global trading system. They see trade as an engine of growth with the potential to increase incomes and liberate them from dependency on development aid, whose conditionalities have undermined their rights by failing to stimulate development

When South Africans point out that "thousands of workers lose their jobs as textile and clothing factories close down because of massive tariff cuts that three million South Africans infected with HIV/AIDS continue to die because they cannot afford treatment; disease and violence spirals in Paarl communities after a fruit canning factory closes down because it can no longer compete with subsidized European canned fruit" one begins to understand that the negative role of the WTO and its impact on people's rights and governance can be substantial.[22]

It seems that the WTO works in league with the IFIs. Both the World Bank and the IMF ensure that African countries observe conditions that are in line with the ideological thrust of the WTO. While trade liberalisation is a WTO issue, it is enforced by World Bank and IMF conditionalities. Many African countries have experienced this. Under the poverty reduction strategies for example, the World Bank insisted that Uganda privatise and liberalise. Uganda "agreed" on the understanding that regulations would follow. But the reality is that under the WTO, liberalisation and privatisation must come without any form of regulation![23]

Within the WTO, powerful countries have pushed developing countries to allow unregulated capital flows, unregulated privatisation, reduction of tariff barriers and import duties. On the other hand, developed countries maintain their protection against product and capital movement from the developing countries. They urge developing countries to remove subsidies on agricultural products and trade barriers on their products. But they continue to provide huge subsidies to their agriculture and impose limits to entry of agricultural products from the developing countries.

The marginalisation of African countries in the WTO is a serious issue of concern. It goes beyond global governance and amounts to the violation of the African Charter on Human and People's Rights, which is against the domination of one people by another. It also undermines African governance. Undemocratic behaviour by the governments of powerful members of the WTO, mainly the G7 countries, is at odds with the rhetoric of enhancing good governance in developing countries. More important, it does not build trust, peace and harmony between developed and developing countries. This undermines global peace and security, which is an important human right for all.

Rights and the implementation of millennium goals

The 1995 Copenhagen World Social Summit came up with commitments to:

- Eradicate poverty;
- promote social integration by fostering societies based on promotion and protection of human rights;
- accelerate the economic, social and human resource development of Africa and the least developed countries.

The 2000 Millennium Declaration reaffirmed the collective responsibility of all governments to uphold human dignity, equality and equity at the global level. Governments, individually and collectively declared their commitment to the Millennium Development Goals (MDGs). [24]

The 2002 UN International Conference on Financing for Development in Monterrey, Mexico[25] saw financing for development as a global challenge. The Monterrey Consensus, amongst other things, spoke of the need to enhance the coherence and consistency of international monetary, financial and trading systems, in support of development. The Conference resolved to promote the democratisation of global governance. It said that development assistance should support the national strategies of recipient countries and should not be tied.

The MDGs and Monterrey Consensus are consistent with meeting the right to development and all economic, cultural, social, civil and political rights. The MDGs form the most critical pillar on which to build international relationships. But meeting the MDGs may require a very clear 'post neo-liberalism" era, in which policies that work for eradicating poverty will be an integral part of the global reality.[26] Neo-liberal policies on which the current reality hinges and which define current international cooperation have failed to spur economic growth and reduce poverty. Thus a set of new policies is required.

These include:

- A move towards multilateralism as a form of governance at the global level. With respect to Africa, the need for the immediate establishment of the Development Forum suggested in the NEPAD, as a basis for common positioning and as a framework in which the African Union and the OECD DAC could engage in meaningful negotiations on development aid.
- Bringing IMF, World Bank and the WTO increasingly under more democratic control - accountable to the United Nations.
- The power of the WTO must be reduced.[27] UNCTAD must be made to play a key role especially on behalf of the developing countries, as has been suggested in the follow-up to the Monterrey process. Furthermore, the WTO should be brought into the UN system to improve coherence.[28] This should stop the bad governance practices in the WTO where powerful governments arm-twist poorer nations.[29]
- The Maastricht Guidelines on Rights could again be put on the development agenda, as a framework within which to cast development aid and international relationships.

References

[2] "Attacking poverty" see page 27 of RoA Workshop report

[3] African Union NEPAD Implementation Committee estimate presented to the G8 Kananaskas meeting of 2002.

[4] Unpublished AFRODAD 2003 research.

[5] See Opa Kapijimpanga, 2001, may be obtained from opa@zamtel.zim

[6] Africa Charter on Human and People's Rights: (Adopted June 27, 1981 and entered into force on October 21, 1986).

[7] The Vienna Declaration and Programme of Action, adopted by the UN World Conference on Human Rights, 1993.

[8] The 2004 Zambian Government budget looks to development aid to finance nearly 40% of its projected expenditure.

[9] On the 10th anniversary of the Limburg Principles on the International Convenant on Economic, Social and Cultural Rights a group of more than thirty six experts met in Maaastricht from 22 to 26 January 1997 at the invitation of the International Commission of Jurists and other to elaborate further on the nature and scope of rights and appropriate remedies. Details on the Limburg Principles can be found at http://www.uu.nl/contents/20-10.pfd

[10] See www.saprin.org in particular the Report: The Policy Roots of Economic crises and Poverty. Country specific reports are themselves interesting material.

[11] SAPRIN, The Policy Roots of Economic crisis and Poverty page. 50
[12] Long term Development in Sub-Sahara Africa; World Bank 1979.
[13] As a counter to the African Alternative Framework to Structural Adjustment. See also Opa Kapijimpanga Background material for the Public Hearing in the European parliament, Brussels, October 1999.
[14] See Global Development Finance, Financing the poorest countries, The World Bank, 2002 (Analysis and Summary of Tables p101.
[15] See Pete Henriot, Does Zambia need the IMF? JCTR, Lusaka, 2000.
[16] AFRODAD Reality of Aid West Africa Report, 2003.
[17] ibid
[18] Unfortunately it is not possible to disclose the credible source of this information.
[20] Burkina Faso, Ghana , Kenya, Malawi, Mauritania, Mozambique, Rwanda, Tanzania, Uganda and Zambia
[21] ("...At the Heart of Africa's development must lie the ultimate and overriding goal of human centred development that ensures the overall well-being of the people through sustained improvement in their development policies, programmes and processes and contributing to their realisation." Africa Charter for Popular Participation (UN-ECA, 1990 p. 18),
[22] See the brochure produced on the WTO by Campaign Against Neo-liberalism, Group for Environmental Monitoring, Treatment Action Campaign, International Labour Resource Information group, Institute for Global Dialogue, Moteho Intergrity Consultants Represanting Africa Trade Network, Alternative Information and Development Centre, South Africa Municipal Workers Union, and the Oxfam GB South Africa Policy and Communications Office, This pamphlet was produced before the Third Ministerial Meeting in Seattle in 1998
[23] Warren Nyamugasira
[24] UN General Assembly resolution of 18 September 2000.
[25] See the report at www.un/esa/ffd/aconf198-11
[26] See various arguments presented in " After Neo-liberalism: Economic Policies that Work forb the Poor" A collection of papers presented at a conference on Neo-liberalism, May 23-24 in Wasshington DC. See www.new-rules.org
[27] See also arguments by Dildier Jacobs in Democratising Global Economic Governance, in After Neo-liberalism, Economic Policies that work for the poor.
[28] Paragraph 16, page 68 of Monterrey report. Coherence that Trede must be engine of development and not otherwise.
[29] Aleen Kwa

Chapter 2

Governance, Democracy and the Rights-Based Approach

"Wherever we lift one soul from a life of poverty, we are defending human rights. And whenever we fail in this mission, we are failing human rights." United Nations Secretary-General, Kofi Annan.

Introduction

Over the past several decades governments and development practitioners, including donors and the International Financial Institutions (IFIs), have come up with various initiatives and strategies meant to stimulate Africa's development. Among these was the welfare state model that emerged in the early years of the twentieth century. As an ideology, the welfare-based approach was imbedded with the assumption that "the poor will always be with us" and that we must learn to live with this reality. It was assumed that little could be done to change the status quo. Foreign aid implemented in this milieu only served to entrench failure and fatalism. At best, it promoted opportunities for the few reached by its scarce resources. But it was not in any way transformative of the system that perpetuated the processes reproducing poverty, generation after generation.[1]

So in the end the welfare model for Africa failed partly because of insufficient resources and lack of political will. But tinkering with the welfare model - given the diminishing resources as a result of the deteriorating terms of trade and the oil shocks of the 1970s - had created expectations among the African population which could no longer be met with their own resources resulting in countries incurring huge foreign debts and unmanageable budget deficits to finance public services and even to pay civil service salaries.

To deal with Africa's ballooning debt, the IFIs imposed the more stringent Structural Adjustment Programmes (SAPs). SAPs were seen as the answer to Africa's poverty crisis and were meant to reduce poverty by tackling the structural deficiencies in African economies through trade and market liberalisation and by deregulating the economies and allowing market forces to determine prices, including the prices of public goods such as health, education, water and sanitation and other social services. In theory, SAPs were supposed to reduce poverty through the trickle down effect, which would come from an invigorated economy growing at a higher rate than the population growth rate. This would allow building up of savings, which would be invested into the economy to create jobs.

The restructured economies would also be able to attract foreign direct investment, which would further stimulate growth. However, SAPs have largely failed to deal with poverty as they did not address issues of access and equity. They also failed to attract any sizeable FDI and in fact resulted in the shrinking of the manufacturing base in most African countries as their import substitution industries were forced to close in the face of stiff competition from imports. Under SAPs, poverty seemed to worsen even in those economies experiencing high growth rates largely because they did not address issues of equity and therefore created islands of wealth in a sea of poverty.

SAPs plunged the continent deeper into debt as loans from the IFIs in the form of balance of payment support resulted in Africa's external debt ballooning beyond control. With countries facing insolvency, the IFIs agreed to debt forgiveness under the Heavily Indebted Poor Countries Initiatives (HIPC), which is linked to the Poverty Reduction Strategy Papers. PRSPs still hold sway today.

The PRSPs, although not yet completely discredited, have come under fire for propagating the same neo-liberal ideology as the SAPs, although they have taken on a human face by their insistence on civil society participation in their design and implementation (although the quality of participation is often questionable). Like the SAPs before them, the emphasis of PRSPs on economic growth has sometimes been at the expense of human development. Although PRSPs pay lip service to the allocation of more resources to social goals such as health, education, water and sanitation, the ideology underpinning them and the environment in which they operate - advocating for wholesale privatisation of state enterprises and a reduction of the government's role in the economy - works against the objectives of allocating more resources to the provision of public goods, particularly to vulnerable groups.

Towards a People Centred Development Approach

In recent years, a shift away from the growth centred approach to a people centred human rights-based approach is beginning to emerge in global development discourse. The human rights approach to development draws its strength from the UN Declaration on the "Right to Development with its emphasis on the centrality of the human person as a subject of the development process".

As the UNDP 2000, Human Development Report noted: "A decent standard of living, adequate nutrition, health care, education and decent work and protection against calamities are not just development goals - they are also human rights". The rights-based approach has been reinforced by the global adoption of the Millennium Development Goals (MDGs), which set out minimum standards of what the world's nations need to achieve to provide decent living standards and quality of life for the poorest among them.

Perhaps more than any other approach to development, the rights-based approach is a framework that poses the greatest challenge to the predominant neo-liberal paradigm by bringing the focus of development to the human person and entrenching human dignity as pivotal in the development equation. The rights-based approach also offers a comprehensive platform to deal with political, social and economic injustice at both the national and international level. A human rights framework "reflects the crucial interdependence of economic, social and cultural rights, on the one hand, and civil and political rights, on the other".[2]

The rights-based approach defines poverty as social exclusion. Instead of focusing on creating an inventory of public goods or services that must be provided and then seeking to fill the deficit via foreign aid, the rights-based approach focuses on trying to identify the critical exclusionary mechanisms. What are those systemic obstacles that are standing in the way of people's ability to access opportunity and improve their own lives? From the very outset, the rights-based approach centres on structural barriers that impede communities from having rights, capabilities and the capacity to choose.[3]

Viewed in this fashion, a rights-based approach to development is about assisting poor communities overcome obstacles, rather than about the endless pursuit of grant aid for social goods. It assumes that people have dignity, aspirations and ambition and that their initiative is being blocked and frustrated by persistent systemic challenges such as biased lending policies and non-functioning state social service delivery systems. It assumes that people know the institutional obstacles thwarting their aspirations and are capable of defining the best approaches to overcome such obstacles.[4]

Consequently from both the donor and the recipient government's perspective, the rights based approach should be different in that its primary objective is to facilitate the realisation of the political, economic, social and cultural rights of the people, rather than to fulfil the partisan interests of the donors or self-serving interests of developing countries' governments. Thus, instead of focusing just on increasing their share of ODA to developing countries as a percentage of their GNP, donor governments would also aim to remove the "structural barriers" that prevent developing countries from moving out of poverty and force them to remain dependent on their "charity". These impediments include, barriers to market access for developing countries, removal of agricultural subsidies to make products from developing countries more competitive, dealing decisively with foreign debt and the unfavorable terms of trade for developing countries and removing some of the negative provisions of the Trade Related Intellectual Property Rights (TRIPS) among others.

For their part, developing countries pursuing a rights based approach would focus on the need to increase and strengthen people's participation in the decision making processes, to democratize their governance institutions, to take on a more people-centred approach to development and to create political systems that are more transparent and accountable to the people.

The human rights framework recognizes the interdependence of rights and that the enjoyment of some rights may be dependent on or contribute to the enjoyment of others. Thus, for example, if the poor are to enjoy the right to participate in poverty reduction strategies, they must be free to organize without restriction (right of association), to meet without impediment (right of assembly), and to say what they want without intimidation (freedom of expression); they must know the relevant facts (right to information) and they must enjoy an elementary level of economic security and well-being (right to a reasonable standard of living and associated rights).

In the 1960s, African governments were justified in calling for a New Economic World Order which they saw as crucial for addressing the global inequities in trade. But among themselves, they should have gone a step further and addressed the critical need to democratize their internal governance structures. Almost 30 years down the road, Africa is still saddled with countless dictatorial regimes denying their people basic political rights without which it will be difficult for them to realise social, economic and cultural rights. While democratic governance in itself does not guarantee the achievement of ESCRs, it nonetheless creates a conducive environment for their realisation.

A human rights based approach, is therefore a very political framework which challenges state structures, systems and practices that deny people political choice, which in turn curtails their ability to exercise their ESCRs. The human rights based approach is more comprehensive and is more definitive not only in relation to human rights, but also to good governance and the exercise of democracy. This is because political rights relate to the concept of good governance and democracy, while ESCR aim to translate the political rights into direct material benefits for the poor.

Development as a Human Right

Closely allied to the rights-based approach to development is the concept of development itself as a human right. The Declaration of the Right to development was adopted by the United Nations in 1986, almost 30 years after the Universal Declaration of Human Rights, according to which human rights constituted both civil and political rights and economic, social and cultural rights.[5] The Second UN World Conference on Human Rights in 1993 reaffirmed "the right to development, as a universal and inalienable right and integral part of fundamental human rights"[6.]

The right to development is a human right, which integrates economic, social and cultural rights with civil and political rights.[7] According to the UN Declaration, the "primary responsibility for the creation of national and international conditions favourable to the realisation of the right to development lies with the state" which should undertake "all necessary measures for the realisation of the right to development" and "should encourage popular participation in all spheres and take steps to "eliminate obstacles to development resulting from the failure to observe civil and political rights as well as economic, social and cultural rights".

Article 2, Clause 3 of the Declaration points out that "states have the right and duty to formulate appropriate national development policies" while article 8 says states should undertake "all necessary measures for the realisation of the right to development," and that they "should encourage popular participation in all spheres and (Article 6, Clause 3) and take steps "to eliminate obstacles to development resulting from failure to observe civil and political rights as well as economic, social and cultural rights, because the implementation, promotion and protection of these rights is essential for realising the right to development".[8]

As Segumpta argues, "When development is seen as a human right it obligates the authorities both national and international to fulfil their duties in delivering that right in a country. The adoption of appropriate policies follows from that obligation. Nationally, the government must do everything to fulfil the claims of a human right. If the rights to food, education and health are regarded as components of a human right to development, the state has to accept the primary responsibility of delivering the right either on its own or in collaboration with others.

