Aid Harmonisation

STATE HEGEMONY AND STRATEGIC POLITICO-COUNTER-TERRORISM ALLIANCES

BT Costantinos, PhD
Centre for Human Environment
(costy@costantinos.org)

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New approaches to aid and doing development

To be or not to be; that is the question
Whether ‘tis nobler in the mind to suffer the slings and arrows of outrageous fortune,
Or to take up arms against a sea of troubles, and, by opposing, end them;
To die, to sleep the heartache and the thousand natural shocks that flesh is heir to
‘Tis a consummation devoutly to be wished, to die to sleep –
Shakespeare

Aid for trade? Global Fund, G8, Pepfar, EU/ACP Lome, Direct Budget Support, Aid Harmonisation, Civil Society! What? Are you out of your mind or crazy!
The growth of foreign interventions in Africa seems in marked contrast to the limited thought and effort exerted by democratises of African polity to put the interventions in coherent theoretical or strategic perspective. One may ask: what is the overall rationality or significance of the great traffic of international programs and projects of democratisation and development in Africa, the proliferating activities that seem to show little regard for economy of co-ordination? How far and in what ways do various international agencies, programs, mechanisms, forms of knowledge and technical assistance feed on one another in helping set the boundaries of democratic reform in Africa? The important issues that these questions suggest are not sufficiently addressed, or even raised, in much of the current discussion of political transitions in Africa.

Developing and maintaining a work force with a sense of purpose, work ethic, vision, integrity and direction implies acquiescing to a system of economic and social governance based on rule by ability (merit) rather than by other determinants of social position. Do human qualities and meritocracy spur development? Yes they do; but... On the global arena, a consensus has emerged that a concerted massive action over a sustained period, on the development and utilization of a pool of critical human qualities at all levels and spectrum of society would provide the foundation and engine for gaining a respectable and beneficial place within the process of self-development and self management. A disciplined, healthy, nourished, and motivated labour force is required to produce and distribute the goods and services needed for sustained human development. Leadership teams that are committed and willing with positive attitude to facilitate the process of opening up greater opportunities for every citizen are needed. Meritocratic governments and the corporate world stress talent, education, and competence, rather than existing differences such as social class, ethnicity, or sex. In practice, research on social mobility indicates that all these supposedly neutral criteria favour the children of those who are already privileged in some way. In a representative democracy where power is theoretically in the hands of the elected representatives, meritocratic elements include the use of expert consultants to help formulate policies, and a meritocratic civil service to implement them.

Ultimately THE WAR ON TERROR will be won only if we can achieve the three essential capabilities for human development are for people to lead long and healthy lives, to be knowledgeable and to have access to the resources needed for a decent standard of living. If these basic capabilities are not achieved, many choices are simply not available and many opportunities remain inaccessible. But the realm of human development goes further: essential areas of choice, highly valued by people, range from political, economic and social opportunities for being creative and productive to enjoying self-respect, empowerment and a sense of belonging to a community. ON THE CONTRARY, and with few exceptions, nations have failed to develop efficient and effective bureaucracies that can win popular legitimacy – having relatively inauthentic, human and material governance institutions and rules that can articulate, aggregate and execute state budgets and a civic leadership that remain at best, weak or underdeveloped.
AID HARMONISATION
STATE HEGEMONY AND THE WAR ON TERROR
BT Costantinos, PhD

Introduction

Multilateral, bilateral and non-state external agencies have in recent years taken large numbers of initiatives aimed directly or indirectly at helping Africa "develop" and "democratise" its way out of economic chaos and political instability. In doing so, they rely on a wide variety of programmes, institutional mechanisms and policies. Indeed, growing external involvement in African projects of democratisation and economic recovery has resulted in increasingly challenging problems of conceptualising and understanding the role and function of international agencies.

The growth of foreign interventions seem in marked contrast to the limited thought and effort exerted by democratises of African polity to put the interventions in coherent theoretical or strategic perspective. One may ask: what is the overall rationality or significance of the great traffic of international programs and projects of democratisation and development in Africa, the proliferating activities that seem to show little regard for economy of co-ordination? How far and in what ways do various international agencies, programs, mechanisms, forms of knowledge and technical assistance feed on one another in helping set the boundaries of democratic reform in Africa? The important issues that these questions suggest are not sufficiently addressed, or even raised, much of the current discussion of political transitions in Africa. African nations undoubtedly depend on international assistance in their projects of reform. Such assistance is vital for the projects in many areas and at many levels. Yet it must be recognised that external support creates problems as well as opportunities for development and democratisation on Africa. An confronting the imperatives of political change, nothing is more challenging for African polities than the strategic co-ordination of diverse global and local elements, relations and activities within themselves, nor has anything greater potential for enabling them achieve successful transitions to democracy.

On the other hand, there is no denying the fact that the globalisation has surpassed the globalisation of production and finance, with a daily turnover of trillions dollars, where the global currency trading has gained a life of its own, and much of it is hardly related to the real economy. The deregulation and globalisation of financial markets - as twin elements of the Washington Consensus - in developing countries coupled with lower interest rates and institutionalisation of savings in rich nations, are factors behind the rapid capital mobility. However, peoples' movements, NGOs, and labour organisations, in both developing and developed countries, have yet to respond - effectively and critically - to the issues emerging from globalisation of financial and aid markets because of lack of information and understanding on issues related to global finance. No doubt, financial matters are very complex and require a considerable amount of expertise and experience, which, unfortunately, many groups do not possess. Therefore, a well-thought and coordinated action program by the social movements at various levels is yet to emerge. However, increased global capital mobility has been accompanied by an increased frequency of financial crises in both the developed and developing countries.

