

TOWARD A MORE EFFECTIVE CANADIAN AID TO AFRICA

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Mr. Chairman, Ladies and Gentlemen, thank you for the opportunity to testify before the Standing Senate Foreign Relations Committee about the development and security challenges facing Africa and the response of Canada, as well as the international community, to these challenges. I should like to say that I am a product of the Canadian educational system and a beneficiary of Canadian benevolence. I attended and obtained my M.A. (Economics) from the University of Western Ontario, London, Ontario, under a CIDA scholarship and my Ph.D. from the University of Manitoba.

I will make some brief remarks at this juncture. A more detailed exposition can be found in my brief which I have submitted to the Committee.

Sub-Saharan Africa has faced numerous and horrendous challenges in the past few decades. The most serious and on-going fall in the following 4 categories:

1. Development crisis: Economic atrophy or retrogression, growing poverty and hunger, increasing social despair, foreign debt crisis, etc.
2. Dysfunctional System of Governance: Corruption, lack of transparency, democratic accountability, rule of law, etc.
3. Humanitarian Crises: Civil wars, conflicts, political instability, state collapse or failed states,
4. HIV/AIDS

There are other crises as well – for example, environmental crises (increasing desertification, deforestation, soil erosion, air and water pollution, etc.) – but I will restrict myself to the above four and treat them separately, even though these are all highly interrelated.

This testimony is made up of four Sections. Section A describes each of the four challenges, Section B discusses Canadian and international response to these challenges. Section C discusses better approaches to Africa's crises, while Section D makes recommendations.

SECTION A

1. The Development Crisis

As you already know, economic conditions in Africa have deteriorated alarmingly despite the continent's immense development potential and untapped mineral wealth. In 2002, the United Nations Conference on Trade and Development's (UNCTAD) noted that both the extent and depth of poverty have increased dramatically in Sub-Saharan Africa: "The proportion of people in 29 African countries living below \$2 per day increased from 82 percent in the late 1960s to 87.5 percent in the late 1990s. For those in extreme poverty – under \$1 per day – the increase was from 55.8 per cent to 64.9 percent. The number of African living in extreme poverty rose dramatically from 89.6 million to 233.5 million over the same period" (*Africa Recovery*, Sept 2002; p.9).

Prognosis for the new millennium is rather bleak. According to the World Bank (2000):

“Sub-Saharan Africa enters the new century with many of the world's poorest countries. Average income per capita is lower than at the end of the 1960s . . . The region contains a growing share of the world's absolute poor, who have little power to influence the allocation of resources . . . Moreover, many of the development problems have become largely confined

to Africa. They include lagging primary school enrolments, high child mortality, and endemic diseases – including malaria and HIV/AIDS. One African in five lives in countries severely disrupted by conflict. Making matters worse, Africa's place in the global economy has been eroded, with declining export shares in traditional primary products, little diversification into new lines of business, and massive capital flight and loss of skills to other regions" (World Bank, 2000; p.1).

Alarm bells are being sounded. In February, 2002, British Prime Minister Tony Blair warned that the West could face new terrorist threats unless measures were taken to relieve African poverty (*BBC World Service*, Feb 6, 2002). On July 8, 2003, another warning came from the United Nations that it will take Sub-Saharan Africa more than 150 years to achieve the Millennium Development Goals:

"Unless things improve it will take sub-Saharan Africa until 2129 to achieve universal primary education, until 2147 to halve extreme poverty and until 2165 to cut child mortality by two thirds. For hunger no date can be set because the region's situation continues to worsen. (*Financial Times*, July 9, 2003; p.1)

To achieve the United Nations Millennium Development Goals, Africa must maintain an annual economic growth rate of at least 7 per cent. The current growth rate fluctuates between 2.6 and 3.1 per cent, which are barely above the population growth rate of 3 per cent. Without massive investment, experts say there is little hope of real growth and poverty reduction.

Investment however does not take place in a vacuum but in an "enabling environment," which is defined by the following: Security of persons and property; a system of incentives; rule of law; basic functioning infrastructure; stability (economic, political, and social); and some basic freedoms (intellectual, political, and economic). These requirements have not been met in most African countries. Even Julius Nyerere, former president of Tanzania and spokesman of African leaders, observed in a speech at the University of Edinburgh on October 9, 1997 that the necessary conditions for attracting foreign direct investment are simply not there yet in most African countries. He identified corruption, political instability and the lack of the necessary physical infrastructure and the education and training in skills needed for rapid economic and social development (*PanAfrican News*, September 1998).