It has to adopt appropriate policies and provide for the required resources to facilitate such delivery, because meeting the obligation of human rights would have a primary claim on all the resources that it can command".[9]

While civil liberties and formal political rights are generally consistent with the demands of the market place, ESCRs are often at odds with these demands. Neo-liberal reforms have gradually whittled away at state authority over the economic and social spheres. Human welfare has been increasingly left to the vagaries of the market, with governments playing almost a secondary role in trying to ensure basic levels of welfare for their populations.[10]

The UN Special Rapporteur on ESCR describes the changes in these terms: "The flurry of many states romantically to embrace the market as the ultimate solution to all of society's ills, and the corresponding rush to denationalise and leave economics, politics and social matters to the whims of the private sector, although the theme of the day, will inevitably have an impact upon the full realisation of economic, social and cultural rights".[11]

The rights-based framework provides African civil society with a strong campaign platform from which to lobby for the realisation of their rights. While there is a gradual democratisation of political systems on the continent, African governments have not started to focus on development from a rights perspective. Part of the blame lies in the African civil society which has failed to make the link between political and ESCRs and to demand their fulfilment from their governments. The result is that African governments have not been held accountable for the failure to deliver basic social services, even where SAP conditionalities have not been the constraining factor.

Looking at development from the rights perspective highlights the extent of human rights violations by African governments through rampant corruption, lack of accountability, interference with press freedom, flawed national elections and through the adoption of policies, such as SAPs, that deny people their right to development. Corruption, for instance - which is the abuse of power for private gain - discriminates against those who are poorer and have less access to political power by basing entitlements on political patronage rather than legal rights.[12]

Corruption undermines the rights of the poor by denying them equal access to resources and facilities, which they are otherwise entitled to, and by allowing the corrupt to monopolise resources at the expense of the poor.

The Debilitating Nature of Corruption

Among the factors that contribute to corruption are poor government and development policies; poorly conceived and managed programmes and priorities; failing institutions; inadequate checks and balances; an undeveloped civil society; a weak and corrupt criminal justice system; low civil servants' remuneration; and a lack of government accountability and transparency - all of which are found in abundance in Africa.

Corruption in high places is fuelled by greedy multinational corporations, often in connivance with their governments, trying to outbid each other for contracts in developing countries. Until recently, many developed countries' governments gave tax breaks to their companies to factor in the bribes they would pay in developing countries. While this immoral practice may be on the decrease, it shows the extent of developed countries culpability in Africa's corruption game.

At the lower levels, low civil service salaries can also fuel corruption as civil servants battle to survive on salaries that cannot stretch from one pay day to the next. Real wages in the public sector in Africa have fallen drastically since the early 1970s. A World Bank study estimates that in 1983 real wages for "highly skilled" civil servants were 11 percent of what they were in the mid-1970s in Ghana, 5 percent in Uganda, 30 percent in Nigeria, and 45 percent in Zambia. Another study found that as a percentage of the 1975 figure, in 1985 the base civil service salary rate at the "highest grade" was 4 percent of what it was in 1975 in Somalia, 16 percent in Sierra Leone, 19 percent in Tanzania, and 22 percent in Nigeria. All the 15 countries surveyed by Robinson fell below 60 percent of the figure a decade before. Although perks and non-wage benefits for government employees tended to rise to compensate partly for this decline, "government salary levels at the beginning of the 1990s were so low that many civil servants viewed them as inadequate to meet customary needs".[13]

Civil service corruption even to supplement meagre wages can become a form of tax levied on the poor, especially if bribery becomes a requirement for them to access basic social services. Failure to pay bribes also means that those who cannot pay will not be able to access the services, thus undermining their economic and social rights.

Corruption as a Human Rights Violation

The extent to which corruption is responsible for gross human rights violations in a poor country can be illustrated by a report by a commission appointed by the former Tanzanian President, Benjamin Mkapa to investigate the 'state of corruption', and which was chaired by former Prime Minister Joseph Warioba. In relation to education the Warioba report noted that "Corruption is demanded and given during the registration of children in schools; to enable pupils to pass examinations; to enable students to obtain placement in secondary schools and colleges, transfers and opportunities to repeat a class. Moreover, teachers give bribes in order to be promoted, to be transferred and to be given placements".

In relation to health the report noted that: "Patients are forced to offer bribes at hospitals in order to be treated, x-rayed, allocated a bed in a ward or operated upon". At the level of the leadership: "Leaders who are supposed to take important national decisions are bribed by businessmen to take decisions which are in the interests of those businessmen, interfering in executive decisions such as the allocation of plots in areas not permitted by law”.' The foregoing shows the extent to which corruption in government has infringed on the rights of Tanzanians to education, health and to economic development.

Another reason why corruption has taken centre stage on the continent is that in many African countries, the state is often seen as "a resource for private accumulation at the expense of the public". As Pita Agbese (1992: 229-30) has observed, in post-independence Nigeria, all political coalitions and groups have been engaged in determined efforts to capture the apparatus of state in order to use the state's redistributive powers to amass wealth for themselves. Soon after capturing the government, the incumbent regime usually erects significant barriers to entry and monopolizes the supply of legislation, thus making certain that other groups do not participate in the allocation of resources. For locked-out groups, participation in the economic systems must be obtained through payment of bribes to incumbent bureaucrats, all of whom are members of the politically dominant group.[15]

The massive privatisation programmes demanded by the IFIs as part of the conditionalities for accessing SAP or PRSP resources have also fuelled corruption on a grand scale. In Zambia, for instance, according to a recent report, "corrupt politicians are using the state with impunity as a resource for private accumulation at the expense of the public" The most prominent case relates to the sale of the country's copper mines, formerly run by Zambia Consolidated Copper Mines. While the corruption saga dragged on for years, it came to a head in November

2000, when Luanshya Mine, sold in 1997 to the Binani Group amid allegations of corruption, was placed in receivership. A parliamentary report identified asset stripping, gross negligence, abuse of the Privatization Act and other malpractices.[16]

Speed rather than transparency in the privatization process has been the top priority. By overlooking the parallel existence of corrupt practices in commercial business, critics say donors, who pushed for speedy disinvestments and companies that invested in the former parastatals have been complicit in the creation of greater opportunities for private corruption.[17]

Given the debilitating nature of corruption on African economies where the politics of patronage still dominate it becomes critical to fight corruption as part of a strategy to wrest back people's economic and social rights. In the recent past, the fight against corruption was associated with the good governance conditionalities imposed by IFIs and was therefore resisted. But seen within the context of rights, corruption becomes a threat to human rights, which should be dealt with to ensure equity in allocation and use of scarce resources. As the late Tanzanian President Julius Nyerere said: "Without good governance, we cannot eradicate poverty; for no corrupt government is interested in the eradication of poverty; on the contrary, and as we have seen in many parts of Africa and elsewhere, widespread corruption in high places breeds poverty".[18]

Throwing IFIs and Donors off the high horse of Good Governance

That the IFIs have jumped on the governance bandwagon does not however make the concept itself less valid or less relevant for Africa's development, except that there is a need to move away from the "technocratic/economic approach", of the IFIs and international donors, which is more interested in measuring the willingness of African governments to pursue orthodox economic reforms under SAPs, that in most cases deliberately leave people out of the equation, who should otherwise be the real object of development.

The call for good governance that is directed at African governments by the IFIs sounds particularly hollow against the background of their own dismal reputation for transparency and their harsh economic policies, which have resulted in the gross violation of the economic and social rights of millions of people across the continent.

Particularly pertinent in this regard have been the policies imposed on developing countries under SAPs by the IFIs, which they continue to peddle under different guises since they were discredited several years ago. The UN Special Rapporteur on Economic, Social and Cultural Rights (ESCR) lists components of SAPs that are seen as major threats to human rights: (a) devaluation of local currencies (b) decrease of government expenditure on public services (c) abolition of price controls; (d) imposition of wage controls (e) reduction of trade and foreign exchange controls (f) restrictions on domestic credit. (g) reduction of the state's role in the economy (h) increasing the base for the export economy (i) decreasing imports and (j) privatisation of public enterprises. These policies have been particularly devastating to vulnerable sectors of the population such as the poor women and children.[19]

The way the governance issue has been addressed thus far by the IFIs and donors also tends to be patronising and condescending. Typically, it redirects attention away from the nature and role of the (African) state in the reproduction of a political environment which generates repression and instability, erodes possibilities for economic growth and development, and rationalises the dependent, even subservient character of African economies in their relations with transnational capitals.[20]

Democratising the African State

Several African scholars have pointed to the inherently flawed nature of the African state, which makes it difficult for it to transform itself into a democratic institution and even more difficult for it to deliver on economic and social rights. The major arguments they make is that the African state inherited its traits from the colonial regime before it. They point out that the African state has

- remained extrinsic to the African society, despite change of personnel;
- its bureaucracy maintained the same arrogance as the colonial bureaucracy and has it fixed in its mind that it is administering not subjects but objects;
- It is accountable to itself and the president for life (an equivalent of the colonial power in the metropolis);
- It excels in arbitrary use of power and does not believe in transparency; it is highly extractive but unlike the colonial state, it has no sense of accumulation or of changing ill-gotten state revenues into productive capital;
- It is characterised by authoritarianism and callous disregard for civil liberties.

"If we take into consideration such deviations as rampant corruption among state officials, bureaucratic inefficiency, and economic mismanagement, we can legitimately reach the conclusion that the neo-colonial African state is a degenerate derivative or poor reproduction of the colonial state. This is nothing less than an African tragedy. Given the fact that Africa has no prototypical state model, then the question that has to be answered is whether or not the neo-colonial state in Africa can be democratised?"

"So far the outcomes of the various attempts at democratisation in Africa have proved a failure because those at the helm used the same methods and stratagems as their yester opponents to guarantee power for themselves as soon as they had won state power. In other words, they usurped the popular forces that had made it possible for them to gain ascendancy".[21]

Ihonvbere (1994) further argues that good governance cannot be expected to take root in social formations where the majority of the people see the state as exploitative, distant, aloof, and structured to serve the narrow interests of urban elites and foreign capital. Good governance has little chance of becoming the norm in societies which are economically, technologically and culturally dominated by profit and hegemony-seeking transnational interests and which are structured to serve the interests of the metropole,[22] which is the case in many African countries today.

He further argues that current state structures in Africa need to be dismantled and recomposed. This is one of the major impediments to the on-going democratisation programmes in Africa. There is not one in which the dismantling of the corrupt, exploitative, and repressive state structure is on the agenda. What the pro-democracy groups such as the Movement for Multiparty Democracy (MMD) in Zambia, struggled for was to capture the same repressive and exploitative state.

Though these struggles are often waged in the name of the disadvantaged majority, there is no agenda to dismantle it and recompose it to reflect the aspirations of the disadvantaged majority. This hardly gives the people a real choice in the political process and explains why the MMD has failed so badly in Zambia. It captured political power through open elections and imbibed the dictates of the IMF and the World Bank, and tried to carry out reforms and institute good governance with the same structures and institutions which Kenneth Kaunda had used for 28 years.[23] The result was that in a short time, the regime was embroiled in corruption scandals similar to those that had dogged the Kaunda regime.

Tanzania's late President Julius Nyerere points out that the "key to a government's effectiveness and its ability to lead the nation lies in a combination of three elements. First its closeness to its people, and its responsiveness to their needs and demands; in other words, democracy. Secondly, its ability to coordinate and bring into a democratic balance the many functional and often competing sectional institutions which groups of people have created to serve their particular interests. And thirdly, the efficiency of the institutions by means of which its decisions are made known and implemented throughout the country".[24]

Conclusion

For Africa to develop therefore, there is a need for the continent to embrace the rights based framework as an approach that not only challenges the neo-liberal paradigm, but centres its development on people. There must be a move away from governments that are self-serving to those that are accountable to their people through their governance structures. Civil society for its part must use the rights-based framework to lobby for the fulfilment of their rights, not only by the state parties, but by the multinational corporations based in their countries as well as by the IFIs who are increasingly usurping the role of governments by taking the lead in the design and execution of Africa's development programmes.

Corruption and poor governance are human rights violations that are particularly debilitating to the poor from whom they extract rents in the form of services denied and resources diverted from development. It is only when governments, IFIs and the donors adopt the rights-based framework that they can begin to target their interventions in a manner that addresses people's aspirations and not pander to the whims of a small governing elite.

References

1. Offenheiser R.C & **Holcombe** S (2001) Challenges and Opportunities of Implementing a Rights-Based Approach to Development, Paper Given at Balliol College, Oxford, UK
2. Ibid
3. ibid
4. ibid
5. ibid
6. Vienna Declaration and Programme of Action, adopted by the UN World Conference on Human Rights, June 25, 1993.

7. Sengupta A (1999) The Right to Development as a Human Right, Harvard School of Public Health
8. Segumpta A (2001) The Right to Development as a Human Right
9. Sengupta A (1999) The Right to Development as a Human Right, Harvard School of Public Health
10. Segumpta A (2001) The Rioght to Development as a Human Right
11. Danilo Turk, Special Rapporteur of the Sub-Commission on Prevention of Discrimination and Protection of Minorities, the Realisation of Economic, Social and Cultural Rights Report, UN ESCOR, Commission on Human Rights, Sub Commission on Prevention of Discrimination and Protection of Minorities, 44th Sess, Provisional Agenda Item 8
12. Cockcroft L (19998) Transparency International Working Paper: Corruption and Human Rights: A Crucial Link, Berlin, 19 October 1998
13. Ibid
14. Kruiter, A. (1996). Good Governance for Africa: Whose Governance? Maastricht: ECDPM
15. Agbese P (1992) in Goldsmith A (2000), Foreign Aid and Statehood in Africa, African Economic Policy Discussion Paper, No. 47, Harvard Institute for International Development
16. Kruiter, A. (1996). Good Governance for Africa: Whose Governance? Maastricht: ECDPM
17. ibid
18. Nyerere J (1998) Good Governance for Africa, *Southern African Political and Economic Monthyl, April 1998*
19. The Realisation of Economic, Social and Cultural Rights, Second Progress report Submitted by Mr Danilo Turk, Special Rapporteur, UN ESCOR, Commission on Human Rights, Sub-Commission on the Prevention of Discrimination and Protection of Minorities
20. Ihonvbere J.O (1994) Governance, Economics, and Interdependence: Constraints and Possibilities in Sub-Saharan Africa, University of Texas
21. Mafeje A Democratic Governance and New Democracy in Africa, an Agenda for the Future
22. Ihonvbere J.O (1994) Governance, Economics, and Interdependence: Constraints and Possibilities in Sub-Saharan Africa, University of Texas
23. ibid
24. Nyerere J (1998) Good Governance for Africa, *Southern African Political and Economic Monthly, April 1998*

Chapter 3

Donor/aid Coordination, Partnership and Harmonisation- The Tanzania Experience

Background

Tanzania's history of development cooperation dates back to the early 1960s when it begun its long flirtation with donors, particularly the Nordics who were keen to support its socialist experiment as outlined in the Arusha Declaration of 1967. However, almost three decades later, donors became increasingly disillusioned by the apparent failure of the government to pull the country out of poverty. By the early to mid-1990s, several donors had suspended their support and an unprecedented degree of tension had developed between the Government of Tanzania (GoT) and its principal donors.

Several issues appeared to irk the donors. These included the government's failure to collect, as agreed, all the counterpart funds from their import support programmes. Donors also expressed concern at what they saw as the government's lack of commitment to reforms and proper management of the economy. In their opinion, the GoT had little sense of economic direction, there was little ownership of the major programmes, and the government was unable to exercise fiscal (budgetary) controls because of declining administrative capacity and increasing corruption.

Donors believed that the Government was not doing enough in terms of revenue collection and overall economic management and as a result it was inordinately dependent on aid. After many years of support, donors were disappointed with Tanzania's performance record and regarded their continued support as politically unsustainable among their own electorates.

The GoT, on its part felt that donors were unrealistic in their demands and were too impatient to see results. It believed that the pace of change in Tanzania was as fast as was technically and politically feasible. The government also felt that it was being singled out for disproportionate (and negative) attention by the donor community, while the problem of increased corruption was seen as, in part, a response to reduced real public sector wages and salaries. In any case, the government felt that corruption in Tanzania was no more severe than in other developing countries and so did not merit that much attention.

The government was unhappy with the role of donors, whom it accused of trying to "drive" the country's development programmes and of intruding excessively on domestic policy matters. It also resented their inability or unwillingness to share information. It failed to appreciate the evident lack of trust by the donors and their consequent efforts to circumvent the government system by creating project 'islands' of their own.[1] Key government officials felt overwhelmed by the "heavy demands" on their time and energy, by the requirements of economic management and reform and by the sheer number of meetings, reports, missions, reviews and contacts that donors required.