This think piece is an effort to define the arena for dialogue in the follow up to the Paris Declaration. The opening salvo of the Paris Declaration on Aid Harmonisation in its Statement of Resolve underpins that "Ministers of developed and developing countries responsible for promoting development and Heads of multilateral and bilateral development institutions, meeting in Paris on 2 March 2005, resolve to take far-reaching and monitorable actions to reform the ways we deliver and manage aid as we look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs) later this year. This resolve and the achievement of the MDGs will not see the light of day until and unless we all forsee a possible role for the private sector to flourish in Africa in addition to the human development needs that are so badly being addressed by donors and governments. It is a challenge, because, for a third time in a generation, we are faced with the daunting task of building up new and equitable relationships; and hence the litmus test to our ability to participate in reshaping the future of a nation. It is also an opportunity for us to marshal their experience and knowledge to play a constructive role in national development. As the march of meritocracy has now slowed to a crawl in Africa, and, on some fronts, has even turned into a retreat, the real threat to merit-based career development comes not from within the private sector but from society at large."
Section I
Conceptions of Deprivation, Fighting Vulnerability, Reforming Aid and Trade

Poverty underpinnings that are precursors to the Paris Declaration?

Citizen action in pursuit of the common good has formed an essential part of humanity’s search for a defining paradigm for sustainable livelihoods and enabling relationship between the state and society, between the individual and society, between gender, generations and social classes. With regards to the vision of elimination of absolute poverty and achievement of social equity – it is important to understand and develop a critical analysis and understanding of the causes of poverty, participatory approaches, promoting partnership spirit, facilitating respect, protecting the rights and focus on promoting RBA in state and society. Here two questions arise (1) what is poverty and how is poverty reduced? What are the mechanics of engaging the poor in their own development to achieve their aspirations? We will start of by answering the first part of the question and then develop the discourse on civic engagement.

What is poverty? We provide here a cursory review of the concept of poverty for the benefit of the analysis and synthesis. Poverty reduction rests on answers to two types of questions: what is poverty and how is poverty reduced? In the African context, answers to the first question are based on two different models of deprivation: physiological deprivation and social deprivation models.

### Fig. 1: poverty processes.

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<tr>
<th>Income Consumption Approach</th>
<th>The Basic Human Needs Approach</th>
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<td>Inadequate basic preference fulfilment</td>
<td>Inadequate basic need satisfaction</td>
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<tr>
<th>Human Poverty Approach</th>
<th>Social Exclusion Approach</th>
<th>Participatory Approach</th>
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<td>Inability to long, healthy, fulfilling life with dignity</td>
<td>Financial inability to participate in normal socialisation</td>
<td>Lack of dignity, security, health, justice, ...</td>
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**Physiological Deprivations:** The physiological deprivation model is prominent in two different approaches to poverty in the developing world: (a) the income/consumption approach (ICA); 1 used extensively in applied welfare economics, a person is poor in any period if, and only if, her or his access to economic resources is insufficient... to acquire enough commodities to meet basic material needs adequately. The approach combines two distinct elements: first, well-being is conceived as preference fulfillment and represented in terms of ‘equivalent’ income or consumption (money metric utility); second, an income/consumption poverty line is drawn which represents a need adequacy level. The ‘poor’ are those whose income or consumption falls below this poverty line. (b) The basic human need (BHN) approach: 2 Basic needs may be interpreted in terms of minimum specified quantities of such things as food, clothing, shelter, water and sanitation that are necessary to prevent ill health, under-nourishment and the like; 3 a prominent variant affording primacy to basic physiological deprivation. Deprivation is conceived of, as inadequate fulfilment of a number of different basic needs relating to nutrition, health, education, shelter, water, sanitation, etc. 4

**Social deprivations:** The social deprivation model challenges the physiological deprivation model on two different levels: first, it rejects the representation of relevant aspects of well-being in terms of equivalent income/consumption or basic need goods/services and achievements; second, it rejects the specification of a need adequacy levels in terms of basic physiological deprivation in both I/C and BHN approaches. In practice, these two critiques coalesce because reliance on non-physiological components of well-being often precludes exclusive reliance on a physiologically-based need adequacy level. Of the many formulations of the model, three are particularly relevant: The human poverty approach underpins that poverty stems from denial of opportunities for living a tolerable life that can be prematurely shortened, made difficult, painful or hazardous... deprived of knowledge and communication... robbed of dignity, confidence and self-respect 5 drawing heavily on Sen’s work. 6 The social exclusion approach: 7 comes very close to the ‘relative deprivation’ conception of poverty. 8 The underlying idea is that poverty or deprivation is

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3 The BHN approach differed from the ICA to poverty in three ways: first, it usually specifies a complete basket of basic need goods/services (food, health, education, water, sanitation, etc.) or related achievements (nutrition, life expectancy, mortality, etc.) rather than relying on the indirect methods of the FEM and FSM approaches to determine non-food needs; second, it represents relevant aspects of well-being in terms of the different need goods/services or achievements (or in some cases a composite indicator) but not in terms of equivalent income/consumption; third, it sets an adequacy level for each of the different need instead of specifying an income/consumption poverty line based on dietary energy adequacy