The absence of an enabling environment has rendered Africa unattractive to investors. As the United Nations Conference on Trade and Development (UNCTAD) concluded, "Africa has lost attractiveness as market for Foreign Direct Investment (FDI) as compared to other developing regions during the last two decades," (*The African Observer*, 30 Nov - 13 Dec 1998, 21). Africa has been associated only with pictures of civil unrest, starvation, deadly diseases and economic disorder, and this has given many investors a negative picture of Africa as a whole" (UNCTAD, 1999; p.12). "Net private direct investment in Sub-Saharan Africa dwindled to \$3.9 billion in 2002 – a paltry sum and worse than in six of the seven previous years . . . Even rich Africans do not invest in Africa: "An estimated 40 percent of the continent's privately held wealth is stashed offshore" (*The Economist*, Jan 17, 2004; Survey, pages 4 and 11).

2. Dysfunctional System of Governance: Corruption, lack of transparency, democratic accountability, rule of law, etc.

After winning independence for the respective countries, African nationalist leaders were hailed as liberation heroes, swept into office with large parliamentary majorities and deified. Kwame Nkrumah of Ghana, for example, rejected democracy as an "imperialist dogma" while others dismissed it as "luxury Africa could not afford." Capitalism was rejected as a Western colonial

institution in one monumental syllogistic error. Colonialism was evil and since the colonialists were capitalists, it too was evil. Socialism, the antithesis of capitalism, was adopted.

The results were the establishment of defective political and economic systems in which enormous power was concentrated in the hands of the state and ultimately one individual -- political systems characterized by "one-man rule" (sultanism or one-party states) and economic systems of "statism" or *dirigisme*, heavy state participation or direction of economic activity. Even pro-Western countries such as Ivory Coast, Kenya, Malawi, Nigeria, and Togo were *dirigiste* and one-party states or military dictatorships. These monstrous systems were created by African leaders and elites themselves. They bore no affinity to the indigenous systems or even the hated colonial systems. No effort was made to build on Africa's indigenous institutions; only Botswana did this.

Problems emerged soon after independence. State controls created artificial shortages and black markets, providing rich opportunities for rent-seeking activities and illicit enrichment. Import and exchange controls were the most lucrative. Ministers demanded 10 percent commission before issuing an import license. Very quickly, African nationalist leaders discovered they could use the economic and political power they had accumulated to enrich themselves, crush their political rivals and perpetuate themselves in office. In the early 1970s, a rash of military coups swept these Mercedes Benz socialists out of office but the soldiers who came to clean up house, succumbed to the same disease: greed, power, and incompetence.

Over time, "government," as is known in the West ceased to exist. In its place evolved what Africans call a "vampire state" -- that is, a "government" hijacked by a phalanx of unrepentant bandits and thugs, who use the machinery of the state to suck the economic vitality out of the people and to enrich themselves, their cronies and tribesmen. All others are excluded (*the politics of exclusion*). The richest people in Africa are heads of state, ministers and high government officials and, quite often, the chief bandit is the head of state himself.

To be rich in Africa, the elite head straight into politics or government, not the private sector. But there are only so many government positions that don't pay very much. Fierce competition erupts for these posts and, once secured, never let go. To achieve their nefarious objectives of self-aggrandizement and self-perpetuation in power, the ruling elite take over and subvert every key institution of government -- the civil service, judiciary, military, media, banking and even the educational system -- to serve their interests. These institutions, then, become paralyzed and laxity, ineptitude, indiscipline and lack of professionalism flourish in the public sector. Meritocracy, rule of law, property rights, transparency and administrative capacity vanish. Judges cannot enforce the rule of law because they are corrupt and the police are themselves highway robbers. Development does not take place because, to the ruling gangsters, "development" means developing their pockets and "foreign investment" means investing their booty in a foreign country.

Eventually, the vampire state evolves into a "coconut republic" and implodes. Politically-excluded groups rise up in an insurgency to overthrow the ruling bandits, sucking the country into a vortex of carnage and mayhem: Burundi, Ivory Coast, Liberia, Rwanda, Sierra Leone, Somalia, Sudan, and Zaire. A regime change often makes little difference. As Africans would say, "We struggle to remove a cockroach from power but the next rat comes to do the same thing." Witness Liberia, from Samuel Doe to Charles Taylor; Zambia, from Kenneth Kaunda to Frederick Chiluba; and Kenya, from Daniel arap Moi to Mwai Kibaki.