So there were grounds for tension and misunderstanding from the point of view of both the donors and the government, which threatened to create more tensions and animosity between the two sides. In response to the stalemate, an agreement was reached between the government and its development partners to commission an independent review led by Professor G. K. Helleiner was in mid 1994 to evaluate relations between Tanzania and the donors.

Objectives of the Group

The review commission's major objective was to assess how development cooperation between the GoT and donors could be strengthened and made more efficient. It was also to assess the efficiency and relevance of the regular dialogue between GoT and donor community; the relevance and effectiveness of the totality of aid programmes, including the modes, composition and administration of cooperation. Other issues included an assessment of the aid conditionalities; donor cooperation; absorption capacity of the Tanzanian economy and the institutions through which the aid was channeled as well as accountability.

Recommendations of the Helleiner Report

The Helleiner report, as the review commission's report was subsequently known, came up with recommendations on how to improve aid relationships in Tanzania. The immediate objective of the recommendations was to normalize the relations between the GoT and its development partners, which had become severely strained by then. The long-term recommendations set out a more ambitious agenda for redefining the GoT-donors' relationship in the conception and management of development programmes as well as for creating greater transparency and accountability in aid delivery and utilisation.

The spirit behind the proposed new relationship was creating a partnership between GoT and the donors and increasing local ownership in the design and execution of development programmes. The report recommended a broader definition of local ownership to include other stakeholders in the process of development management.

The report's recommendations were discussed and jointly adopted by the government and donors at a conference held in Dar es Salaam, in January 1997. Issues agreed to included, Tanzania's ownership of, and leadership in the development process; the need for the government to set out a clear vision and national priorities for development; greater transparency by the government and the need for it to strengthen financial management systems, improve accountability and enhance the effectiveness of the budget management processes. On the part of donors agreement was reached on aid coordination modalities and rationalisation of donor assistance.

Status of the Implementation of the Helleiner Report

Since the adoption of the Helleiner recommendations, there has been an increased focus on the identification and implementation of measures to make development assistance more effective and efficient.

Promoting local ownership and leadership

The policy planning process in Tanzania has evolved considerably in recent years. During the late 1990s GoT in consultation with other stakeholders formulated the Vision 2025 which provides the overall development framework and sets out the national aspirations for social and economic development and the means of attaining a middle-income society by 2025.

The long-term poverty reduction targets are articulated in the National Poverty Eradication Strategy (NPES). The short and medium term targets are set out in the Poverty Reduction Strategy Paper (PRSP 2002), which outlines the objectives and priority interventions for poverty reduction as well as indicate the costs and monitoring mechanisms. A broad-based participatory process involving a wide range of domestic stakeholders and international partners played a key role in the formulation of the PRSP as well as in other development initiatives. Continued popular participation remains a vital element in ensuring the success of the strategy.

The framework for strengthening aid/donor coordination, harmonisation of processes, partnerships, national ownership of the development process and enhancing the effectiveness of aid is provided for in the Tanzania Assistance Strategy (TAS) launched in June 2002. The TAS was formulated under a participatory process co-ordinated under the TAS Working Group with membership from a wide range of stakeholders, including development partners.

The aims encapsulated in the TAS also reflect the international consensus that has emerged since the early 1990s on aid management. The TAS seeks to ensure that external resources are transparently and effectively delivered, managed and accounted for to attain the development goals articulated under Vision 2025, the NPES and the PRS.

It is now widely agreed that to improve the effectiveness of aid in support of poverty reduction goals, there is an urgent need to improve aid co-ordination, promote harmonisation of systems and strengthen Government ownership of the development processes. The High Level Forum on Harmonisation (2003), the OECD DAC Task Force on Donor Practices (2003) and the New Partnership for Africa's Development (NEPAD), have all outlined the practical steps to improve aid/donor coordination and harmonisation .

The TAS is Tanzania's guide to ensuring that these objectives are achieved and transformed into real benefits for the poor in terms of increased aid effectiveness. TAS is subject to an annual monitoring process and a full review after every three years. Both government and development partners have committed themselves to a full monitoring process of the development partnership. The monitoring process for TAS entails an assessment of the progress made towards achieving the principles and objectives of best practice in development co-operation.

Consultative Mechanisms

Several forums have been set up which provide opportunities for open dialogue between GoT, development partners and other stakeholders focused around implementation of the PRS.The most important local forums in this regard include:

i) the Poverty Monitoring System which is implemented through technical working groups with representations from a wide range of stakeholders including government, civil society organizations, development partners' representatives, the private sector and research and academic institutions;

ii) the Annual Public Expenditure Review (PER) which analyses resource allocations to priority interventions and evaluates the effectiveness of public expenditure programmes;

iii) Quarterly Sector Review meetings and sector groups which include government, donor and civil society;

iv) the government also recognizes the important role played by the local DAC in promoting dialogue among the development partners and between them and the GoT;

v) since 1997 (save for 1998) the Annual Consultative Group Meetings for Tanzania have been held in Dar es Salaam rather than behind closed doors in Paris. Government has now taken the lead in organising these meetings and the change in venue has allowed wider civil society participation through their organisations as well as of the private sector, members of parliament and of political parties;

vi) the annual Poverty Reduction Progress Reports are also prepared with the full participation of the relevant stakeholders.

These processes have facilitated the promotion of open debate on poverty and harmonisation- related issues in Tanzania.

Macroeconomic and Public Financial Management System

It is widely acknowledged that aid is more likely to be effective in an environment of macroeconomic stability and where overall economic policies are not egregiously "off track". The GoT has implemented a wide range of policy reforms and actions centred on the consolidation of fiscal policy; maintenance of prudent monetary policy; promotion of an enabling environment for private sector development, including foreign investment; restructuring and privatisation of public enterprises and improvement of the legal and regulatory framework, including enhancement of all aspects of good governance. The Tanzania economy has attained domestic and external stability with GDP growth at 6 percent in 2002, inflation at 4.4 percent (end 2002) and international reserves providing six months cover for imports of goods and non-factor services.

To support the fiscal policy stance, the Government has implemented a thorough reform of its public financial management systems. The computerised Integrated Financial Management System (IFMS), which has been adopted and implemented in all Government ministries and agencies, has strengthened the government's capacity to record, monitor and control expenditures.

The IFMS records transactions on a cash basis and allows full financial control and transparency in Government finances. The system has permitted reports on expenditures to be produced on a daily basis as well as the consolidation of bank accounts into one common bank account for the entire Government. The IFMS was rolled out in FY 1998/99. Prior to this, ministries, independent departments and agencies were originating and effecting their own payments through a decentralized payments system. The IFMS has strengthened the capacity of sector ministries to record, monitor and control expenditures.

Furthermore, the IFMS has allowed Government to introduce standardised coding for resource and expenditure items. In FY 2002/03, the Government Financial Statistics coding was applied to budgetary classifications in the Recurrent Budget and the Development Budget. This has facilitated the tracking of poverty expenditures through the budget.

The consultative forums/mechanisms with development partners and other stakeholders including PER, MTEF and the Consultative Group Meeting have been successful in establishing an open dialogue on budgetary issues, giving comfort to all partners and stakeholders, which in turn has led to greater transparency and trust in the Government Financial Management System.

The annual PER and MTEF, established in FY 1998, is a government-led policy forum to review public expenditure management in Tanzania.The process involves all major stakeholders including parliamentarians, government ministries, departments and agencies including local government authorities, donor partners and civil society representatives. It evaluates fiscal performance in relation to PRS priorities and budgets and measures progress in addressing systemic revenue and expenditure issues. The PER's annual work programme is determined by the PER Working Group, which meets every two weeks, under the leadership of the GoT. The Secretariat, which was previously housed by the World Bank, has now been shifted to the Ministry of Finance, thereby enhancing local ownership.

In addition, the ongoing implementation of the Public Financial Management Reform Programme (PFRMP), together with the Public Finance Act and Public Procurement Act of 2001 have enhanced confidence in the government's financial management capacity and control processes.

All these measures have resulted in increased trust of the Government by donors and encouraged them to provide direct support to the Government budget, through the PRBS and PRSC facilities and to support sector wide basket approaches in the Education and Health Sectors as well as joint funding of the Poverty Monitoring System, the Legal Sector Reform Programme and Local Government Reform Programme.

Table 1

Percentage of Aid Flows by Different Modalities

TYPE	2001/2002	2002/2003	2003/2004	2004/2005
Budget Support	26%	28%	30%	34%
Basket Funds	5%	8%	8%	6%
Project Funds	69%	64%	62%	60%
Grand Total	100%	100%	100%	100%

Source: TAS Implementation Report 2002/03

Partnership, Aid/Donor Coordination and Harmonisation

The Government of Tanzania, its development partners and civil society have come a long way in building successful partnerships and improving aid management, donor/aid coordination and harmonisation . This was possible because following the adoption of the Helleiner recommendations, both sides in the partnership played their roles. The international community accepted the need for harmonisation and enhanced aid efficiency. For its part, the GoT adopted a clearly articulated development policy framework strengthened accountability and improved its financial management systems. Most important, both sides agreed to work together in mutual trust and renewed their focus on the common goal of poverty reduction.

Changing Aid Modalities

The developments highlighted above provide the foundation on which many practical improvements in aid delivery in Tanzania have evolved. The Poverty Reduction Budget Support (PRBS) facility, which was initiated in FY 2000/01, has now become an example of best practices in aid delivery. The PRBS modality coordinates development assistance from bilateral and multilateral donors to finance the poverty reduction interventions through direct budget support. It is an integral part of the Government of Tanzania's budgeting process in support of the poverty reduction programme.

The PRBS facility is a key tool for reducing transaction costs of aid delivery as direct budget support reduces the need for parallel structures and strengthens government systems for expenditure management and poverty reduction initiatives. In line with this new approach, the World Bank's new lending instrument, the "Poverty Reduction Support Credit", has been harmonized with the PRBS mechanism.

Government and participating development partners have agreed on a common Performance Assessment Framework (PAF) on which disbursements of budget support will be determined. The PAF draws on the PRS and sets out medium term targets and indicators for macro economic stability and performance improvements in the public sector as well as specific annual measures to be taken by the Government to achieve the agreed targets. The PAF consolidates targets and measures related to other on-going reform processes, thereby reducing the government's administrative cost. Progress on the PAF is evaluated at Mid-Year and Annual Reviews.

In addition to the PRBS, at sector level, joint funding mechanisms, such as the Primary Education Development Programme (PEDP), the Health Sector Basket, etc. provide effective funding mechanisms that are fully integrated within the government exchequer and budgeting system.

The Tanzania Assistance Strategy, TAS

Box 1

TAS Best Practices in Development Co-operation

- Government leadership in developing policy priorities, strategic frameworks, institutionalised co-operation mechanisms in various areas/sectors;
- Government involves civil society and the private sector in developing national policies, strategies, and priorities;
- Government prioritises and rationalises development expenditures in line with stated priorities and resource availability;
- Integration of external resources into the strategic expenditure framework;
- Integration of reporting and accountability systems;
- Adequacy in resource disbursements relative to prior commitments;
- Timing of resource disbursements that are responsive to exogenous shocks to the Tanzanian economy;
- Firm ODA commitments are made for longer time periods; Improvement in public financial management by Government;
- Government has created an appropriate national accountability system for public expenditure;
- Ministries, regions and districts receive clean audit reports from the Controller and Auditor General;
- Transparency in reporting and accountability at the central, Sectoral and local levels.

Source: TAS document

The TAS document articulates the national development agenda and policy framework as well as the best practices in development co-operation and outlines a framework to monitor progress towards achieving best practices in development partnership. The TAS document lists 13 key best practices in aid coordination covering both Government and Development Partner actions (See Box 1)

While the TAS provides a broad outline of best practices for GoT and its development partners in development co-operation, the TAS Action Plan, which was developed in FY 2002/03, sets out the practical steps that the Government and development partners will follow in the implementation of the TAS in the short and medium term. The TAS Action Plan highlights four areas requiring urgent attention and representing the greatest challenges in terms of reducing the burden of transaction costs, inefficiency and in promoting harmonisation over the three years of its implementation. These include:

a) improving the predictability of external resources;
b) increasing aid flows captured in the Government Budget System;
c) promoting Government leadership in the policy and rationalizing processes;
d) improving national capacities in aid co-ordination and external resource management.

Box 2

TAS Priority Areas

Improving the predictability of external resource flows.
Flows of external resources tend to be unpredictable and prone to fluctuations. The gap between the volume of commitments and external resource actual disbursements continues to be a problem for project financing as well as for programme support and direct- to- budget funding. Delays or even complete non- disbursement of committed funds undermines the integrity of budget management and implementation schedules, reducing the effectiveness of entire projects and programmes. The risks of non- disbursement or untimely disbursement are particularly acute for direct budget support where Government may have committed funds, based on agreed expectations of disbursements.

Integrating donor funds into the Government Budget
Despite improvements in recent years in the reflection of estimated and actual expenditures of external finance in the Government budget, a large proportion of aid still flows outside the Government budgeting system and in particular Technical Assistance (TA). It is therefore difficult to integrate external finance within Government plans and to account for such expenditures. Ex ante budgeting has been strengthened with improved systems for sharing information on projected expenditures and clear guidelines have been issued to encourage donors to channel project finances through the Government system. However challenges remain in terms of planning for external resources and capturing donor expenditures on record.

Harmonising and Rationalising Processes
Multiple and overlapping processes, missions, reviews, meetings and studies place undue burden on both the GoT and Development Partners. There is now a strong momentum to address this issue and rationalise these different processes under the framework provided by the Poverty Reduction Strategy. It will take the commitment of the Government, the local DAC and Development Partners to make practical improvements in this area.

Capacity building for aid co-ordination and resource management
It is widely recognised that national ownership of the development aid co-ordination and process in Tanzania is key to success. To achieve this, capacity resource management. Building in all government sectors is required, particularly in financial management.

Improving the Predictability of External Resource flows

In recent years, there have been increased improvements in the predictability of external resources, particularly the direct budget support. This resulted from greater transparency between Government and Development Partners, better systems for gathering projections information and changes in the modalities of aid delivery. The formulation and adoption of the PRS, involving various stakeholders, has encouraged a more integrated approach to different sources of funding and hence a greater degree of information sharing. The greater degree of trust and cohesion in the development partnership in Tanzania has also led to a transformation in the way that commitment and projection data is shared. While previously, information on commitments and projections was provided in the form of confidential pledges at the Annual Consultative Group Meeting, the Government has now developed a mechanism for collecting full projections as part of the routine activities of the Public Expenditure Review process. This has facilitated prediction of resource flows by improving both the quality and availability of projections data.

Table 2
Comparison of % of Budget Support front loaded FY 2002/03 and FY 2003/04

Quarter	FY 2002/03 Projected	FY 2002/03 Actual	FY 2003/04 Projected	July - September FY 2003/04 Actual
Quarter 1	52%	8%	72%	56%
Quarter 2	33%	54%	16%	-
Quarter 3	15%	14%	11%	-
Quarter 4	1%	25%	0%	-

Source: TAS implementation report 2002/03

The steady increase in budget support and basket funding and decrease in project funding has also influenced the pattern of predictability of external resources. Efforts have been made to move away from rigid conditionalities towards the adoption of agreed actions that are jointly adopted and monitored and are an integral part of Government's reform programme.

Integrating Donor Funds into the National Budget

Changes have been made to integrate donor funds into the Government Budget System. The success of this will hinge on the on-going reforms of the public financial management system. They include the IFMS, PER, MTEF, the Public Finance Act 2001, the Procurement Act, 2001 and PFMRP.

The budget support and basket funds are already integrated within the Government's exchequer and budget system, the greatest challenge however, remains capturing resources that flow directly to projects being implemented by sector ministries and local Government.

Harmonisation and Rationalisation of Processes

In Tanzania, multiple and overlapping processes, missions, reviews, meetings, studies and parallel systems place on undue burden on the Government and on Development Partners, increase transaction costs and reduce national ownership of the development process. To reduce transaction costs, there is now a strong momentum to address this issue and rationalise these different processes within the National Budget and Poverty Reduction Strategy framework as well as within the Government Systems and Structures.

An activity to support this objective has been to produce a rationalised calendar of Government-Donor processes and identify "quiet times", (periods when the Government and development partners agree to minimise meetings, reviews and missions), to allow the Government space to focus on the budget formulation and attend to the Parliamentary Budget Sessions.