4 Concise expositions of this schema are provided in Sen A. 1987. The Standard of Living: Lecture II, Lives and Capabilities. In G. Hawthorn (Ed.) the Standard of Living; Cambridge: Cambridge University Press. Sen conceptualises poverty or deprivation in terms of the absence of certain basic capabilities to function. Sen’s underlying idea is that poverty should include both what we can or cannot do (capabilities), the commodity requirements of these capabilities which differ interpersonally and over time, and what we are or are not doing (functionings).


best regarded as lack of resources required to participate in activities and enjoy living standards which are widely accepted in society; connecting poverty closely with issues of citizenship and social integration and associated resource requirements. The participatory approach... argues that conceptualisations of poverty must follow an interactive process of a PPA facilitator and local people engaged as participants in dialogue. It is an example of the social deprivation model, only because local definitions of deprivation often go beyond physiological deprivation and sometimes afford greater weight to social (lack of dignity, self-respect, security, justice, etc.) than physiological elements of deprivation.

Conceptions of Social Change: How is Poverty Reduced?

Viewed from these conceptions of poverty strategies of the elimination of absolute poverty are based on underlying conceptions of poverty-relevant social change. Different strategies tend to focus on different processes of social change and the underlying forces, which impel them. Here we distinguish between conceptions of social change on the basis of the underlying forces, or forms of 'capital', which inform them. We identify eight poverty-relevant forms of capital: human, economic, cultural, spiritual, social, political, coercive, and environmental capital. Changes in anyone of the above forms of capital interact in complex ways with other forms of capital to constitute poverty-relevant social change. In many cases, changes in forms of capital are mutually supportive and promote same objective. We further distinguish between five approaches to poverty reduction based on the underlying conception of deprivation and the forms of capital on which they draw corresponding to the poverty reduction approaches:

- **Direct Transfer (Safety Net) Approach** aims to transfer cash or in-kind income to the poor by providing subsidised goods and services or employment guarantees. As such, its primary benefit is realised directly by the transfer and not mediated by forms of capital.

- **The Human Capital Approach** aims to poverty reduction focuses on the links between investment in education, health and nutrition and the primary incomes of the poor. Emphasis is placed on the interrelationships between these variables as well as their relative importance in explaining changes in productivity.

- **The Production function approach** focuses on those mechanisms, which increase the primary income of the poor. Poor producers place emphasis on factors, which increase the level or price of output and/or the returns, received. The analysis is based on the idea of a production function whereby output is a function of factors of production (land, labour and capital) and technology. Increasing output entails increasing the volume, distribution, and productivity or changing the relative prices of factor inputs.

- **The Governance approach** to poverty reduction has been defined in many different ways. It has been deemed in technocratic terms to refer to public sector management issues (e.g. civil service reform), in public policy terms to refer to public-ly - The present definition is concerned with different issues. In its present use, governance embodies three basic principles: inclusiveness, lawfulness and accountability supplied prerequisites of market liberalisation (private property, enforceable contracts), etc.

- **The Sustainable Livelihoods Approach:** The Sustainable livelihood approach: The approach situates poverty reduction within the framework of security of livelihoods, or sustainable livelihoods that are derived from peoples’ adaptive strategies. The ‘sustainability’ aspect adds a temporal dimension by examining whether a livelihood maintains or degrades the local resource base (environmental sustainability) and whether it is vulnerable to shocks and stresses (social sustainability). The SLA directs attention to the interrelations between poverty reduction, environmental stress and external shocks (famine, war, etc.). The particular importance placed on the objectives of establishing security and promoting self-determination establishes the link with the social deprivation model. The ‘livelihood’ aspect draws on an analysis of assets, which parallels the above analysis of capital. Livelihoods depend on categories of assets - adaptive strategies: long-term environmental, economic, political and social adaptations involving all forms of capital; in contrast to coping mechanisms that are short-term reactions to stresses; claims: intangible assets consisting of legitimate social demands or appeals for material, moral or other support; access: intangible asset referring to the capability to use a resource, store or service for one’s benefit, stores: tangible assets including food stocks; and resources: tangible assets.

- **The Paris Declaration and reforming aid and trade:** ‘A fresh start’ was what the Mar 22nd 2002, The Economist Magazine Global Agenda called it. The United Nations aid conference in Mexico appears to have shifted the aid debate, with the rich countries squabbling about who has promised most. But the real challenge is to make foreign aid more effective. “A TASTE of what is possible.” That was the verdict of James Wolfensohn, president of the World Bank at that time, on the United Nations (UN) conference on financing for development in Monterrey, Mexico, speaking on March 21st, the penultimate day of the conference. But his remarks followed the surprising squabble among the world’s rich nations about who plans to be more generous in

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providing aid to developing countries in the years ahead. The target set by Annan, the UN secretary-general, before the meeting started was a doubling of foreign aid from rich to poor countries, currently about $50 billion a year. On the face of it, at least, they look like being more successful than they might have reasonably expected. Mr Bush himself kicked off the latest aid bidding: in a speech in Washington on March 14th he announced an extra $5 billion of American aid, spread over three years and starting in late 2003. Europe wasn’t going to take that lying down. On March 19th, the European Union argued that it would be giving more than Washington had promised: an extra $7 billion a year by 2006, and a cumulative total of $20 billion extra between now and then. Within hours, American officials were claiming that Mr Bush’s plans were even bigger than he’d originally implied, and would mean $10 billion extra over three years, double the figure quoted by the president.