3. Humanitarian Crises: Civil wars, conflicts, political instability, state collapse or failed states,

Humanitarian crises have become a constant fixture on the African continent. Year after year, since 1985, one African country after another has imploded with deafening staccato, scattering refugees in all directions: Ethiopia (1985), Sudan (1972), Angola (1975), Mozambique (1975), Ethiopia (1985), Liberia (1992), Somalia (1993), Rwanda (1994), Zaire (1996), Sierra Leone (1997), Congo DRC (1998), Ethiopia/Eritrea (1998), Guinea (1999), Ivory Coast (2001), Sudan (2003), and now Togo.

More than such 40 wars have erupted in Africa. Some wars never end (Algeria, Burundi, Somalia, Sudan, Western Sahara) while others restart after brief lulls. At least 11 African nations are currently wracked by conflict and civil strife. Populations have been decimated, infrastructure destroyed and homes razed. Post colonial African leaders have caused the deaths of more than 13 million Africans since 1960.

The economic toll of Africa's never-ending crises has been horrendous: Economies collapse, investors flee and agriculture is devastated, exacerbating poverty and deepening social misery. A massive refugee population of mostly women and children is created. Children are abducted into child soldiery and women fall prey to marauding soldiers, turning refugee camps into vast breeding grounds for the spread of AIDS. Since women constitute about 80 percent of Africa's peasant farmers, Africa's agriculture has been hardest hit -- so severe that Africa, which used to be self-sufficient in food in 1950s, now imports 40 percent of its food needs and spends \$18.9 billion on food imports - an amount equal to what Africa receives each year as foreign aid from all sources.

4. HIV/AIDS Pandemic

Of the 36 million infected with the HIV virus world-wide, an estimated 25 million (or about 70 percent) are Africans and the number of AIDS orphans is expected to reach 15 million by 2003. Africa has already lost some 12 million people from AIDS - more than the number of deaths from all the wars -- and 11,000 new cases are diagnosed a day. Although statistics on African phenomena are not often reliable given the difficulty of penetration and counting rural folks, a consensus has emerged: That this deadly disease is decimating Africa's labor force and seriously impeding the continent's economic recovery and development.

SECTION B: CANADIAN AND INTERNATIONAL RESPONSES

1. Foreign Aid Programs and Poverty Reduction in Africa

In the past few decades, the donor community has been generous to Africa. The total amount of funds transferred to African governments since 1960 has been quite substantial. According to OECD, "the net disbursement of official development assistance (ODA), adjusted for inflation between 1960 and 1997 amounted to roughly \$400 billion. In absolute magnitude, this would be equivalent to almost six Marshall Aid Plans" (Eberstadt 2000; p.B4). Since ODA is merely a "soft loan," this accumulated foreign aid forms the bulk of Africa's \$350 billion foreign debt. Of this, 40 percent is owed to or guaranteed by Western governments and 36 percent is owed to multilateral financial institutions, such as the World Bank and the IMF (Nafziger, 1993: 29). But ODA simply filled the void left by foreign investors fleeing Africa's climate of wars, instability and chaos. Private commercial loans, as a share of Africa's total debt, have dropped from a high of 36 percent in the 1980s to about 20 percent in the 1990s, reflecting a declining private commercial lending interest in Africa. The 1990s brought more bad news. Foreign aid to Africa from all sources experienced a decline as well, placing Africa in double jeopardy.

The increasing severity of Africa's economic malaise has sparked renewed calls for increased aid to Africa. In 2002 and as host of the G8 Summit in Kananaskis, Alberta, Canada, former Prime Minister Jean Chrétien announced a \$500 million Special Fund for Africa, which was to form part of the G-8 Action Plan for Africa. Canada was among the first of the G7 to agree to 100%

cancellation of bilateral debt for the poorest countries. Earlier in February 2000, Finance Minister Paul Martin announced that Canada would cancel 100% of debt owed by the highly indebted poorest countries (HIPC) to the Export Development Corporation (EDC) and the Canadian Wheat Board (CWB). Sub-Saharan Africa made up about \$1.5 billion of developing country debt owing to Canada, of which \$1.1 billion was owed to EDC and CWB by HIPC countries. African countries that benefited were Côte d'Ivoire (\$250.9 million) and Cameroon (\$440.1 million). Between 1990 and 2000, however, Canadian ODA to Sub-Saharan Africa has declined by 34.4%, which followed a general decrease in aid to Africa from all sources.