During the FY 2002/03 a calendar for the "Rationalisation of the Cycle of Policy Mechanisms and Consultative Processes" was developed following a study to identify the scope for rationalisation and harmonisation that was carried out by the TAS/Harmonisation group .

In addition, efforts are being made to reduce transaction costs by encouraging joint missions and reviews. In May 2003, the World Bank and the UN system held a joint review of their development assistance. Bilateral donors, who are directly supporting the budget through PRBS/PRSC facilities, and the World Bank are increasingly carrying out joint reviews using the same assessment framework.

Capacity Building for Aid Co-ordination and External Resource Management

The TAS and the multiplicity of reforms that have been launched since the mid 1990s, all place government firmly in the lead of the development programme. It is widely accepted that government leadership and ownership is one of the key factors that will determine the success of these reform programmes.

In the past, donor support to capacity building tended to focus on strengthening capacity with relevance to the requirements of specific projects or particular donor systems rather than general capacity building to support the system. This, coupled with the fact that government did not articulate an overall vision of capacity building, has led to a somewhat weak capacity for aid coordination and resource management.

To improve performance and strengthen the voice of Tanzanians in managing external resources, capacity is needed within the civil service and at all levels of government (as well as within civil society to monitor government performance external resources) across a whole spectrum of activities including financial management, project management, negotiation skills, etc.

The focus of both the government and the development partners is to build capacity in sector ministries and in particular the Policy and Planning Departments. These departments are supposed to play a leadership role in coordinating all cycle processes and in promoting the effective ownership of budgeting processes such as the PER/MTEF as well as in aid coordination and resource management of their ministries. Development partners are expected to improve technical assistance mechanisms to ensure that technical assistance supports capacity building of Tanzania .

Institutional set up for Promoting Donor/Aid Coordination, Partnership and Harmonisation in Tanzania

To guide the government and development partners to move forward in improving aid co-ordination, partnership, harmonisation and in implementing the TAS, a TAS/Harmonisation Implementation Group under the chair of the Ministry of Finance has been established with joint membership of the government and the local Development Assistance Committee (DAC). The role of the group is to advise and oversee the implementation of TAS and harmonisation initiatives. In addition, a TAS Technical Secretariat made up of government and DAC representatives has been established to support the work of the TAS/Harmonisation Implementation Group by providing technical input. The secretariat is based in the Ministry of Finance.

Consensus has been reached between the GoT and development partners to institutionalise independent monitoring of the development partnership anchored in Tanzania. In early 2002, an Independent Monitoring Group (IMG) under the leadership of Prof. Samuel M. Wangwe of the Economic and Social Research Foundation was assigned this work. The IMG has been tasked to review the original Helleiner recommendations and provide an updated analysis of the partnership process and formulate recommendations for improving the effectiveness of aid and development co-operation. The first IMG report was tabled at the Consultative Group meeting in December 2002.

Constraints, Challenges and the Way Forward

Although remarkable achievements have been made in improving aid coordination in Tanzania, many challenges still lie ahead. They include, institutional constraints; an unsupportive donor institutional set up, where decisions are made at the head offices instead of the local offices. Commitment is required, by the local DAC and by Development Partners' Head Offices to make practical improvements in harmonisation and partnership issues.

There are also capacity constraints in the government to manage the various processes, implement the TAS and other harmonisation initiatives. Although capacity building is being addressed across a wide range of programmes, there is need to develop a more comprehensive capacity building programme.

The continued existence of parallel systems and structures implementing development projects and programmes remains a major challenge for both the government and the development partners. Tanzania desperately needs aid to tackle poverty. But for the assistance to be effective, and for the government to be held accountable for these funds, the aid should be delivered in a manner which supports public financial management systems and structures. While it looks easier to integrate new development projects and programmes within the government systems and structures, the real challenge is to integrate those projects and programmes currently operating parallel to the government systems and structures.

Chapter 4

The Reality of Aid in Nigeria

Introduction

Nigeria has been jokingly referred to as "the richest poor country in the world". In 1978 it was completely free from foreign debt and was ranked 47th richest country in the world out of 150 countries sampled. During this period, Nigeria even fancied itself as a donor and established the Nigerian Trust Fund at the African Development Bank, where it put in US$100 million to be drawn on by poor African countries in need of development aid. This was the time when the then Head of State, General Yakubu Gowon, was reported to have said that money was not Nigeria's problem, but how to spend it.

Just 20 years down the road, the tables have turned and Nigeria has slipped from being a donor country to being an aid recipient. The country has also fallen from being among the richer countries in the world to being one of the poorest. The UNDP Human Development Report ranks Nigeria the 23rd poorest country in the world out of 174 countries. Over 70 percent of Nigeria's population live on less than one dollar a day, which means that they are poor. And if this figure is increased to two dollars a day, it brings to 90 percent the number of Nigerians falling into the category of the poor.

Just what has gone wrong with Nigeria and how best can it revive its economy and take its place as an economic giant on the continent?

The Legacy of Military Rule

Several factors - both internal and external - have contributed to bringing Nigeria to its current state. Internally, a major contributory factor has been the over 20 years of military misrule that ended with the coming to power of the elected civilian government of General Obasanjo in 1999. Military rule bestowed on Nigeria a legacy of widespread corruption, poverty and unemployment and intra and inter-ethnic crises. Years of dictatorship resulted in the collapse of government institutions and left the country's infrastructure dilapidated. Sectors such as health, water and sanitation, as well as education, energy and power have been badly affected from years of neglect.

Added to this, Nigeria's population, of about 120 million people is growing fast at 2.8% annually and may hit 250 million in 2025. The rapid population growth, which has not been matched by a growing economy, has put tremendous pressure on the country's resources and its capacity to develop.

Lack of Government Accountability

Another major problem that has brought Nigeria to its present state is lack of government accountability and profligacy with the oil revenues. Since the discovery and export of crude oil in 1958, Nigeria has earned in excess of US$350 billion in foreign exchange from the commodity - roughly US$100 per head per year. But there is little to show for it. The bulk of these resources have either been misappropriated or stolen by corrupt public officials, acting in collaboration with their counterparts in rich countries.

The late General Sani Abacha (1993 - 1998) allegedly stole over US$4 billion, which he stashed away in foreign banks. It is reported that US$680 million of the stolen money in Abacha's Swiss accounts has been frozen while about US$100 million has been repatriated to Nigeria,[1] following an intense campaign by the Obasanjo administration and the Africa Network for Environment and Economic Justice (ANEEJ), a Nigerian NGO, which has been campaigning for the repatriation of stolen wealth. Other Nigerians have equally looted the country's coffers and stashed the money in foreign countries.

While he was in power, General Ibrahim Babangida allegedly misappropriated an oil windfall of over $14 billion, which accrued to Nigeria during the Gulf War. A report of an audit panel headed by Dr. Pius Okigbo has indicted the ex-President for the offence.[2] The money was from a 1990 oil windfall estimated by the World Bank at US$14 billion as a result of the higher than expected oil prices from the uncertainty of global supplies during the Gulf War.[3] When Nigeria got the huge amount, Babangida who had just survived a coup attempt on his administration, decided to loosen the tight belt of his economic reforms. He set out on a spending spree squandering millions of the oil windfall on the rehabilitation of military/police barracks, security, establishment of National Guard, purchase of expensive cars for military officers and the provision of welfare grants to the military, among other things.

Consequently, most of the oil windfall was not spent on providing social services for Nigerians but on ensuring Babangida's continued grip on power by pacifying and appeasing the military and police establishments to ensure their support for his regime. Rather than improve the country's fortunes, increased revenues from oil have instead tempted the government to spend carelessly. According to a DfID report, "the end of each (oil) boom has left Nigeria with an unsustainable fiscal deficit. The huge external debt that Nigeria has accumulated and that has been repeatedly rescheduled has not been regularly and fully serviced, even in high oil price years as at present when Nigeria could afford to do so.

The expansion of an inefficient public sector has been at the expense of sharp contraction in agriculture, virtually killing off commercial agriculture. Successive military and civilian governments have existed primarily to distribute the spoils of government through patronage networks. Hopes of a significant change following the return to civilian government have not been fulfilled. The Federal government capital budget increased to unsustainable levels in 2001, and it still lacks either a poverty focus or economic justification.[4] The November 2002 IMF Article 4 report records a growing fiscal deficit, despite historically high oil prices. Macro stability remains elusive, with high inflation, a growing black market premium on the exchange rate and negative growth expected in 2002.[5]

The Impact of Corruption

Corruption, fuelled by the lack of accountability of the mostly military governments of the past, is also accountable for bringing Nigeria to its knees. According to the Transparency International Corruption Perceptions Index 2002, Nigeria is ranked the second most corrupt country in the world.[6] In her book 'Odious Debts' Patricia Adams revealed that at the height of the oil boom in the 1970s, corrupt politicians were transferring $25 million abroad everyday - almost 40% of Nigeria's foreign exchange earnings.[7] "By 1983, estimates of the foreign exchange siphoned out of (Nigeria) ran as high as US$7.5 billion," Patricia Adams says.

The Speaker of the Nigeria House of Representatives, Alhaji Bello Masari, recently revealed that over US$100 billion of Nigerian money stolen by its nationals was stashed away in rich northern banks and appealed to developed countries to help repatriate the money. Given the large volumes of Nigerian money that has been siphoned out of the country, the value of aid to Nigeria essentially represents its own stolen monies being recycled back into the economy from the donor countries.

Mismanagement of Oil Revenues

Despite the huge inflows from oil exports, Nigeria has failed to develop. Part of the reason for this is that the government has treated any additional revenues derived from oil exports as a bonanza that it could use as it pleased. Data from the Federal Office of Statistics (1991), for instance, show that in 1970, Nigeria's oil exports fetched N510 million. Ten years later in 1980, its oil revenue increased to N14,186.7 million (about US$14 billion). Intoxicated by this huge cash inflow, the government increased expenditure by over 3000%. However, the expenditure was not matched by development on the ground.

Critics point out that the pattern of government expenditure has not changed. They cite contemporary events where although government expenditure is expanding, there is still widespread poverty. The Central Bank of Nigeria data (2003)[8] shows that Nigeria incurred a total budget deficit of N190.44 billion between 1999 -2002. This is in spite of all the monies earned from its budgeted exports and the total excess oil revenue of N46.281 billion it received by selling oil above its budgeted price during the period.

A DfID internal aid review says: "Nigeria has a uniquely awful reputation for squandering substantial oil revenues with little benefit in the past and there is yet little evidence that the underlying political and institutional factors that have caused the pressures for wasteful spending and corruption have been addressed. Per capita income is low, poverty is high and social indicators are weak, but there is a consensus that the main problem is gross mismanagement and not resources".[9]

Nigeria's Unsustainable debt

As a result of these budgetary overruns and the borrowing for projects with questionable returns, Nigeria has incurred a huge foreign debt now estimated at over US$30 billion dollars. Unfortunately, like the oil revenues, Nigeria did not use the borrowed money wisely and there are numerous examples of loans that did not perform or borrowed money that cannot be accounted for.

A case in point is the Adjaokuta Steel Plant in Nigeria which was built with loans and technical expertise from foreign donors. The Steel Plant, according to Patricia Adams, was "Purchased from Germany, financed by a combination of export credits and a $350 million term loan syndicated by German commercial banks". The Plant was originally built to use on-site, relatively low-grade iron ore deposits. However, according to Adams, "Nigeria was typically sold and bought at the top of the line; using the words of a former banker of the First National Bank of Chicago, Richard Lombardi. From that time, add-ons were introduced to the design of the plant making it so sophisticated that Nigeria needed to import higher quality ore - a departure from the plant's original plan. Finally, the cost of the steel plant exceeded $1 billion".

Over the years, the plant has been lying idle. It came into the spotlight again when a scandal surfaced over a controversial decision by the Abacha Government to swap the huge debts incurred in building the steel plant. In the month of August 2003, it came into the news again when an energy firm, Solgas Energy Limited, announced that it was investing about 460.8 billion naira to revive the plant within the next 18 - 24 months.[10]

The experience from Ajaokuta Steel Plant demonstrates that it is presumptuous for Nigeria to assume that all development assistance can bring prosperity. Also, it shows that there is a need for the government to be more vigilant when dealing with foreign driven projects using borrowed resources. Had the steel plant been home-grown, it would not have gulped a whooping $1 billion and still lie prostrate; neither would plans be made to spend another sum of N460.8 billion on it to make it function. Indeed, the Ajaokuta plant has shown, how debt traps woven by donor countries and agencies often come as aid for developing countries.

Nigeria Can Finance its Own Development

The examples given above show that a major problem in Nigeria has not been the shortage of resources, but the failure to use the vast amounts earned from oil for the good of the country. Because of the huge earnings Nigeria gets from oil, it has been removed by the World Bank from countries eligible for development assistance although poverty levels remain very high. The World Bank argues that rather than give the country aid, it should use its oil revenues more wisely to finance development.

The World Bank Country Assessment Strategy comments that "by and large, Nigeria has sufficient resources of its own to achieve sustainable development". It identifies Nigeria's problems as the failure to manage resources effectively, and more especially the lack of institutions of governance that enable successive governments to retain power while adopting policies that favour economic development as opposed to using the control of oil revenues to buy support from the coalitions that sustain them in power.[11]

Because of the large volumes of revenues Nigeria generates from its oil, it has tended to be less dependent on donors than other Sub-Saharan African countries and has received less foreign aid on a per capita basis than other countries in sub-Saharan Africa. While average net real official development assistance (ODA) for African countries in 1990 - 96 was US$2.20 per person. As a percentage of Gross National Product (GNP), net ODA for sub-Saharan Africa averaged 14 per cent, while for Nigeria it was less than one per cent of GNP in the period (O'Connell and Soludo, 1999). The low level of aid as a percentage of the country's GNP means that Nigeria enjoys much more policy autonomy than other sub-Saharan African countries who receive huge budget support from donors.

Linking Good Governance to Aid

Another internal factor that has influenced aid to Nigeria has been the issue of governance and democracy. The concept began to gain currency with the inception of President Olusegun Obasanjo government in May 1999. Although the issue of "good governance came on strong in the early 1990s, at the time Nigeria was under military rule (1983 - 1999) and did not pay much heed. As a result it tended to get less aid when it was under military rule than when it was under a civilian government.

For instance when Nigeria achieved democratic rule on May 29, 1999, the political and socio-economic environment for development assistance improved. Total external assistance, which was $83.4 million in 1998 rose by 87% to $156.0 million. Earlier in 1994, total external assistance was $375.1 million but dropped to $83.4 million when aid sanctions were imposed on Nigeria during the reign of Abacha (1993 - 1998). Donors accused him of "bad governance" and gross human rights violations, including the execution of the Ogoni-born Human Rights/Environmental Activist, Ken Saro Wiwa.

In a 2001 report, the World Bank linked the provision of aid to Nigeria to the adoption of good governance, which it described as "the appropriate management of Nigeria's economic and social resources to ensure development". In the report, the World Bank specifically stated that it would not provide aid to Nigeria unless it established a track record of required reforms and improved its government style. To entice Nigeria to undertake the reforms, the World Bank dangled a carrot of $700 million - $800 million lending portfolio which the country could access once it undertook the reforms.

To qualify for the development assistance, the Nigerian government has accepted the "good governance" conditionality, especially as it relates to corruption, and taken the following measures to implement it:

- Open and competitive tender arrangements for contracts;
- the establishment of "Due Process" mechanism that vets excess "fat" from government contracts for possible elimination;
- establishment of an anti-corruption agency and the Economic and Financial Crimes Commission;
- anti-corruption campaign;
- adoption of the Extractive Industries Transparency Initiative (EITI) and the Publish What You Pay Campaign initiated by the British government and Civil Society respectively.

The good governance conditionality although resented by many as a foreign imposition of the IFIs, has had some positive spinoffs in the country. For instance, in pursuance of good governance, the Nigerian government has carried out institutional changes and policy reforms in the public sector that are contributing to a decrease in leakages in the sector, enthroning transparency and accountability in government, as well as encouraging appropriate business ethics. The Federal Government has established an Anti-Corruption Commission and a Financial and Economic Crimes Commission to handle cases of Advanced Fee Fraud that was robbing Nigeria of development aid.