The collapsed, failed states that harbour terrorism are exactly the places where large-scale foreign aid does not work. According to the Bank’s own calculations, there are 28 countries that are home to 500m people, mostly in sub-Saharan Africa, where aid is unlikely to work. Giving more aid to these failed states will not make the world a safer place. More broadly, the academic research on the effectiveness of aid suggests that the emphasis should be on choosing the right countries and programmes, rather than on quantity. A recent study by Messrs Dollar and Collier suggests that, given current policies and aid levels, sub-Saharan Africa will reduce poverty by 11% by 2015, far short of the goals set in 2000. Even without any improvement in overall economic policies in Africa, a 50% increase in aid flows would double poverty reduction, to 22%—so long as it was coupled with efficient reallocation of aid towards poor countries with good policies. Really dramatic progress towards the goals cannot come from aid alone. That will take a combination of better economic policies in poor countries, more open trade regimes in rich ones, and aid flows that are not just higher but also better allocated. Doubling aid cannot do it alone.

**Zambia’s story**

Aid for trade:

**How to make aid work: Jun 24th 1999 | WASHINGTON, DC, LUSAKA AND GABORONE From The Economist print edition**

The United States has opted to take another course in ending poverty – **TRADE AND AID.** This week marks the 5th Summit of the (AGOA) passed as part of The Trade and Development Act of 2000 that provides beneficiary countries in Sub-Saharan Africa with the most liberal access to the U.S. market available to country or region with which we do not have a Free Trade Agreement. With close to 7000 items on the list of imports, it reinforces African reform efforts, provides improved access to U.S. credit and technical expertise, and establishes a high-level dialogue on trade and investment in the form of a U.S. Sub-Saharan Africa Trade and Economic Forum. By creating tangible incentives for African countries to implement economic and commercial reform policies, AGOA contributes to better market opportunities and stronger commercial partners in Africa for U.S. companies. The Act should help forge commercial ties between Africa and the United States, while it helps to integrate Africa into the global economy. U.S. firms may find new opportunities in privatizations of African state-owned enterprises or in partnership with African companies in infrastructure projects.

Nonetheless, AGOA has not spurred the kinds and levels of investment needed to alleviate poverty in Africa; especially if take out Angola’s oil revenues that are classified under AGOA. Hence the goal of Civil Society Coalition for the 2006 AGOA Forum is to facilitate discussion on “the role of AGOA

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14 How to make aid work; Jun 24th 1999 | WASHINGTON, DC, LUSAKA AND GABORONE From The Economist print edition
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in promoting sustainable growth, in both rural and urban areas, and poverty reduction. A secondary goal is to catalyze sustained action on the part of civil society to influence policy. In addition to policy discussions the forum will include exchanges with U.S. government policymakers and a review of opportunities for advocacy on pending legislation over the coming year. Our goal is for the forum to serve as the starting point for reinvigorated civil society engagement with policy on African-U.S. economic relations. The forum’s content will be shaped by analysis of the first five years of AGOA”

African nations must win popular legitimacy - possessing relatively authentic, social organizations that can articulate and aggregate social interests and civic leadership on entrepreneurship that hitherto remain generally non-existent or at best, weak or underdeveloped. The operating premise of AGOA should underwrite a US-Africa trade that will translate into sustained economic growth, job creation and increased incomes. While market access is certainly important for absolute poverty elimination, one of the most urgent lessons that we must take from AGOA is that market access in and of itself does not automatically lead to sustainable livelihoods for the poor.