In recent years, however, there have been dramatic increases in Canadian aid to Sub-Saharan Africa: 16.5 percent in 2001/02 and 37 percent in 2002/03. However, according to the Canada Coalition to End Global Poverty, much of this recent recovery only makes up lost ground in declining aid flows to Sub-Saharan Africa in the 1990s. "By 2002, total ODA to Sub-Saharan Africa returned to aid levels of the early 1990s, while for Canada, aid levels for Sub-Saharan Africa also surpassed the level reached in 1993/94 (\$CAN863.4 million) for the first time in 2002/03. CCIC calculated that if aid levels had been maintained at the peak reached in the early 1990s, Sub-Saharan Africa would have received an additional \$1.6 billion in aid by 2000. Increases since 2000 have made up less than a third of these losses by 2002" (web posted: http://www.ccic.ca/e/docs/003_acf_2004-10_subsaharan_africa_aid_trends.pdf).

It is important to note that Canada's effort to increase aid to Africa parallels efforts being made by other Western donors. Tony Blair's Commission on Africa seeks to raise US\$50 billion (euro38 billion) a year on the international capital markets to help achieve the U.N. Millennium development goals of reducing poverty, child mortality and improving education. The U.S.'s Millennium Challenge Accounts (MCAs) – seeks to help poor African countries through grants. France proposes an international tax on financial transactions, or items such as plane tickets while Japan favors a US\$200 million fund to nurture private sector companies in Africa to improve the continent's investment climate and credit rating. In January, 2005, the United Nations released its own report, co-authored by Columbia University economist, Jeffrey Sachs, calling on rich countries to increase their foreign aid to 0.7 percent of GDP by 2015. In September, 2005, the United Nations is planning a conference to push this agenda.

Helping Africa is noble cause but after decades of vaunted rhetoric, false starts and empty promises, a deep sense of skepticism has set in. Africans have heard such calls before. Every decade or so, a gaggle of Western and African experts, governments, international aid organizations, and multi-lateral financial institutions congregate amid much pomp and fanfare to announce grandiose initiatives to pull the world's poorest continent out of its economic miasma. Congratulatory pats on the back are exchanged. Delegates return home. Then, nothing much is heard after that. Back in 1985, the United Nations held a Special Session on Africa to boost aid to Africa. In March 1996, the United Nations launched \$25 billion Special Initiative for Africa. They all fizzled.

Why should the average African place any hope in Canada's Special Fund for Africa, Tony Blair's Commission on Africa, the United Nations Millennium Development Initiative, George Bush's Millennium Challenge Account, NEPAD or any other initiative to reverse Africa's economic atrophy? The record of foreign aid to Africa is one of abysmal failure and the mistakes keep being repeated – on both the donor and recipient sides. I will address these subsequently.

2. Dysfunctional Governance Systems

To establish better systems of governance in Africa requires political, economic, and institutional reform. A stake must be driven into the heart of Africa's vampire state. This requires democratization, market liberalization, decentralization or diffusion of power, and the adoption of power-sharing arrangements. The politics of exclusion must be replaced by the politics of inclusion. The elites should seek their wealth in the private sector by actually producing something. Government does not produce wealth; only redistributes it. In addition, state institutions must be reformed so that transparency, accountability and professionalism prevail. Six institutions are critical:

- **An independent central bank:** to assure monetary and economic stability, as well as stanch capital flight out of Africa. The World Bank, for example, should desist from dealing with African countries without an independent central bank. Central banks have been the linchpin in the transmission of loot by the ruling bandits.
- **An independent judiciary** -- essential for the rule of law. Supreme Court judges may also be rotated within a region. In December 2001, Mokhtar Yahyaoui, president of the *Centre de Tunis pour l'indépendance de la Justice (CIJ)*, was dismissed as a judge in Tunisia after calling for the constitutional principle of the independence of the judiciary to be respected (*Index on Censorship*, July 2003; p.161).
- **A free and independent media** to ensure free flow of information. The first step is solving a social problem is to expose it, which is the business of news practitioners. State-controlled or state-owned media do not expose corruption, repression, human rights violations and other crimes against humanity. In fact, it is far easier to plunder and repress people when they are kept in the dark. The media needs to be taken out of the hands of government and ought to be the first strategic enterprise the state should divest itself from before any foreign aid is given.
- **An independent Electoral Commission** to avoid situations where African despots write electoral rules, appoint a fawning coterie of sycophants as electoral commissioners, throw opposition leaders in jail and hold "coconut" (farcical) elections to return themselves to power.
- **An efficient and professional civil service**, which will deliver essential social services to the people on the basis of need and not on the basis of ethnicity or political affiliation.
- The establishment of a **neutral and professional armed and security forces**.