Additionally, the doctrine has sensitised NGOs and Civil society Organizations in Nigeria on the need to lead a social movement for good governance in the country. Since February 2002, the Africa Network for Environment and Economic Justice (ANEEJ), has spearheaded a campaign to pressure the Edo State Government to institute a Public Hearing into the non-performance of an African Development Bank loan of US$122 million that was borrowed to develop the urban water supply in Benin City and Warri. ANEEJ's effort has resulted in the Edo State Government setting up a probe into the controversial loan.

Also, donors' conditionality of good governance and its emphasis on gender empowerment have been beneficial to Nigerian women. The Obasanjo-led administration has been implementing the affirmative action of the Beijing Declaration. This has resulted in women holding key political positions of Speakers of legislative houses, Ministers, Deputy Governors etc. At present, there are five women Cabinet Ministers in the Obasanjo government.

But on the negative side, donor good governance conditionality punishes the innocent. This was the case when donors cut off aid to Nigeria because of the poor human rights record of the Abacha regime. During that period, the Nigerian people were deprived of development assistance because of the political indiscretions of a 'bad' leader.

There is therefore a need for donors to collaborate with NGOs and civil society organisations to seek alternative channels through which they can disburse aid to a country ruled by a 'bad' government. It is inappropriate for a nation's development to be held down by donors' blanket sanctions on a 'bad' regime while they only fund ideas and actions that will bring about the removal of the regime and the subsequent democratisation of the nation, as was the case of Nigeria under Abacha.

The Price of Being a Regional Superpower

Externally, Nigeria's perception of itself as the region's "Superpower" has cost it dearly as it tries to play the regional policeman through peacekeeping missions to various trouble spots in West Africa and the sub-region. Available data indicates that over the past 10 years Nigeria has spent about US$12 billion and lost 1000 soldiers in peacekeeping efforts in the region. It is estimated that its current peacekeeping imitative in Liberia will cost about US$50 million in just six months. Already, 1400 Nigerian soldiers have been deployed to Liberia. Nigeria is therefore playing a big role in promoting peace, security and stability in the West African Sub-region. This effort of course, needs acknowledgement and appropriate reward in terms of debt relief and development assistance for Nigeria.

The importance of Nigeria's peace-keeping initiatives in the region should not be under-rated as they have made significant contributions to regional stability, which

creates a positive environment for economic development. But the issue is whether Nigeria should bear all the costs for the interventions or they should be met by contributions from regional governments or from the rest of Africa through the Africa Union. Recent proposals within the AU to set up a regional peace keeping force should lighten the burden for countries such as Nigeria that have had to bear the costs of peace keeping in West Africa. In the meantime, donors should consider factoring in these costs when they give aid to Nigeria in recognition of its peace keeping role, which is a responsibility for the whole international community.

Conclusion

For more than two decades Nigeria gyrated from one military dictatorship to another. These governments violated people's political and civil rights through blatant repression and misrule, as was the case with the Abacha regime, and through gross economic mismanagement and corruption also violated people's economic and social rights. The ushering in of a civilian government in 1999, while not a guarantee for prosperity creates a conducive environment for development through increased government accountability.

As several donors, including the World Bank and DfID, have observed Nigeria has sufficient resources of its own to spearhead the country's development without having to fawn on donors. But to succeed, Nigeria has to act on two fronts - greater government accountability and more equitable distribution of resources. Currently oil is a source of income for a middle-income enclave in which some five million people enjoy average per capita incomes of around US$2 200. The remaining 115 million people live in a non-oil economy in which per capita incomes are around US$200.[12] The government needs to address the issue of inequality as a matter of urgency to remove the two thirds of the population who live on less than the $1 per day international poverty line.[13]

Nigeria currently has a foreign debt of over US$30 billion. But as shown in previous sections of the report, some of the debt was not used wisely or productively. Given the country's huge resource inflows from oil, there is no reason why it should not take a leaf out of Botswana, which has built up sizeable foreign exchange reserves over the years from its diamond windfall through prudent resource management by an accountable gorvenment. This would avert the current problem where it over-spends in boom years and has to severely curtail spending in lean years.

Oil and gas account for between two thirds and one half of Nigeria's GDP, which makes the country vulnerable to price fluctuations forcing it to borrow when oil prices fall. There is need for the government to invest in the non-oil sectors, including agriculture, fisheries and manufacturing - its market of 120 million people can sustain a viable

domestic manufacturing industry. Investing in these sectors would not only cushion the country when oil prices fall, but would also improve the lot of the 115 million people who are outside the oil sector.

References

1. Vanguard Newspaper Story of August 20, 2003 titled “Swiss Government sends document on Abacha Loot to Nigeria”
2. The Dr. Pius Okigbo Report which indicted Babangida is allegedly missing from the Nation's archives. Even the Presidency cannot find the document, which tells the extent the corruption cartels can go in Nigeria to cover up their wrongs.
3. World Bank (1991) report. Page 404.
4. WB CAS, February 2002
5. IMF Staff Report for the 2002 Article 4 Consultation, November 2002
6. Transparency International (2002) Transparency International Corruption Perceptions Index 2002, Berlin
7. The book has already been sited.
8. Already cited.
9. Foster M & Keith A (2003) The Case for Increased AID: Final Report to DFID, Vol I, Nigeria Case Study, Mick Foster Economics Ltd.
10. Vanguard Newspaper story of August 16, 2003 with headline “Solgas to invest N460.8 billion in Ajaokuta Steel Plant” page 3.
11. Foster M & Keith A (2003) The Case for Increased AID: Final Report to DFID, Vol I, Nigeria Case Study, Mick Foster Economics Ltd.
12. Foster M & Keith A (2003) The Case for Increased AID: Final Report to DFID, Vol I, Nigeria Case Study, Mick Foster Economics Ltd.
13. World Bank (2002) Country Assistance Strategy, Washington DC

Chapter 5

Youth and Development Aid

Introduction

Young people aged between 15 and 24 years total almost 1.1 billion or 18 percent of the global population. Youth and children together, including those aged 24 years and below, account for nearly 40 percent of the world's population. Almost half a billion young people aged 15-24 years, live in low-income countries, representing nearly half of all young people in this age group in the world. Another third of all 15-24 year olds live in lower-middle income countries, while only 11 percent of young people worldwide live in high income countries. Sub-Saharan Africa which, with the exception of a few countries, is made up almost entirely of low-income countries has a high concentration of youth accounting for 19.8 percent of their total population.[1]

The high number of youth living in poor developing countries, particularly in sub-Saharan Africa, means that the region also has to cope with high poverty levels among young people. It is estimated that 238 million young people in the world, representing 22.5 percent of the global total of 1.01 billion, were living in extreme poverty (less than US$1 a day) in 2000. Of these, 60 million (25.2 percent) were in sub-Saharan Africa.

Youth and Poverty

Table 1 above indicates the high poverty levels in the selected African countries, with more than half the youth in the countries living below the US$1 poverty line. It is perhaps not a coincidence that apart from Nigeria, Botswana, Namibia and Lesotho, the rest of the countries on the list are also Heavily Indebted Poor Countries (HIPC). So besides the high poverty levels among their youth, the countries are also heavily indebted, which reduces their capacity to effectively deal with problems affecting the youth.

Table 3

Youth Population Living below the Poverty Line of US$1 per day in selected Sub-Saharan African Countries (2000)

Country	Poverty gap Ratio	Youth population (thousands)	Youth living below the poverty line (thousands)
Sierra Leone	39.5	924.5	527.0
Central African Republic	38.1	717.1	477.6
Mali	37.4	2 386.2	1 737.2
Nigeria	34.9	24 726.9	17 358.3
Niger	33.9	2 042.1	1253.9
Zambia	32.7	2 036.7	1 297.4
Gambia	28.8	220.2	130.6
Burkina Faso	25.5	2 387.3	1461.0
Lesotho	20.3	461.1	198.7
Ghana	17.3	3 925.8	1 758.8
Namibia	14.0	343.1	119.8
Botswana	12.5	348.1	115.9
Mozambique	12.0	3 736.5	1 416.1
Cameroon	11.8	3 010.7	1 005.6

Source: UN (2003) Global Youth Report, New York (Unpublished)

Poverty appears to be the most pressing problem affecting youth in developing countries, particularly SSA. Linked to this are issues of lack of access to education, unemployment and under-employment, under-nutrition and poor health, including HIV/AIDS. It is estimated that 133 million youth worldwide are illiterate, the majority of them of course are in developing countries.

In both developed and developing countries, youth face problems of unemployment and under-employment although this tends to be more severe in developing countries. According to the ILO, 160 million people in the world today are unemployed, [i] and many more subsist on the margins of the economy or have jobs that do not provide them with adequate means to ensure their survival.

Factors driving youth unemployment

Factors driving youth unemployment in Sub-Saharan African countries include:

a) the generalized lack of employment opportunities due to the underdevelopment of the economies. Put differently, the employment prospects of Africa's youth are diminished by the already high rate of unemployment and underemployment;
b) high rates of population growth;
c) sluggish or stagnant economies;
d) small private sector;
e) low literacy and numeracy rates;
f) poor quality education and an education sector that equips young people with limited industrial skills.[2]

While young people between the ages of 15 and 24 comprise around 18 per cent of the world's population, they represent around 41 per cent of the unemployed. Between 1995 and 1999 youth unemployment rose by 8 million,[3] and some 70 million young people are currently without work.[4] Levels of unemployment tend to be two to three times higher for this group than for the adult population.

In Sub-Saharan Africa unemployment is high in many countries and the youth tend to be more severely affected. In Malawi for instance, out of the 300 000 who leave the education system every year, only 30 000 secure formal employment, leaving the balance to squeeze into the overcrowded informal sector. In Zimbabwe, the formal sector could only create 27 000 jobs in 2001 out of the 300 000 school leavers. The number of jobs created in 2004 is expected to be much lower as the economy has shrunk a cumulative 30 percent since 2001, further reducing its job-creating capacity. In South Africa, unemployment among the youth is estimated at around 62 percent.

Informal Sector to the Rescue

The informal sector in Sub-Saharan Africa has absorbed most of the unemployed, not because it has a limitless absorption capacity, but because in the absence of any social welfare system, the unemployed have to squeeze in regardless of how saturated the sector is. In 1999, for instance, 78 per cent of Ghana's labour force was engaged in the informal sector while in Madagascar the figure was 57 percent. [ii] The formal sector in most of Africa appears to be stagnant and has become an insignificant player on the job market. The ILO has estimated that 93 per cent of new jobs in Africa are in the informal sector.

As the number of people joining the informal sector has been rising, wages have been falling on the back of declining demand for their services as a result of over trading and the weakening economies in Sub-Saharan African countries. According to the ILO wages in the informal economy are 44 per cent lower than those in the formal sector. [iii]

In Zimbabwe, for instance, studies show that while the informal sector is creating employment, it is doing so by reducing participants to a life of penury. According to a 1998 study by Mupedziswa R and Gumbo P, close to two thirds of people in the informal sector in Zimbabwe make less profit than the minimum wage for domestic workers while 88 percent of all medium to small enterprises make profits below the average employee earnings in the formal sector. The low entry barriers and the low returns from the sector, mean that women and youth tend to dominate in the least paying activities in the informal sector.

Mismatch between Education and Skills in Demand

But even among the educated youth in Sub-Saharan Africa, unemployment is a growing phenomenon. According to a UN Global Youth Report (2003) this phenomenon can be explained by two key factors. One is that there is an inappropriate matching of university degrees with demand occupations. Degrees are often conferred in disciplines that are less expensive to teach, such as the social sciences. Areas such as engineering and the physical sciences, which require more sophisticated equipment and technology, are often too costly for many universities in developing countries to provide. As a result, there is an over-abundance of students graduating with degrees in such disciplines as political science or education, but there is an insufficient number of jobs available in these areas. Conversely, engineering and high-tech jobs remain unfilled.

The second factor is the overall lack of jobs in the formal economy. As most new job growth is in the informal sectors of the economy, there remain few opportunities for young graduates to find jobs that correspond to their level of education. Many of these highly educated workers end up migrating to industrialized countries to find better job prospects. [5]

Africa's education sector has also failed to respond to the demands for the skilled manpower required to drive economies in the new era of technologies. The ability of African institutions to respond to the needs of the increasingly knowledge-based global economy is limited creating a mismatch between the skills produced by the education sector and the skills needed by the labour market. Reforming the education sector to make it more responsive to the changing skills need of the labour market is therefore of compelling importance.

Youth unemployment - a Reflection of Poor Economic Performance

Youth unemployment is also largely a reflection of the economic malaise facing Sub-Saharan Africa in general, so job creation for the youth should not be seen in isolation from initiatives to revive the region's economies. Thus, donor policies, such as SAPs, that discourage the growth of local manufacturing in favour of primary commodities exports, have a direct impact on the job creating capacities of African economies and thus on youth unemployment. Sub-Saharan Africa's debt burden, which has stifled the region's capacity to invest in the productive sectors is also contributing the growing unemployment among the youth and to worsening poverty levels in the region.

Within the context of SAPs and liberalization, it is critical for governments and donors to facilitate policies that encourage not just economic growth, but employment creation. Creating jobs is important not only to absorb the excess labour available in most SSA countries, but to achieve greater equity through the redistributive mechanisms of salaries and wages. But without proper guidance and direction from governments, the private sector may not see the need to create jobs if growth can be achieved without it.

SAPs Fuel Youth Unemployment

For example when the Zimbabwe government liberalized its economy under SAP in 1991, foreign currency was made more available while import restrictions were lifted. Taking advantage of this, private sector manufacturing companies borrowed heavily to refurbish and "modernize" their productive capacity. They imported "state of the art" machinery, which although more efficient, was however not suitable for Zimbabwe as it was capital intensive in a country where labour was in abundance and production should have been more labour intensive.

The companies went capital intensive for several reasons:
(a) the labour laws in force at the time were protective of workers and made it difficult for companies to lay off workers and also forced them to pay stipulated minimum wages, which they complained they could not afford;
(b) they borrowed cheaply to finance their refurbishing programmes as interest rates at the time were still below inflation;
(c) they were under the impression that becoming capital intensive by using the latest equipment would make them competitive on the export market.

Impact of SAPs on Zimbabwe's Economy

In the next phase of the reform programme, the IMF suggested to Zimbabwe the need to devalue the currency to make it attractive for exporters but it also suggested the need to liberalise interest rates to attract savings. This proved the undoing for many manufacturing firms the majority of which had borrowed offshore but were now expected to service their debts with more Zimbabwe dollars because of the devalued currency and at higher interest rates, because of the interest rate liberalisation. Many of the companies were forced to close as they could not service their loans.

In private discussions, IMF officials in Washington admitted that they had "messed" up with the sequencing of Zimbabwe's reforms. Not only were private firms caught with high gearing levels, but the government also had to service its debt at the higher interest rates and with a devalued currency, resulting in spiralling debt and cuts in spending, particularly for social programmes including the provision of technical training for youth. As resources became scarce, the government was forced to close or scale down operations at most of its rural technical colleges that had been providing skills to youth, worsening the unemployment levels.

In a short period of less than 10 years from the launch of Zimbabwe's SAP, the manufacturing sector's contribution to the GDP shrunk from 26 percent to 16 percent, with a corresponding fall in employment. Currently, over 75 percent of Zimbabwe's population is unemployed.

Need for State Interventions to Save Jobs

The above example shows the need for governments and donors to carefully analyse the impact of their programmes on the economy in general and also on young people. Governments should intervene through incentives or tariff regimes to encourage labour-intensive manufacturing industries, including garments and textiles, electronics, leather products and food processing, which have traditionally provided a key source of employment opportunities in developing countries. As these industries can produce for the world market, the incentive structures (including tariff arrangements) and the global trading system can contribute to employment growth by facilitating the flow of exports of these goods. [6]

Elsewhere in this publication we highlight the large number of jobs that have been created in several African countries through the opportunities to export to the United States under the Africa Growth and Opportunity Act (AGOA). Expanding such facilities to cover more countries by a larger number of developed countries, including the EU would go a long way to reducing youth unemployment.