**SECTION II**

**Fig. 4 Major African initiatives of the past half century**

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<th>Commission for Africa “Blair Commission”</th>
<th>British African Peacekeeping Initiative</th>
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<tr>
<td>Reenforcement des Capacites Africaines de Maintien de la Paix (France)</td>
<td>The Monrovia Symposium</td>
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<td>UN Programme of Action for African Economic Recovery and Development</td>
<td>The Cairo Agenda</td>
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<td>The Khartoum Declaration</td>
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<td><strong>THE WAR ON TERROR</strong></td>
<td>THE PARIS DECLARATION AND ELIMINATION OF ABSOLUTE POVERTY</td>
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<td>Accelerated Development in Sub-Saharan Africa: an Agenda for Action and Sub-Saharan Africa: From Crisis to Sustainable Growth</td>
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<td>The Lagos Plan of Action Final Act of Lagos</td>
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<td>The Arusha Declaration</td>
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<td>The Addis Ababa Declaration</td>
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<td>Treaty Establishing the African Economic Community and the Constitutive Act of the African Union.</td>
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<td>EU/ACP Lomé Conventions</td>
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<td>Proposal for a Partnership for Economic Growth and Opportunity in Africa; (USA)</td>
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<td>Swedish Initiative – Partnership with Africa</td>
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<td>Eliminating World Poverty: A Challenge for the Twenty-first Century (UK)</td>
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<td>US African Crisis Response Initiative and the Office of Transitional Initiatives</td>
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<td>The Copenhagen Declaration and Action Plan</td>
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<td>UN Programme of Action for the Least Developed Countries</td>
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<td>Tokyo International Conferences on African Development</td>
<td>Accelerated Development in Sub-Saharan Africa: an Agenda for Action and Sub-Saharan Africa: From Crisis to Sustainable Growth</td>
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One major obstacle to efforts to install and consolidate democratic systems in Africa is the **all powerful, highly centralised and hierarchical bureaucratic structure.** The organisational imperative of the massive bureaucratic machine is to command and control and is preoccupied with its own survival and enrichment. It is unlikely that the powerful bureaucracy will abandon its privileged position and control of the state apparatus to democratically elected political leaders or respect the institutional restraints of democratic rule without struggle. The state has proved to be the main channel for personal wealth accumulation and securing privileged position in society. As the result of the socialisation of the means of production the state power was appropriated to the
political elite or bureaucratic bourgeoisie that mainly constituted well-educated top officials, organisation leaders, and some high ranking officers or liberation front leaders. One finds plenty of instances in Nigeria, Tanzania, Cameroon and Tanzania; The economic rewards of the public sector are so much greater than those of the private sector for the majority of people that politics has become a much more brutal struggle. Because the state (for instance Uganda, Ethiopia, Tanzania, Nigeria, Ghana and Zambia) has often been the only available vehicle for the personal accumulation of wealth and for the formation of social classes, there is too much at stake in the competition for power and position in the bureaucracy that political groups and individuals feel compelled to win at any cost even if that results in the socio-economic deterioration of the society or demands the cost of many lives: As the winner takes all and the looser is consigned to the political and economic wilderness, all the brutality and corruption of bitter fights ensure in every political competition. It is simply a zero-sum game where the loser has no refuge or alternative. Consequently, the bureaucracy\textsuperscript{15} will no doubt fight aggressively in order to obtain its patrons in positions of political power by any means possible; The bureaucratic set-up is characterised by a complicated net works of patron client relations, with a patron giving a decent portion in the government in exchange for a clients political support\textsuperscript{16}. As more and more people regard politics the easy way out for satisfactory income generation they are willing to do anything including sabotaging a true democratic process by being the mouthpiece of an authoritarian regime. Especially in the past twenty years, all organisational life in the continent has been monopolised by the state and autonomous activities were in most cases forbidden by law.

**From DBS to PBS: A Case in Point**

The PBS Project is an initiative designed by the donor community in cooperation with the Government of Ethiopia (GoE) and various stakeholders in and outside the country; designed to expand and sustain the basic human development programmes that have been almost exclusively provide by the GoE today. Following the post-election violence of June and November 2005, a number of donor constituencies decided that they could no longer provide assistance to the GoE through the DBS mechanism that hitherto financed the execution of commonly agreed poverty reduction and human development strategies. The main aim of the PBS is to protect the delivery of basic services by government while promoting and deepening transparency and accountability in the governance and management of the PBS project delivery.

\textsuperscript{15}The ruling elite makes every effort to maintain control over the state apparatus and government job is regarded as collateral for political support or at least for not opposing it. Hence, professional experts in the state apparatus for lack of opportunity to exit out of the system, remain mute and indifferent. The effort of the elite to establish its hegemony over the state and the society at large has led to resisting of the growth autonomous mass organisations among the civil society, thus perennial attempts have been made to restrict the freedom of the press and to incorporate such organisations as trade unions, women’s, youth and professional organisations into the state party system. Individuals who couldn’t be capable of gaining sufficient education for decent white collar job have made it a way of success in life and the result is too many people are being diverted from material production to political service giving sector of the economy.

\textsuperscript{16}Clientelism in this form is extremely widespread and spreads out in waves from the centennial figure of the system. Relatives are among the first to be privileged followed fellow villagers and members of the ethnic group and lastly those from other ethnic groups but who should prove life long loyalty.

Consequently, and taking into consideration the fact that the DBS will not be continued on the magnitude previously assumed, the necessity to move to PBS has become apparent for sometime now. Mr Ackroyd, the DFID Chief, continued his introduction by underscoring the fact that the PBS will provide the requisite basis for locally initiated development with the efforts of grassroots groups, the Kebeles, and the woreda administration; backed by donor grants and matching government resources. The management responsibility is entrusted in the woreda Administrations. The existence of meaningful transparency, ‘voice’ mechanisms and instruments of ‘bottom-up’ public accountability can help ascertain whether public services are needed, wanted and whether people believe that their livelihoods are improving or not as a result of PBS. For this reason, Component 4 of the PBS calls for CSOs to participate actively and meaningfully in the implementation of the pilot projects on Social Accountability. The component has facilities to support citizens and CSOs to become “more familiar with budgets and to engage citizens and CSOs in pilot activities on social accountability.” It is against this background that a briefing and consultation session was organised by DFID and the WB with a cross section of CSOs representing networks, regional groupings and individual organisations.

**International aid, chronic dependency and state sovereignty:** The paradox of the African situation is that, at the same time, the authoritarian power of the state has been based in part upon appearance. The state institution is weak by any conventional measure of institutional capacity and has little or no control over peripheral regions and rural areas. As the most able party leaders and expert advisers become involved in central administration and policy, regional and local party organisations as well as the local government apparatus are manned by less qualified personnel or they simply cease to function. Vigilant and obsessed by preservation of power, local level officials are pre-occupied by administrative and, to an even greater extent, by political tasks than ensuring the rights of people or implementing the democratic mandates. Again, if public confidence is to be instilled, it is necessary to extend the reach of state institution to the remote areas of the country and carefully monitor conducts of the agents of political groups. Because of these issues, the attitude of the international donor community from aside formal rhetoric is that the African state institutions, today, are solely responsible for the current sorry condition of the continent. Increasingly, therefore, the conditionalities of foreign aid have aimed at limiting the operational scope of the state institution. State institutions have been steadily losing their formerly unchallenged status as intermediaries between local social forces and dominant economic and political powers on the international scene. The international donor community now distrusts African state institutions and are unwittingly chipping away at their institutional credibility and capacity.\textsuperscript{17}