PRSPs and the Youth

The priority that governments and civil society accord to youth problems can be seen in the Poverty Reduction Strategy Papers that have been approved. A content analysis of the relevant sections of 17 PRSPs indicates that youth are a major target group in nearly half, and a minor focus in nearly a quarter, of the 17 completed Papers. Young people are not mentioned in the action plans of five countries. The countries with plans in which youth are a major focus include Burkina Faso, Gambia, Honduras, Malawi, Mauritania, Mozambique, Nicaragua and Zambia. Youth are a minor focus in the action plans of Albania, Guinea, Rwanda and Yemen. They fail to rate specific mention in the plans of Bolivia, Niger, Tanzania, Uganda and Vietnam. [7]

Although youth were involved and participated in the drafting of the PRSPs in all the 17 countries, they do not seem to feature as prominently in the action plans as their plight deserves. This could be attributed to several reasons:

(a) youth is seen as a transitory phase from which everyone will move out of and therefore not deserving special attention;
(b) there is a perception, which may be justified, that by dealing with the broader issues affecting society, youth will also be covered;
(c) the concerns of the youth are usually not taken seriously by the adults who have the final say in the drafting of poverty reduction strategies, as youths are poorly represented;
(d) both governments and donors tend to pander to the concerns of the more vocal constituencies that they deal with and the youth are not among these.

While it is true that youth is a transitory phase, it covers a relatively long period in a person's life (in some cases up to 20 years, depending on the age limitation considered youth), so it is important to have specific programmes that address problems faced by the majority of a country's population for almost a third of their lives.

It also does not always follow that the concerns of the youth are covered when those of the broader society are dealt with. For instance, while youth unemployment rates typically fluctuate in line with overall unemployment rates, indicating a strong link to general economic trends, in times of recession the rise in youth unemployment tends to be more substantial than does the concurrent increase in adult unemployment. It has been estimated that a 1 per cent increase in adult unemployment will be matched by a 2 percent rise in youth unemployment.[8]

Youth and HIV/AIDS

Closely linked to unemployment and poverty is the worsening scourge of HIV/AIDS among African youth. Although Sub-Saharan Africa holds just 10% of the world's youth, in 2001, 8.6 million of the 12 million youths affected worldwide, representing almost 75 percent of all youth living with HIV/AIDS worldwide, were in the region.

Gender differences in patterns of HIV infection among young people vary substantially around the world. In most of Africa, infection rates among young women are at least twice the rates among young men.[9] In certain regions adolescent women are as much as six times more likely than adolescent men to be infected.[10] In some parts of Kenya and Zambia, for instance, teenage women have HIV prevalence rates of 25% compared with 4% among teenage men. In

Botswana about one-third of women ages 15 to 24 are estimated to be HIV-positive, twice the proportion among men the same age.[12]

Young people are particularly vulnerable to HIV/AIDS because of the physical, psychological, social and economic attributes of adolescence.[13] Many adolescents are economically dependent and socially inexperienced, have not been taught or have not otherwise learned how to protect themselves from infection, and generally have less access to health care than adults.[14]

HIV/AIDS is affecting the most productive sector of the population in most Sub-Saharan countries and depleting the already low level of human capital stock. Lacking resources, it will be difficult for many countries to replace the many educated youth who have been lost to HIV/AIDS, leaving millions of uneducated and difficult-to-educate young people on the streets. Meager resources that would otherwise have been invested in schools, job creation and expanding the opportunities for youth are being expended on treatment and care for the victims. The disease has impoverished many households and created child-headed households, orphans and street children who are marginalized from many productive opportunities.[15]

Determinants of Youth Vulnerability

Factors responsible for increased youth vulnerability to HIV/AIDS include the following:

- Increase in youth poverty;
- poor access to information and services;
- average age of sexual intercourse dropping;
- partner turnover is high during adolescence;
- older men prefer to have sex with young girls;
- child sexual abuse on the increase;
- orphans are more vulnerable as they are more likely to be targeted for physical, emotional, psychological and sexual abuse by adults.[16]

Table 4

HIV Prevalence rate (%) in young People (15-24)

	Female estimates		Male estimates	
	Low	High	Low	High
Average for Sub - Saharan Africa	***9.07943***	***14.6363***	***3.82829***	***6.204***
Botswana	29.99	44.98	12.86	19.29
Burkina Faso	7.78	11.67	3.18	4.77
Cameroon	10.09	15.25	4.33	6.55
Central African Republic	10.83	16.25	4.66	6.99
Gambia	0.88	1.82	0.34	0.71
Ghana	2.08	3.86	0.95	1.76
Lesotho	24.75	51.4	11.31	23.49
Mali	1.35	2.81	0.89	1.84
Mozambique	10.56	18.78	4.41	7.84
Namibia	19.43	29.15	8.88	13.32
Nigeria	4.66	6.99	2.39	3.59
Sierra leone	4.88	10.19	1.61	3.36
Zambia	16.78	25.18	6.45	9.68

Source: UNAIDS Report on the Global HIV/AIDS 2002

HIV/AIDS Impact on the youth

Apart from their high vulnerability to contracting HIV/AIDS, the epidemic has several other negative impacts on the youth. These include the following:

(a) Youth orphaned by HIV/AIDS usually cannot access education, decent shelter, adequate nutrition and suffer from stigmatisation. Programmes to improve orphans' access to education by governments, donors and NGOs are often under-funded and typically provide assistance to cover only primary education. Although orphaned youth often have to take care of younger siblings, few, if any governments, have put in place strategies to help them move more rapidly into their adult roles by providing them technical skills or other means to earn income (e.g. easier access to credit to start small income generating projects).

(b) Young girls orphaned by HIV/AIDS are more vulnerable to contracting the disease themselves as they lack adult supervision in the home and therefore easily fall prey to older men; lack resources to provide for themselves and are more easily tempted into relationships with older men who can provide for them. The girls also tend to marry at an earlier age, sometimes just to find a home and escape from poverty and usually because they would have left school at an earlier age.

(c) Because youth orphaned by HIV/AIDS, tend to drop out of school earlier and to have little access to resources, they are often poorer. This creates a vicious cycle of poverty and vulnerability to AIDS that can only be broken through the adoption of concrete strategies by governments and donors that recognise the specific problems faced by the youth affected and infected by HIV/AIDS.

Economic Determinants of Youth Infection

HIV spreads fastest and farthest in conditions of poverty, powerlessness and lack of information [17], [18]conditions in which many young people in Sub-Saharan Africa live. AIDS is now largely seen as a disease of marginalized peoples.[19]Worldwide, the AIDS epidemic is most severe in the poorest countries.[20] Within countries, disadvantaged people with few opportunities, services and support systems are at greatest risk. Among youth as well, HIV disproportionately affects the poor and the marginalized.[21] In sub-Saharan Africa AIDS first appeared to be a disease of wealthy men who could afford to travel, have multiple sex partners and to pay for sex. As the epidemic has spread however, HIV has become far more widespread among the poor.

The foregoing clearly shows the link between poverty and HIV/AIDS. Strategies to tackle the AIDS in Sub-Saharan Africa should therefore not only focus on prevention, mitigation, care and support, but should tackle some of the root causes of the disease, in particular widespread poverty. Poverty is about lack of choices, and the options for a young girl who has to choose between sleeping on an empty stomach and accepting the advances of an older man who can save her from hunger are severely constrained. Such is the stack reality of HIV/AIDS and poverty in Africa.

Conclusion

The chapter on youth analysed some of the major problems confronting youth in Sub-Saharan Africa focusing on three specific areas education, unemployment and HIV/AIDS. While issues of youth participation are critical in the whole debate, they are covered in another chapter that examines governance and democracy as effective tools for empowerment. The choice of the three areas of focus does not preclude consideration of other issues, but was meant to encompass some of the major concerns facing youth.

From a rights perspective, for instance, a focus on access to education for the youth also takes into consideration issues of their employability afterwards, which in turn would give them access to decent housing, and a decent livelihood and would also enable them to access information.

On the other hand, a focus on employment creation would ensure that the youth can access other social and economic rights, which they are currently denied because they are unemployed. HIV/AIDS, deserves special mention because of its debilitating impact on the lives of the youth who are infected and affected.

Most sub-Saharan governments devote huge amounts of resources on the development of their youth as evidenced by the size of their budgets for secondary and tertiary education. However, returns on this investment are often low because they cannot invest enough on the education. Also insufficient attention is being paid to educational reforms to make curriculum more relevant to the needs of the productive sectors. Those who go through the education systems cannot fund jobs in their countries, forcing them to emigrate. This creates a vicious cycle where governments have to keep training new people to replace those who are leaving.

As mentioned earlier, youth unemployment is closely linked to the general economic performance of a country. To reduce youth unemployment, therefore, governments should target unemployment in the general population. Strategies to achieve this should include:

a) the pursuit of growth-oriented policies;
b) ensuring greater equity in resource distribution;

c) intervening in the economy to ensure the adoption of labour intensive development strategies;
d) creating an environment that attracts investment both local and foreign and
e) designing strategies that target youth unemployment specifically.

HIV/AIDS is one of the greatest challenges facing Sub-Saharan African countries. The disease is decimating the most productive age group. This is resulting in a slowing down of GDP growth in most countries, by as much as 10 percent for many countries over a period of ten year. This in turn will result in slower employment creation, which in turn will increase vulnerability of the youth, by reducing the amount of resources dedicated to programmes to tackle their vulnerability and through their increased vulnerability from the resultant higher poverty levels. Strategies to tackle HIV/AIDS should therefore be multisectoral, recognising the multifaceted nature and the disease and its different determinants.

So far attempts by governments to tackle the HIV/AIDS pandemic appear half-hearted as do those of donors. Most national AIDS programmes are under-funded and responses are largely confined to the health sector, although it is clear that the epidemic affects and is affected by actions or failures to act in other sectors. Donor initiatives, particularly under the Global AIDS Fund, also leave a lot to be desired. The amounts committed so far fall far short of requirements and even then, disbursement lags far behind. Considering the crisis nature of the epidemic and hence the need for speedier responses, the slow response of donors is unacceptable.

Youth in the world face difficult challenges in a globalising world. But there is a marked difference between the challenges faced by youth in developing countries and those in developed countries, some of which can easily be related to issues of justice and equity.

References

1. UN (2003) World Youth Report 2003, New York
2. ECA (2002Youth and Employment in the ECA Region, Paper prepared for the Youth Employment Summit Alexandria, Egypt
3. UN (2003) Global Youth Report, New York (Unpublished)
4. Ibid
5. Ibid

6. Ibid
7. POPULATION REFERENCE BUREAU (PRB). The world's youth 2000. Washington, D.C., PRB, Sep. 2000. 24 p.
8. POPULATION REFERENCE BUREAU (PRB). The world's youth 2000. Washington, D.C., PRB, Sep. 2000 24 p.
9. JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS (UNAIDS) and WORLD HEALTH ORGANIZATION (WHO). AIDS epidemic update: December 1999. Geneva, UNAIDS, WHO, Dec. 1999. 24 p.
10. JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS (UNAIDS). Report on the global HIV/AIDS epidemic. Geneva, UNAIDS, Jun. 2000.
11. EARL, D. Re-examination of the paradigm of HIV risk reduction in adolescents. Journal of the American Osteopathic Association 95(12): 725-728. Dec. 1995
12. 2000 JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS (UNAIDS). AIDS and young people. Geneva, UNAIDS, Apr.. 12 p.
13. ECA (2002Youth and Employment in the ECA Region, Paper prepared for the Youth Employment Summit Alexandria, Egypt
14. Weisman C et al (19991) *Consistency of Condom Use for Disease Prevention Among Adolescent Users of Oral Contraceptives*, Vol.23, No.2, March/april 1991.
15. COLLINS, C. Dangerous inhibitions: How America is letting AIDS become an epidemic of the young San Francisco, Center for AIDS Prevention Studies, Harvard AIDS Institute, Feb. 1997.
16. MANN, J. and TARANTOLA, D., eds. AIDS in the World II: Global Dimensions, Social Roots, and Responses. New York, Oxford University Press, 1996. 616 p.
17. MATIATION, S. HIV/AIDS and aboriginal people. Problems of jurisdiction and funding. Montréal, Québec, Canadian HIV/AIDS Legal Network, 1999. 49 p
18. JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS (UNAIDS) and WORLD HEALTH ORGANIZATION (WHO). AIDS epidemic update: December 1999. Geneva, UNAIDS, WHO, Dec. 1999. 24 p.
19. PEERSMAN, G. and LEVY, J. Focus and effectiveness of HIV-prevention efforts for young people. AIDS 12(Suppl. A): S191-S196. 1998.
20. WENIGER, B. and BERKLEY, S. The evolving HIV/AIDS pandemic. In: MANN, J. and TARANTOLA, D., eds. AIDS in the World II: Global Dimensions, Social Roots, and Responses. New York, Oxford Univeristy Press, 1996. p. 57-70.

Chapter 6

NEPAD and the African Union - a Partnership out of Africa

Background

NEPAD was conceived at the height of neo-liberal orthodoxy, at a time when the Washington Consensus as the global manifestation of capitalist hegemony held sway with unrelenting arrogance. It was the time when globalisation of capitalist production and exchange of economic and cultural goods appeared to provide a basis for a new logic and structure of rule; in Hardt's and Negri's[1] words: "a new form of sovereignty" organised around the hegemonic interests of the Western powers which they equate with a political subject that effectively regulates the global exchange, the sovereign power that governs the world.

With no territorial centre of power and no fixed boundaries or barriers, the imperial authority, organised around the interests of the United States of America, can cause many things to happen. Many countries of the South and a few ex-socialist states in Eastern Europe have been implementing, willingly or otherwise, Washington-Consensus-inspired development policies foisted on them by the Empire. Under the dictat: *There is no Alternative*, as Margaret Thatcher sought to give peremptory currency to the neo-liberal orthodoxy, other development policy options and choices were foreclosed.

The attraction of neo-liberalism as the organising principle of the new world order could not be put down to its internal-logical consistency and generosity of assumptions associated with its self-justification, but more appropriately to its magical appeal to a neo-conservative constituency, rubbing its hands in glee as it celebrates “the end of history” in the fertile mind of Fukuyama.[2]

To those who have always accepted, as preordained, the ongoing domination of existing social forms and to those who have invested in inserting African political-economic interests into existing power relations, NEPAD, and the tremendous goodwill it enjoys from Western powers, is seen as a paradigmatic mix of unquestionable legitimacy and strategic efficiency.

NEPAD's Policy Framework

Over the past year or so, NEPAD has been the subject of enormous discussion and a flurry of probing, sometimes critical, literature. Yet the mainstream treatment of NEPAD has still to bring out its full significance as the crucible in which the growing will for self-determination of the African people will be undermined, adversely manipulated or primed for further consolidation into a self-drive mode of development. Yet to get closer to the true framework-policy character of NEPAD, it is necessary to understand it in relation to the character of modern social development, of which it is a strategic expression and reflection. To do this will require getting down to the basic movement and driving forces of the global economy and techniques, of which the ideological and political forms, including NEPAD, are only sideshows.

Such an examination will, most likely, reveal NEPAD as a framework for re-engineering and repositioning Africa's development agenda within a new strategic partnership with Northern economies. NEPAD is not a policy accident. Neither is it the paradigmatic mix of efficiency and legitimacy, binding all the local and external players, that it is widely claimed to be. As a roadmap for progress and development, created by a section of African leadership, NEPAD's most visible signposts are a few African capitals, singled out more for their like-minded strategic amenability to the global interest of finance capital rather than their economic leadership of a pluri-lateral project pushed along by every stakeholder. The preferred pathway has its ports of entry in the roving global power sites - Okinawa, Rome, Genoa, Kananaskis, Davos etc.

NEPAD's appearance as a policy event, historically and ideologically disconnected from the evolution of the hegemonic forces that have shaped the destiny of mankind, is a dangerous trick, concealing more than it reveals of how multilateral aid policy practice is in a near-terminal crisis. More particularly it is increasingly a crisis of multilateralism united with market fundamentalism to seek a further basis of power, and closer integration of African economies into the world of global capitalism.

The driving force behind NEPAD

It is not an accident that Presidents Mbeki of South Africa, Obasanjo of Nigeria, and Bouteflika of Algeria played a leading role in drafting and marketing NEPAD.

The preparation of NEPAD and its predecessors - the Millennium African Recovery Programme (MAP) proposed by Mbeki, Obasanjo and Bouteflika, and the Omega Plan proposed by President Wade of Senegal - coincided with the three leaders' occupation of strategic positions within the geo-political framework of recent political-economic developments in Africa and global consolidation of neo-liberalism as a way of ordering the world's political economy. While Thabo Mbeki chaired both the Non-Aligned Movement (NAM) and the Southern African Development Community (SADC), and Olusegun Obasanjo hosted the G77 Summit Round, Abdelaziz Bouteflika of Algeria was chairing the Organisation of African Unity. In many ways, therefore, NEPAD is neither a unique nor a consistent sequel to preceding policy initiatives in search of an African solution to its development problems.[3]

NEPAD's search for an African Identity

As a moth trapped in the glare of the Post-Washington Consensus, NEPAD is a miscarriage of what should have begun as a conversation among the African people about their historical condition, internal capacities, collective destiny, opportunities for concerted action for self-transformation and strategic challenges - the entire process re-articulating some of the earlier dreams.