**The Paris Declaration**– The opening salvo of the Paris Declaration on Aid Harmonisation in its Statement of Resolve underpins that “Ministers of developed and developing countries responsible for promoting development and Heads of multilateral and bilateral development institutions, meeting in Paris on 2

\textsuperscript{17}For instance, what is the likely outcome of the donor imposed structural adjustment programmes whose measures include reduction of public sector imports, devaluation of national currencies, abolition of customs barriers, wholesale privatisation of the public sector, cutbacks in social welfare expenditures? These measures will give rise to a host of social forces, some of which will challenge the legitimacy of the state. These structural changes will of gnaw away at the integrity of the state already weakened by dwindling public revenues and extreme dependence upon foreign aid.
March 2005, resolve to take far-reaching and monitorable actions to reform the ways we deliver and manage aid as we look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs) later this year. As in Monterrey, we recognise that while the volumes of aid and other development resources must increase to achieve these goals, aid effectiveness must increase significantly as well to support partner country efforts to strengthen governance and improve development performance. This will be all the more important if existing and new bilateral and multilateral initiatives lead to significant further increases in aid. At this High-Level Forum on Aid Effectiveness, we followed up on the Declaration adopted at the High-Level Forum on Harmonisation in Rome (February 2005) and the core principles put forward at the Marrakech Roundtable on Managing for Development Results (February 2004) because we believe they will increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the MDGs. They also committed to ‘Scale up for more effective aid’ by reaffirming the ‘commitments made at Rome to harmonise and align aid delivery. We are encouraged that many donors and partner countries are making aid effectiveness a high priority, and we reaffirm our commitment to accelerate progress in implementation, especially in the following areas: strengthening partner countries’ national development strategies and associated operational frameworks; increasing alignment of aid with partner countries’ priorities, systems and procedures and helping to strengthen their capacities; enhancing donors’ and partner countries’ respective accountability to their citizens and parliaments for their development policies, strategies and performance; eliminating duplication of efforts and rationalising donor activities to make them cost-effective as possible; reforming and simplifying donor policies and procedures; defining measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary safeguards and environmental assessments; implement results-driven national development strategies; more predictable and multi-year commitments on aid flows to committed partner countries; address corruption and lack of transparency...

It concludes by “acknowledging that enhancing the effectiveness of aid is feasible and necessary across all aid modalities. In determining the most effective modalities of aid delivery, we will be guided by development strategies and priorities established by partner countries. Individually and collectively, we will choose and design appropriate and complementary modalities so as to maximise their combined effectiveness. In following up the Declaration, we will intensify our efforts to provide and use development assistance, including the increased flows as promised at Monterrey, in ways that rationalise the often excessive fragmentation of donor activities at the country and sector levels.

Section III

A reform agenda: Discussion and conclusion

The agenda for human development in Africa faces many limitations in the sphere of institutional development. On several occasions, I have raised several questions as to whether we have so far been effective in promoting and institutionalising empowerment among our populace, do we have the commitment to professional principles and practices that are said not to be lacking with clear evidence in the internal affairs of many programmes focussing on human development. I have also argued that politicians, development researchers and practitioners do not show sufficient awareness of the difficult socio-political choices facing us if we are to become more involved in addressing the nation’s development challenges.

The points made above regarding the identification of problems of development management apply to the setting of goals and tasks for problem-solving activities. The ‘solutions’, like the ‘challenges’, can be seen in large part as elements, features and effects of state policies that pervaded a century old colonial and bureaucratic history. They have taken shape and come into play as the articulation and operation of particular doctrines. The influence of decades of colonial and militarist legacy over Africa’s economic administration and management, that is manifested in an activist impulse which calls for politicians to be highly polemical and combative in their mode of ‘communication’, to be sensitive but not particularly responsive to criticism of goals and strategies; shows up in the tendency to offer solutions in tight, formulaic terms, for the most part avoiding the uncertainty of their pluralism, negotiated framing, and to resist the opening up of economic, social and political governance reform aims and purposes for alternative formulations.

The first round of the African renaissance that was launched with the liberation of Africa from shackles of European colonialism in the sixties spawned a whole branch of economic theory – development economics. It’s raison d’être – bringing about economic development in poor countries. Because ‘poor countries were intrinsically different from rich ones, they needed a new economic model; different from the modernisation and subject to Marxist dependency and alternative modes of production theories. Some even argued that the self-interested, rational individual (homo economicus) could not exist in agrarian-based and predominantly tribal and ethnic societies. Much of this was ill-advised, and economic rationale based on it created developmental states that are fragile, failed or failing. Instead of the much touted African Renaissance, the result was botched gubernatorial regimes with huge, bankrupt bureaucracies riddled with sleaze, gargantuan budget deficits and unbridled inflation. Failed states therefore bred a new genre of rent-seeking prebendary state and private sector profiteers.