There would have been nothing wrong with such a debate being initiated and moderated by a posse of bellwether African political leadership. But there is everything wrong when the actual debate takes place outside the continent and is only brought back to Africa as an implementation-ready project.

Whereas SAP succeeded in legitimising and confirming the bureaucratic ownership of a social development fiasco by passing itself off as a comprehensive development strategy, and while PRSP pretended to expand and broaden the policy space and strategic ownership of the wider society, NEPAD - without attempting to change either the direction or meaning of development -supported the internationalisation of public policy by justifying the efficacy of the emerging public/private network of international governance, as informed by the ideological imperatives of a corporate empire itching to turn the lights out on social democracy across the globe.

[3] Other such attempts included:
The Lagos Plan of Action for the Economic Development of Africa, (1980 - 2000) the final Act of Lagos (FAL) 1980.
Africa Alternative Framework to Structural Adjustment for socio-economic Transformation (AAF-SAP) 1989.
Africa's Priority Programmes for Economic Recovery (APPER) 1986 - 1990
Africa Charter for Popular Participation for Development (1990)
United Nations New Agenda for the Development of Africa (UN-NADAF) in the 1990s (1991)

NEPAD and the AU- a Problematic Partnership

Although NEPAD emerged from the reflections of a small section of the African political leadership, it later translated into proposals with a striking complementarity and ideological coherence, deserving and later attracting the approval of the Organisation of African Unity and its successor, the African Union (AU). The states historically associated with the conceptual building blocks of NEPAD, (ie MAP and the OMEGA Plan) had envisaged different institutional structures for the initiative. For instance, it had been suggested that the OMEGA Plan should be managed and administered by a board of directors comprising debtor and creditor representatives of IMF, WB, EU, Japan, USA and Canada. Against this audacious background the curtain was raised on its development-aid-packaging orientation in the context of harmonisation and coherence. NEPAD is yet to shake off these disfiguring birthmarks.

Over the past few years the African people and their civic leadership, though largely sceptical about NEPAD's efficacy as a strategic framework, were keen to make sense of the newest and most celebrated continental projects: The African Union and the NEPAD. These projects address issues that pertain to the continental, regional and national development agenda. To that extent they seem, by all standards, to constitute complementary efforts aimed at placing the African economy on a self-driven path towards sustainable development.

The evolution of NEPAD from a combination of the MAP and OMEGA under the name of the new Common Initiative, through the New African Initiative (NAI) to its present institutional character, has not been smooth. At the 37th Ordinary Summit of the OAU held in Lusaka in July 2001, the Heads of States and Government agreed to:

> *"Adopt the Strategic Policy Framework and the New African Initiative as well as its Programme of Action and reaffirm our commitment to the provisions of the Treaty Establishing the African Economic Community and the Constitutive Act of the African Union."*

In the same declaration the Heads of States and Government:

> *"Decided to set up a Follow up Committee comprising five Heads of States, promoters of the New Common Initiative and of 10 other Heads of States to ensure a continuous follow up on this Initiative particularly the establishment of a management Institution for the New African Initiative."*

It was implied that, having been accepted by the OAU, as a programme of action within the framework of the Abuja Treaty and the Constitutive Act of the African Union, the NAI, though officially conceived and promoted by some individual African leaders as their own separate initiative, was being formally adopted as a common OAU initiative and programme.

It is against this background that the Abuja meeting, that transformed NAI into NEPAD, appeared bent on re-engineering the NEPAD process back to the exclusive preserve of the 'strategic' states and away from the AU's control. Moreover, it is on the basis of the substantive decisions taken in Abuja, particularly regarding NEPAD's programme of action that the OAU's legal counsels (then) and AU (now) suspected that the Abuja meeting, already irregular in terms of procedure and protocol, was an attempt to "minimise or marginalise" the role of the AU as understood in the context of the Lusaka declaration.[4] The resulting disquiet has been reinforced by the fact that the then envisaged structure of NEPAD only included the African Development Bank (ADB) and the Economic Commission of Africa (ECA). The AU is hardly in the picture.

Besides, there is a growing feeling that NEPAD's preoccupation with mobilising multilateral support has had the effect of sidelining continental goodwill towards it. Thus the hardening perception by some OAU/AU officials that the concentration of some leading African states on promoting NEPAD has undermined the vision of a self-driven African development agenda.

If NEPAD had traced its descent and ideological inspiration from the Pan-Africanist spirit of the 1950s, through the Lagos Plan of Action, the UN African Recovery Plan of 1990, the Abuja Treaty of 1991 and developed the capacity to build on and reinforce the positive milestones of Africa's journey to becoming a respectable member of the world community, many critics would be disarmed.

The good news is that, at the operational level, the NEPAD Secretariat in South Africa is beginning to work closely with the AU Commission on issues of peace and security, particularly in preparing to establish the Peace and Security Council. The Evian (France) meeting that realised a joint commitment by the AU/NEPAD, G8 and the UN to develop a plan to strengthen the capacity of peace support operations has rekindled the hope that NEPAD can become an African agenda and not a game of proxies in which a few African leaders become the Trojan horses for Western corporate interests.

[4]See Interroffice Memorandum from Legal Council to the OAU Secretary General Mr. Anara Essy, on the 5th November 2001, file No: CAB/LEG/27.55/Vol ix

a lot more has been said about the African ownership of NEPAD. But it suffices to point out that the real meaning and significance of any form of local ownership rests less in its geographical origin and more in the way it is linked to the thinking and aspirations of domestic actors. In this regard it is necessary to pay more attention to the policy process itself and how, through negotiations and consensus-building, all stakeholders can relate to policy choices that reflect their long-term development interests in a participatory manner.

The Peer Review Mechanism

There is great enthusiasm in many African capitals as NEPAD heralds the latest odyssey in search of the *holy grail* of renewal and adaptive self-articulation. The apparent objective: to lever the African people out of the ignominious cycle of grinding poverty and endemic political indiscipline. This, it is argued, will be realised by taking responsibility for maintaining appropriate standards and benchmarks of political and institutional conduct of the African polity, by means of a Democracy and Political Governance (DPG) instrument, designed and appropriately calibrated by the OECD. It is supposed to be the engine of NEPAD.

Although the enthusiasm is not matched with commensurate optimism it is being fuelled by a dangerous cocktail of assumptions, the most important among them being that:

- What has worked for the OECD must work for African nations;
- a common understanding, appreciation of and commitment to the creed of good governance is a *fait accompli;*
- the tendentious expectations of the members of the OECD are in tune with the social realities and aspirations of the African people and their governments;[5]
- the partnership-for-reward rationale envisaged for the African Peer Review Mechanism (APRM) can easily be fast-tracked into an AU good governance agenda;
- APRM (democracy) standards of effective institutional behaviour are obstacles that have to be surmounted rather than strategic objectives that have to be negotiated with all the relevant stakeholders over time;
- the APRM, burdened as it is by an over-determined history of voluntary exclusion of some African nations, will mysteriously assimilate, *ipso facto*, the critical elements of the CSSDCA [6] without any hiccup.

[5] See, the Genoa Plan for Africa, 21st July 2001, adopted at the Geneva Summit

[6] Conference on Security, Stability, Development and Cooperation in Africa; a Nigerian initiative (by President Obesanjo) which predates APRM by several and which purports to have shaken down as a monitoring and evaluation mechanism for the African Union.

The promotion of democracy has always been part of Western foreign policy rhetoric. The collapse of the Soviet Union witnessed and allowed this ideal to be pursued more vigorously than had been the case before. The more charitable characterisation of the good governance discourse coincides with the rampant mismanagement of the African public sphere by unbridled post-colonial dictators; making it appear as if it is an expression of Western altruism in its most generous and exemplary form. But one must remember that theory, whatever form it assumes, "is always for someone and for some purpose" as Robert Cox argues.[7]This holds true for theoretical constructs that translate into edicts that are transmitted as rules that must be obeyed.

The production and use of knowledge from which they derive will always stand in relation to power in general and to the problematisation of specific aspects of human life in particular. Governance, in whatever form, cannot be *neutral* or the result of some scientific discovery. Rather it is historically contingent and, by that token, a direct reflection of power relations in a given social formation and not the universal notion that neo-liberalism would like to foist on the peoples of the world.

A significant part of the G8 Plan of action, developed over the years and given an operational life and multilateral commitment at the Kananaskis meeting, sought to commission an instrument that would ensure that the policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards contained in the Declaration on Democracy, Economic and Corporate Governance. It is the African Peer Review Mechanism (APRM)

Apparently the primary purpose of this governance instrument is to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration, through sharing experiences and reinforcing best practice. So far, so good.[8]

At a much deeper level, however, APRM appears inspired by an understanding of democracy that represents a particular social reality. It unintentionally draws attention to the power relations that directly or indirectly come into the good

[7] Cox R.W. 1986, Social Forces and World Orders: Beyond International Relations Theory, Millenium 12(2): 162-75

[8] The African Review Mechanism, Assembly of the Heads of State and Government; Thirty-Eight Ordinary Session of the Organisation of African Unity, 8th July 2002, Durban, South Africa, AHG/235 (XXXV111), Annex 11

governance discourse, as dictated by the dynamics of neo-liberal triumphalism. In as much as it seeks to conceal the identities that are constructed and perpetuated by the related practices, this mode of reasoning assigns a special meaning to good governance discourse that renders democracy a simple concept and, for that matter, an unquestionable 'good' about which there should be little or no difference of opinion.[9] A fitting consequence of this assumption is the image of a universal understanding and endorsement of democracy that is constructed on shared goals and aspirations within a framework where Northern donors and creditors join forces with the people of Africa to remove the obstacles that hamper the continent's economic prosperity!

The APRM remains a voluntary mechanism open to all AU member states. To come on board, a country has to sign up to the NEPAD declaration on democracy, political, economic and corporate governance and undertake to submit to periodical peer review and generally be guided by the neo-liberal parameters for good governance at both the political and economic levels. With only 12 countries already committed to the review process and an additional 5 new ones expected to do so in the near future (once the necessary documents are translated into French) the fate of the APRM remains clouded in uncertainty.

With the panel of eminent persons and the APRM Secretariat in place and ready to split into two complementary units: one addressing political governance issues and the other dealing with economic/corporate governance matters, it is still unclear when the African Union will reclaim its instrumental and institutional ownership.

NEPAD and the APRM remain a work in progress that is becoming confusing even to those who see it as the solution to Africa's problems. That is why even some of the African Ministries of Finance and Planning recently stated publicly:

"*We believe that NEPAD needs to be better explained and better understood by all development stakeholders*".[10]

But even if NEPAD were explained, questions would still remain: whereas the intellectual roots of this approach to understanding democracy can be traced to the writings of Max Webber,[11] Joseph Schempeter[12] and Larry Diamond,[13] the

[9] Disciplining Democracy by Rita Abrahamsen: Development Discourse and Good Governance in Arica Zed Books, London 2000, p.67

[10] Ministerial Statement: Conference of Ministers of Finance and Planning Economic Development, Johannesburg, 19-20 October 202 para 3.

[11] Mark Weber 1970, the Idea of Civil Society, in H.H Gerth and LW. Mills (eds) From Max Webber, Rutledge and Kegan Parl, London

[12] Joseph Schumpeter, 1989, Capitalism, Socialism and Democracy, Allan Unwin, London

[13] Diamond Lary, 1989 Beyond Authoritarian and Totalitarianism, Strategy for Democratization, Washington Quarterly 12 (1)

contemporary ideological vehicle points to the Washington Consensus. For Webber, democracy is primarily a practical way of producing an "effective" political leadership in conditions of a modern bureaucratic society. Reducing democracy to a mechanism to legitimise the authority of a political élite has been further elaborated on by Schempeter, who sees the role of the people in democracy as merely that of producing a government, but not choosing political platforms and social mobilising instruments through which they can exercise their democratic will (1976, 269). This is what APRM is intended to do if the African bureaucratic élite are replaced with their counterparts from the developed world.

NEPAD's neo-liberal inspiration and its strategic kernel - the APRM - while claiming to liberate the poor, enables the West to continue its hegemony in the new world order and reproduces the hierarchies of capitalist development discourse, where Africa is to be reformed and delivered from its current stage by the first world.

Some of the key elements of the good governance agenda which are likely to inform APRM jurisdiction and which it has been created to address, are:

- Minimalist state sector;
- private sector leadership (privatisation);
- market fundamentalism;
- free and unfettered trade;
- deregulation;
- anti-terrorist legal and operational preparedness and
- other neo-liberal democratic institutional trappings (e.g. multiparty politics, regular, free and fair elections, economic growth at the expense of equity etc).

Will NEPAD remain a framework for collaboration and coordination under the AU or will it transform into a Frankensteinian tool in the hands of some "good boys" as defined by the reigning neo-liberal orthodoxy? For many African critics, NEPAD's APRM is a post-Washington Consensus instrument that will:

- Firm out the coercive responsibilities of the power of the corporate empire to the African leaders;
- facilitate the harmonisation and coherence of the hegemony of market forces;
- replicate the neo-liberal democratic practices in Africa as a strategy to tighten the grip of Western economic interests on the Continent.

It is generally agreed that effective management of national question and of democratic politics is a pre-requisite for sustainable development in Africa's multi-ethnic and multi-cultural societies. The structure, organisation and the exercise of political power have a lot to do with the difficult interface between the state, society and economic development. Common to all the reflections of such an interface is the challenge of the state as an instrument for the management of power and the active role of civil society in the development process.

NEPAD in the Service of Harmonisation and Coherence-A Slippery Slope to Cartelisation

For more than a quarter of a century the seeds of harmonisation and coherence have been gradually bursting their ideological pod with the stealth of an impending historical tragedy. By 1993, the demand for coherence had insinuated itself into global consciousness through the ministerial declarations preceding the Uruguay Round of trade negotiations. Among the goals of the declaration was: "*the need to improve the coherence of international policymaking*" particularly in the areas of aid policy coordination.

Thereafter many international gatherings addressing the issue of coherence were held. A renewed call for increased coherence was made at the conference on Financing for Development, in Monterrey, Mexico in 2002. This marked the formal introduction of the attendant discourse into the international public domain.

The Monterrey Conference was organised by the international community, under the aegis of the UN to cobble up a consensus on how the commitment of donors to support development in developing countries could be translated into firm financial pledges. At the time, the key development agenda revolved around the PRSPs, the MDGs, the ACP-EU partnership and other bilateral development policy frameworks. NEPAD, like a baby soon to be born out of wedlock (as far as the African people were concerned) or like an ace in the hole (as far as the combined interests of the strategic African states and that of the donor community were concerned) was still the preserve of the G8 and the strategic leadership in Africa.

The agenda of coherence and harmonisation was neatly tacked in the long list of issues selected for debate at the conference, particularly in relation to conditionalities of increased aid flows to the South. Only those who were conscious of the historical and ideological transformation of capitalism were able to detect the implications of the agenda, timing and structure of the conference. Non-state actors attending the conference were aware that the issue of coherence was controversial and that possible outcomes could include development policies being forced to be coherent with unfair trade policies or even with the foreign security objectives and interests of certain economic powers. Their view was that the goal of coherence should be to maximise the policy space for developing countries to enable them to take concrete steps to reduce poverty.

At the aid agency level, harmonisation and coherence, referring to the imperative of increased cooperation, is as old as the development industry itself. As far back as 1949, President Truman declared that post-war development efforts "*should be a cooperative enterprise*".

The institutional incoherencies and inconsistencies alluded to above are an unmistakable pointer to ideological contradiction that are not likely to be resolved through an agenda that panders to the donor audiences rather than to respond to the concerns of the domestic social forces. Besides, there is a feeling that the ongoing concentration on mobilising multilateral forces to support NEPAD has had the effect of sidelining continental goodwill towards project. Thus the hardening perception by some OAU/AU officials that the concentration of some leading African states on promoting NEPAD has nearly meant that the integration approach they originally advocated - that NEPAD should become the economic arm and the cognate notion that the AU and NEPAD are complimentary projects have been increasingly articulated away from the vision of a self-driven African development agenda.