Rent-seeking, a phrase coined by economist Gordon Tullock, means cutting a bigger slice of the business rather than expanding the business and trying to make more money without producing more. Classic examples of rent-seeking are a protection racket taking a cut from the shopkeeper’s profit; a cartel of firms that control prices; workers demanding higher wages without offering any increase in productivity; and lobbying the government for tax, spending or regulatory policies that benefit a few. Whether legal or illegal, as they do not create any value, rent-seeking activities can impose large costs on an economy. Rent has two different meanings for economists: the first is the income from hiring out land or other durable goods. The other is a measure of market power: the difference between what a factor of production is paid and how much it would need to be paid to remain in its current use. In a competition, there are no economic rents, as new firms enter a market and compete until prices fall and all rent is eliminated.

As opposed to the developmentalists, promoters of new endogenous growth theory argue that there is conditional convergence -- catch-up effect for poor nations to grow faster than the rich ones; if we held constant such factors as fertility rate, human capital and policies (proxied by the share of public spending in GDP). Neo-classical economics underpins that poor countries grow faster than richer ones as there are diminishing returns on capital for the rich. Nonetheless, since, in reality, all demographic, policy and human capital factors are not constant, absolute convergence may not happen. Hence, as we enter the new millennium, African nations are under pressure to open up markets and...
develop well sequenced new policies. South Africa, Nigeria, Uganda, Egypt, Tunisia... to name a few seem to make a big difference on how well such convergence has worked.

National business, entrepreneurship and broadly free-market policies and secure property rights have raised their growth rates. Hernando de Soto, a Peruvian economist advocates establishing formal property rights for the poor to help them rapidly escape from poverty. In books such as the other path and the mystery of capital, he argued that, in developing countries, capitalism will thrive in the long run only if legal systems change so that most of the people feel that the law is on their side. Lower public spending relative to GDP is usually associated with higher economic growth. For the poorest nations to catch up, their chances of entering the development round table are maximised by policies that give a greater role to competition and incentives. Rules and institutions that underpin effective economic and social governance are crucial.

Increasing economic growth is achieved by making markets work more efficiently. The eighties championed supply-side policies by attacking Keynesian demand management; as pumping up demand without functioning markets simply led to higher inflation. Economic growth increases only when markets were able to operate more freely. Thus they pursued policies of deregulation, liberalisation and privatisation and encouraged free trade and to reduce unemployment, they tried to increase the efficiency of the jobs market by cutting income tax rates and attacking legal impediments to labour market flexibility. While during the eighties most governments in the Tiger economies started to reverse these policies and undo the damage they had done by introducing developmentalist and statist economic models; African countries have remained hung-up on developmentalist model. The challenge is also addressed to ‘supporters’ of African development governance reforms that do not often efficiently realise in practice the potential of the ideas and goals they promote and that the volume of their interventions is not nearly proportional to their impact. This raises the issue of whether the ideas (such as the peer review mechanism) in question are fundamentally constrained at the moment of their conception and implementation by the very institutions and technocratic structures that ground their articulation.

The explicit concept of capacity building for good governance that current international initiatives operate in Africa may be consistent with goals of ‘empowerment’ of indigenous communities and individuals, of enhancing local institutional and human capacities. The initiatives, nevertheless, tend to work toward these goals in narrow economic and technocratic terms; equating technocratic rationality and capacity with totality of institutional purposefulness and strength. This brings up the fundamental weaknesses of these crises of development paradigms that are not in the answers they provide but in the new questions they engender and challenge us with. There is convincing evidence that societies evolved complex and sophisticated social and managerial mechanism to exist relatively comfortably even in rigorous economic conditions. ‘Development economics’ of the past few decades has brought fundamentals changes to indigenous production systems. These have meant new definitions of vulnerability and a loss of effectiveness by social mechanisms.

We can argue convincingly that certain measures implemented by strong economic or social powers such as THE WAR ON TERROR do start socio-economic processes which have a dynamic of their own and which interact with natural processes in a very strong way. Nonetheless, their role has been cruelly tested in the famines, poverty and diseases they have rendered the continent to due to the implicit dearth of civic education training as a key component of many development programmes and projects. It is the fundamental contention that civic education - learning about and appreciating one’s rights, duties, obligations and responsibilities as a citizen and the immediate rules, laws and governance structures within which one exercises citizenship is the first and fundamental step in development participation. Without it, we will make no significant headway neither with our new paradigms and strategies for development nor with our pendulous hunch towards democratic governance. Democracy could easily degenerate into anarchy if participation in citizenship is not viewed as a critical factor in both socio-economic development and democratic governance. Civic participation is, hence, construed as self-empowerment which comes about as an exercise of collective will on the part of the people themselves – based on personal and group conscientisation that comes as a natural result of critical thinking and a community survival ethic that transcends the routine material goals of every community member.

Francis Fukuyama has once observed that ‘the recognition that individuals seek as individuals: the chief psychological imperative underlining democracy is the desire for universal and equal recognition’, which ‘is a completely non-economic source of motivation. It is the desire for recognition that can provide the missing link between economic development and democracy. The quest for popular participation is as old as hierarchical power structures. The two have always been in opposition. Popular participation is an effort at redistributing power in a socio-entity where there are production relationships between people’. Some of the conclusions that can be drawn from this discussion is that aid harmonisation must augur on

1) An African renaissance can only happen with the development of each and every African and the collective skills, aptitudes and visions of our citizens. It is indeed timely and appropriate to discuss on the subject of empowered professional self development. The piece hence seeks to explore the changing nature of international debates about empowered self development and its implications for national development. Part II will dwell on the practical requirement of human empowerment to achieve our declared goals for the next five years and the MDGs. Do human qualities and meritocracy spur development? If so, do they do so in the global arena, a consensus has emerged that a concerted massive action over a sustained period, on the development and utilization of a pool of critical human quality at all levels and spectrum of society would provide the foundation and engine for gaining a respectable and beneficial place within the process of self-development and self management. A disciplined, healthy, nourished, and motivated labour force is required to produce and distribute the goods and services needed for sustained human development. Leadership teams that are committed and willing with positive attitude to facilitate the process of opening up greater opportunities for every citizen are needed.

2) In spite of the rhetoric on THE WAR AGAINST TERROR, with the groundswell of political consciousness and opportunities for political change that has emerged, the discourse on cultural democracy can and must take place to ensure the sustainability of democracy.

3) Which world are we living in? Amid the turbulence of the divisions that marked the debate in the Cold War period and THE WAR ON TERROR, which was dominated by the great ideological differences between liberal-capitalism and socialism, and in which the contest was seen to lie in the competing claims of the primacy of civil and political rights on the one hand and economic and social rights on the other. At the heart of the controversy in self development was the
role of the market in the organization of economy and the well known critique by Marx that established a better framework for rights in which economic and social rights were ensured to all people, enabling them to live a life of dignity and hence nations analyzed rights in class terms. Leaders hovered uneasily between these opposed views, reluctant to disengage from the rhetoric which had been invoked extensively in the seventies, but also conscious of the difficulties of establishing political authority, especially in multiethnic societies, and increasingly driven to restrictions of rights. The end of the Cold War changed dramatically the context for the discourse of self development widely represented as the victory of human right and Western democracy. The discourse achieved a high salience. The west defined its mission the extension of rights and democracy to other parts of the world. Soon Coke and Hollywood became the icons of the new ‘cultural revolution’.

4) On our end, throughout history, activists have worked in socially broad-based movements to challenge social injustice in oppressive eras, regimes and faith aristocracies that challenged the very idealism of humanness and human dignity, that goes in tandem with THE WAR ON TERROR. The ethic that has brought about this change has been manifested in more ways than one; by emancipation-spirituality that inspired widespread grassroots renewal all over the world. The contemporaneous forms of inspired social-change masterpieces that it brought deserve considerable attention in any discourse of human development, distribution of wealth and well-being; especially when it comes to building robust communities of faith. No matter how common the task, it should be done uncommonly well. Such a choice is always wise; after all, the path of excellence is never crowded and is a highway that leads to the top. What better way to live than by growing better each day? Those who pursue excellence aren’t in direct competition with others, for they measure themselves against their own accomplishments.

5) Developing and maintaining a work force with a sense of purpose, work ethic, vision, integrity and direction implies acquiescing to a system of economic and social governance based on rule by ability (merit) rather than by other determinants of social position. Meritocracy is now often used to describe a type of society where wealth, income, and social status are assigned through competition, on the assumption that the winners do indeed deserve the fruits of their efforts. As a result, the concept has acquired a connotation of Social Darwinism -- aggressively competitive societies, with large inequality of income and wealth. This is in sharp contrast with egalitarian societies. Social Darwinism a form of contemporary socio-biology is natural selection applied to human social institutions. Its proponents often used the theory to justify social inequality as being meritocratic. Others used it to justify racism and imperialism and at its most extreme, it appears to anticipate eugenics and the race doctrines of the ultra-right.

6) Meritocratic governments and the corporate world stress talent, education, and competence, rather than existing differences such as social class, ethnicity, or sex. In practice, research on social mobility indicates that all these supposedly neutral criteria favour the children of those who are already privileged in some way. In a representative democracy where power is theoretically in the hands of the elected representatives, meritocratic elements include the use of expert consultants to help formulate policies, and a meritocratic civil service (as opposed to the bulk parastatal public employees) to implement them. The perennial problem in advocating meritocracy is defining exactly what merit means. The most significant of all is the existence of a favourable environment for private enterprise; with regulations and administrative procedures which need to be followed that facilitate private ownership of property and where private investment is permitted in all sectors. It follows from this that the nature of the regulatory environment must change to make it conducive to small scale business, the informal sector and women entrepreneurs. Questions that need to be asked in relation to this are - are there political conditions and conditions on access to credit? Is there a functioning banking system or is the system subject to arbitrary political manipulation? Do government regulations on interest rates negatively affect private sector activity? Are regulations governing investment, and import and export procedures clear and easy to understand? Are the regulations supportive of, and conducive to, private sector activity, or are they designed to exercise control over it? Are the regulations consistent, or are there instances in which one set of regulations are contradicted or overruled by another set?

Fig.5 Processes in the rights-based harmonization

Ultimately THE WAR ON TERROR will be won only if we can achieve the three essential capabilities for human development are for people to lead long and healthy lives, to be knowledgeable and to have access to the resources needed for a decent standard of living. If these basic capabilities are not achieved, many choices are simply not available and many opportunities remain inaccessible. But the realm of human development goes further: essential areas of choice, highly valued by people, range from political, economic and social opportunities for being creative and productive to enjoying self-respect, empowerment and a sense of belonging to a community. With few exceptions, nations have failed to develop efficient and effective bureaucracies that can win popular legitimacy – having relatively inauthentic, human and material governance institutions and rules that can articulate, aggregate and execute state budgets and a civic leadership that remain at best, weak or underdeveloped.