If NEPAD were to trace its genealogy and ideological inspiration from the Pan-African spirit of the 1950s, the Lagos Plan of Action, the UN African Recovery Plan of 1990, the Abuja Treaty of 1991 and thus develop the historical capacity to build on and reinforce the positive landmarks of Africa's journey towards a respectable membership of the world community, little room would have been left for adverse speculation about whose interest it is designed to serve. For now, however, African people are helpless before a promiscuous NEPAD which has a host of patrons, leave alone husbands and insincere partners, but which is craving real solidarity with those who wish Africa well.

Appendix One

Masstricht Guidelines on Violations of Economic, Social and Cultural Rights, Maastricht, January 22-26, 1997.

Introduction

On the occasion of the 10th anniversary of the Limburg Principles on the Implementation of the International Covenant on Economic, Social and Cultural Rights (hereinafter 'the Limburg Principles'), a group of more than thirty experts met in Maastricht from 22-26 January 1997 at the invitation of the International Commission of Jurists (Geneva, Switzerland), the Urban Morgan Institute on Human Rights (Cincinnati, Ohio, USA) and the Centre for Human Rights of the Faculty of Law of Maastricht University (the Netherlands). The objective of this meeting was to elaborate on the Limburg Principles as regards the nature and scope of violations of economic, social and cultural rights and appropriate responses and remedies.

The participants unanimously agreed on the following guidelines which they understand to reflect the evolution of international law since 1986. These guidelines are designed to be of use to all who are concerned with understanding and determining violations of economic, social and cultural rights and in providing remedies thereto, in particular monitoring and adjudicating bodies at the national, regional and international levels.

The Maastricht Guidelines on Violations of Economic, Social and Cultural rights

1. The significance of economic, social and cultural rights

1. Since the Limburg Principles were adopted in 1986, the economic and social conditions have declined at alarming rates for over 1.6 billion people, while they have advanced also at a dramatic pace for more than a quarter of the world's population. The gap between rich and poor has

doubled in the last three decades, with the poorest fifth of the world's population receiving 1.4% of the global income and the richest fifth 85%. The impact of these disparities on the lives of people - especially the poor -is dramatic and renders the enjoyment of economic, social and cultural rights illusory for a significant portion of humanity.

2. Since the end of the Cold War, there has been a trend in all regions of the world to reduce the role of the state and to rely on the market to resolve problems of human welfare, often in response to conditions generated by international and national financial markets and institutions and in an effort to attract investments from the multinational enterprises whose wealth and power exceed that of many states. It is no longer taken for granted that the realization of economic, social and cultural rights depends significantly on action by the state, although, as a matter of international law, the state remains ultimately responsible for guaranteeing the realization of these rights. While the challenge of addressing violations of economic, social and cultural rights is rendered more complicated by these trends, it is more urgent than ever to take these rights seriously and, therefore, to deal with the accountability of governments for failure to meet their obligations in this area.

3. There have also been significant legal developments enhancing economic, social and cultural rights since 1986, including the emerging jurisprudence of the Committee on Economic, Social and Cultural Rights and the adoption of instruments, such as the revised European Social Charter of 1996 and the Additional Protocol to the European Charter Providing for a System of Collective Complaints, and the San Salvador Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights of 1988. Governments have made firm commitments to address more effectively economic, social and cultural rights within the framework of seven UN World Summits conferences (1992-1996). Moreover, the potential exists for improved accountability for violations of economic, social and cultural rights through the proposed Optional Protocols to the International Covenant on Economic, Social and Cultural Rights and the Convention on the Elimination of All Forms of Discrimination Against Women. Significant developments within national civil society movements and regional and international NGOs in the field of economic, social and cultural rights have taken place.

4. It is now undisputed that all human rights are indivisible, interdependent, interrelated and of equal importance for human dignity. Therefore, states are as responsible for violations of economic, social and cultural rights as they are for violations of civil and political rights.

5. As in the case of civil and political rights, the failure by a State Party to comply with a treaty obligation concerning economic, social and cultural rights is, under international law, a violation of that treaty. Building upon the Limburg Principles , the considerations below relate primarily to the International Covenant on Economic, Social and Cultural Rights (hereinafter "the Covenant"). They are equally relevant, however, to the interpretation and application of other norms of international and domestic law in the field of economic, social and cultural rights.

II. The meaning of violations of economic, social and cultural rights

6. Obligations to respect, protect and fulfil

Like civil and political rights, economic, social and cultural rights impose three different types of obligations on States: the obligations to respect, protect and fulfil. Failure to perform any one of these three obligations constitutes a violation of such rights. The obligation to respect requires States to refrain from interfering with the enjoyment of economic, social and cultural rights. Thus, the right to housing is violated if the State engages in arbitrary forced evictions. The obligation to protect requires States to prevent violations of such rights by third parties. Thus, the failure to ensure that private employers comply with basic labour standards may amount to a violation of the right to work or the right to just and favourable conditions of work. The obligation to fulfil requires States to take appropriate legislative, administrative, budgetary, judicial and other measures towards the full realization of such rights. Thus, the failure of States to provide essential primary health care to those in need may amount to a violation.

7. Obligations of conduct and of result

The obligations to respect, protect and fulfil each contain elements of obligation of conduct and obligation of result. The obligation of conduct requires action reasonably calculated to realize the enjoyment of a particular right. In the case of the right to health, for example, the obligation of conduct could involve the adoption and implementation of a plan of action to reduce maternal mortality. The obligation of result requires States to achieve specific targets to satisfy a detailed substantive standard. With respect to the right to health, for example, the obligation of result requires the reduction of maternal mortality to levels agreed at the 1994 Cairo International Conference on Population and Development and the 1995 Beijing Fourth World Conference on Women.

8. Margin of discretion

As in the case of civil and political rights, States enjoy a margin of discretion in selecting the means for implementing their respective obligations. State practice and the application of legal norms to concrete cases and situations by international treaty monitoring bodies as well as by domestic courts have contributed to the development of universal minimum standards and the common understanding of the scope, nature and limitation of economic, social and cultural rights. The fact that the full realization of most economic, social and cultural rights can only be achieved progressively, which in fact also applies to most civil and political rights, does not alter the nature of the legal obligation of States which requires that certain steps be taken immediately and others as soon as possible. Therefore, the burden is on the State to demonstrate that it is making measurable progress toward the full realization of the rights in question. The State cannot use the "progressive realization" provisions in article 2 of the Covenant as a pretext for non-compliance. Nor can the State justify derogations or limitations of rights recognized in the Covenant because of different social, religious and cultural backgrounds.

9. Minimum core obligations

Violations of the Covenant occur when a State fails to satisfy what the Committee on Economic, Social and Cultural Rights has referred to as "a minimum core obligation to ensure the satisfaction of, at the very least, minimum essential levels of each of the rights [...]. Thus, for example, a State party in which any significant number of individuals is deprived of essential foodstuffs, of essential primary health care, of basic shelter and housing, or of the most basic forms of education is, prima facie, violating the Covenant." Such minimum core obligations apply irrespective of the availability of resources of the country concerned or any other factors and difficulties.

10. Availability of resources

In many cases, compliance with such obligations may be undertaken by most States with relative ease, and without significant resource implications. In other cases, however, full realization of the rights may depend upon the availability of adequate financial and material resources. Nonetheless, as established by Limburg Principles 25-28, and confirmed by the developing jurisprudence of the Committee on Economic, Social and Cultural Rights, resource scarcity does not relieve States of certain minimum obligations in respect of the implementation of economic, social and cultural rights.

11. State policies

A violation of economic, social and cultural rights occurs when a State pursues, by action or omission, a policy or practice which deliberately contravenes or ignores obligations of the Covenant, or fails to achieve the required standard of conduct or result. Furthermore, any discrimination on grounds of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status with the purpose or effect of nullifying or impairing the equal enjoyment or exercise of economic, social and cultural rights constitutes a violation of the Covenant.

12. Gender discrimination

Discrimination against women in relation to the rights recognized in the Covenant, is understood in light of the standard of equality for women under the Convention on the Elimination of All Forms of Discrimination Against Women. That standard requires the elimination of all forms of discrimination against women including gender discrimination arising out of social, cultural and other structural disadvantages.

13. Inability to comply

In determining which actions or omissions amount to a violation of an economic, social or cultural right, it is important to distinguish the inability from the unwillingness of a State to comply with its treaty obligations. A State claiming that it is unable to carry out its obligation for reasons beyond its control has the burden of proving that this is the case. A temporary closure of an educational institution due to an earthquake, for instance, would be a circumstance beyond the control of the State, while the elimination of a social security scheme without an adequate replacement programme could be an example of unwillingness by the State to fulfil its obligations.

14. Violations through acts of commission

Violations of economic, social and cultural rights can occur through the direct action of States or other entities insufficiently regulated by States. Examples of such violations include:

(a) The formal removal or suspension of legislation necessary for the continued enjoyment of an economic, social and cultural right that is currently enjoyed;

(b) The active denial of such rights to particular individuals or groups, whether through legislated or enforced discrimination;

(c) The active support for measures adopted by third parties which are inconsistent with economic, social and cultural rights;

(d) The adoption of legislation or policies which are manifestly incompatible with pre-existing legal obligations relating to these rights, unless it is done with the purpose and effect of increasing equality and improving the realization of economic, social and cultural rights for the most vulnerable groups;

(e) The adoption of any deliberately retrogressive measure that reduces the extent to which any such right is guaranteed;

(f) The calculated obstruction of, or halt to, the progressive realization of a right protected by the Covenant, unless the State is acting within a limitation permitted by the Covenant or it does so due to a lack of available resources or force majeure;

(g) The reduction or diversion of specific public expenditure, when such reduction or diversion results in the non-enjoyment of such rights and is not accompanied by adequate measures to ensure minimum subsistence rights for everyone.

15. Violations through acts of omission

Violations of economic, social, cultural rights can also occur through the omission or failure of States to take necessary measures stemming from legal obligations. Examples of such violations include:

(a) The failure to take appropriate steps as required under the Covenant;

(b) The failure to reform or repeal legislation which is manifestly inconsistent with an obligation of the Covenant;

(c) The failure to enforce legislation or put into effect policies designed to implement provisions of the Covenant;

(d) The failure to regulate activities of individuals or groups so as to prevent them from violating economic, social and cultural rights;

(e) The failure to utilize the maximum of available resources towards the full realization of the Covenant;

(f) The failure to monitor the realization of economic, social and cultural rights, including the development and application of criteria and indicators for assessing compliance;

(g) The failure to remove promptly obstacles which it is under a duty to remove to permit the immediate fulfilment of a right guaranteed by the Covenant;

(h) The failure to implement without delay a right which it is required by the Covenant to provide immediately;

(i) The failure to meet a generally accepted international minimum standard of achievement, which is within its powers to meet;

(j) The failure of a State to take into account its international legal obligations in the field of economic, social and cultural rights when entering into bilateral or multilateral agreements with other States, international organizations or multinational corporations.

III. Responsibility for violations

16. State responsibility

The violations referred to in section II are in principle imputable to the State within whose jurisdiction they occur. As a consequence, the State responsible must establish mechanisms to correct such violations, including monitoring investigation, prosecution, and remedies for victims.

17. Alien domination or occupation

Under circumstances of alien domination, deprivations of economic, social and cultural rights may be imputable to the conduct of the State exercising effective control over the territory in question. This is true under conditions of colonialism, other forms of alien domination and military occupation. The dominating or occupying power bears responsibility for violations of economic, social and cultural rights. There are also circumstances in which States acting in concert violate economic, social and cultural rights.

18. Acts by non-state entities

The obligation to protect includes the State's responsibility to ensure that private entities or individuals, including transnational corporations over which they exercise jurisdiction, do not deprive individuals of their economic, social and cultural rights. States are responsible for violations of economic, social and cultural rights that result from their failure to exercise due diligence in controlling the behaviour of such non-state actors.

19. Acts by international organizations

The obligations of States to protect economic, social and cultural rights extend also to their participation in international organizations, where they act collectively. It is particularly important for States to use their influence to ensure that violations do not result from the programmes and policies of the organizations of which they are members. It is crucial for the elimination of violations of economic, social and cultural rights for international organizations, including international financial institutions, to correct their policies and practices so that they do not result in deprivation of economic, social and cultural rights.

Member States of such organizations, individually or through the governing bodies, as well as the secretariat and non-governmental organizations should encourage and generalize the trend of several such organizations to revise their policies and programmes to take into account issues of economic, social and cultural rights, especially when these policies and programmes are implemented in countries that lack the resources to resist the pressure brought by international institutions on their decision-making affecting economic, social and cultural rights.

IV. Victims of violations

20. Individuals and groups

As is the case with civil and political rights, both individuals and groups can be victims of violations of economic, social and cultural rights. Certain groups suffer disproportionate harm in this respect such as lower-income groups, women, indigenous and tribal peoples, occupied populations, asylum seekers, refugees and internally displaced persons, minorities, the elderly, children, landless peasants, persons with disabilities and the homeless.

21. Individuals and groups

As is the case with civil and political rights, both individuals and groups can be victims of violations of economic, social and cultural rights. Certain groups suffer disproportionate harm in this respect such as lower-income groups, women, indigenous and tribal peoples, occupied populations, asylum seekers, refugees and internally displaced persons, minorities, the elderly, children, landless peasants, persons with disabilities and the homeless.

22. Criminal sanctions

Victims of violations of economic, social and cultural rights should not face criminal sanctions purely because of their status as victims, for example, through laws criminalizing persons for being homeless. Nor should anyone be penalized for claiming their economic, social and cultural rights.

V. Remedies and other responses to violations

23. Access to remedies

Any person or group who is a victim of a violation of an economic, social or cultural right should have access to effective judicial or other appropriate remedies at both national and international levels.

24. Adequate reparation

All victims of violations of economic, social and cultural rights are entitled to adequate reparation, which may take the form of restitution, compensation, rehabilitation and satisfaction or guarantees of non-repetition.

25. No official sanctioning of violations

National judicial and other organs must ensure that any pronouncements they may make do not result in the official sanctioning of a violation of an international obligation of the State concerned. At a minimum, national judiciaries should consider the relevant provisions of international and regional human rights law as an interpretive aide in formulating any decisions relating to violations of economic, social and cultural rights.

26. National institutions

Promotional and monitoring bodies such as national ombudsman institutions and human rights commissions, should address violations of economic, social and cultural rights as vigorously as they address violations of civil and political rights.

27. Domestic application of international instruments

The direct incorporation or application of international instruments recognizing economic, social and cultural rights within the domestic legal order can significantly enhance the scope and effectiveness of remedial measures and should be encouraged in all cases.

28. Impunity

States should develop effective measures to preclude the possibility of impunity of any violation of economic, social and cultural rights and to ensure that no person who may be responsible for violations of such rights has immunity from liability for their actions.

29. Role of the legal professions

In order to achieve effective judicial and other remedies for victims of violations of economic, social and cultural rights, lawyers, judges, adjudicators, bar associations and the legal community generally should pay far greater attention to these violations in the exercise of their professions, as recommended by the International Commission of Jurists in the Bangalore Declaration and Plan of Action of 1995.

30. Special rapporteurs

In order to further strengthen international mechanisms with respect to preventing, early warning, monitoring and redressing violations of economic, social and cultural rights, the UN Commission on Human Rights should appoint thematic Special Rapporteurs in this field.

31. New standards

In order to further clarify the contents of States obligations to respect, protect and fulfil economic, social and cultural rights, States and appropriate international bodies should actively pursue the adoption of new standards on specific economic, social and cultural rights, in particular the right to work, to food, to housing and to health.

32. Optional protocols

The optional protocol providing for individual and group complaints in relation to the rights recognized in the Covenant should be adopted and ratified without delay. The proposed optional protocol to the Convention on the Elimination of All Forms of Discrimination Against Women should ensure that equal attention is paid to violations of economic, social and cultural rights. In addition, consideration should be given to the drafting of an optional complaints procedure under the Convention on the Rights of the Child.

32. Documenting and monitoring

Documenting and monitoring violations of economic, social and cultural rights should be carried out by all relevant actors, including NGOs, national governments and international organizations. It is indispensable that the relevant international organizations provide the support necessary for the implementation of international instruments in this field. The mandate of the United Nations High Commissioner for Human Rights includes the promotion of economic, social and cultural rights and it is essential that effective steps be taken urgently and that adequate staff and financial resources be devoted to this objective. Specialized agencies and other international organizations working in the economic and social spheres should also place appropriate emphasis upon economic, social and cultural rights as rights and, where they do not already do so, should contribute to efforts to respond to violations of these rights.