The establishment of these institutions would solve the majority of Africa's woes. For example, the two great anti-dotes against corruption are an independent media and an independent judiciary. But only 8 African countries have a free media in 2003, according Freedom House. These institutions cannot be established by the leaders or the ruling elites (conflict of interest); they must be established by civil society. Each professional body has a "code of ethics," which should be re-written by the members themselves to eschew politics and uphold professionalism. Start with the "military code," and then the "bar code," the "civil service code" and so on. These reforms, in turn, will help establish in Africa an environment conducive to investment and economic activity. But the leadership is not interested. Period.

Reform will threaten their business empires and undermine their political support base. State controls allow them to extract resources to build huge personal fortunes and to dispense patronage to their political supporters. And given the crimes they have committed against their people, they loathe relinquishing political power. Thus, under pressure from external donors, they implement only the barest minimum cosmetic reforms that would ensure continued flow of Western aid. Africans deride this charade as the "Babangida Boogie": One step forward, three steps back, a sidekick, and a flip to land on a fat Swiss bank account.

The democratization process has stalled in Africa due to strong-arm tactics and political chicanery. Only 16 of the 54 African countries are democratic. The record on economic reform or liberalization, supported with billions of Western dollars, is more pathetic. For example, between 1981 and 1991, the World Bank spent more than \$25 billion cajoling, bribing and “jaw-boning” 29 African countries to implement “Structural Adjustment Programs” (economic reform). In 1994, the World Bank admitted that, out of the 29 “adjusting African countries,” only 6 (The Gambia, Burkina Faso, Ghana, Nigeria, Tanzania and Zimbabwe) were “economic success stories,” giving a failure rate of more than 80 percent. Ghana, a success story in 1994 is now in the HIPC intensive care unit. Still, the World Bank keeps trotting out a list phantom “success stories” – Uganda, Mozambique, Guinea – as if it has not heard of the law of diminishing returns. But without genuine reform, more African countries will implode, creating an environment that deters investment and stunts economic development. The continent is stuck in a veritable development conundrum.

African countries that will implode if their present courses are not altered are the following: Cameroon, Central African Republic, Chad, Equatorial Guinea, Eritrea, Ethiopia, Guinea, Togo, Tunisia, and Zimbabwe.

3. Conflicts, Wars and Humanitarian Crises

Year after year, each crisis triggers the same ineffective response on all sides. African leaders, grumbling about colonial legacies and slavery, appeal for urgent humanitarian assistance. In the West, horrific pictures of victims of war and starvation are paraded on television. The international community is outraged, demanding an end to the slaughter. Calls are made for U.N. sanctions, arms embargo and even U.S. intervention. Refugee camps are set up, high-protein biscuits, tents and other relief supplies are parachuted in. Peace talks between rebels and government forces collapse, leading to resumption of hostilities. A feckless UN dithers while the OAU/AU does the *watutsi* in Addis Ababa. The State Department issues a feeble statement, appealing to all sides to renounce violence. The World Bank weighs in promises of reconstruction loans once peace and security are restored – until another African crisis erupts. Then the same cycle of hand wringing, self-flagellation, and dithering is repeated. Nothing has been learned and the same mistakes are repeated year in year out.

Slavery, colonialism, artificial borders, and Western imperialism have little to do with Africa’s conflicts. The vast majority of Africa's conflicts are intra-state in origin. They are not about driving away colonial infidels; nor redrawing colonial boundaries. The basic cause, in country after country, is the politics of exclusion or the struggle for power by a politically excluded or marginalized group.

In most African countries, power is monopolized by a certain group (political, racial, ethnic, religious, professional), which uses that power to enrich its members and advance their interest to the total exclusion of everybody else (the politics of exclusion). It is noteworthy that the implosion of an African country, regardless of the professed ideology of its government, always begins with some dispute over the electoral process. Blockage of the democratic process or the refusal to hold elections plunged Angola, Chad, Ethiopia, Mozambique, Somalia, and Sudan into civil war. Hard-liner manipulation of the electoral process destroyed Rwanda (1993), Sierra Leone (1992) and Zaire (1990). Subversion of the electoral process in Liberia (1985) eventually set off a civil war in 1989. The same type of subversion instigated civil strife in Cameroon (1991), Congo (1992), Kenya (1992), Togo (1992) and Lesotho (1998). In Congo (Brazzaville), a dispute over the 1997 electoral framework flared into mayhem and civil war. In Ivory Coast, the inane attempt by General Robert Guie to steal the October 2000 presidential election plunged the country into civil war. Finally, the military's annulment of electoral results by the military started Algeria's civil war (1992) and plunged Nigeria into political turmoil (1993). Last month’s (April 2005) fraudulent elections in Togo have plunged that country into civil strife. All this destruction

stemmed from the adamant refusal of one individual or the ruling elites to relinquish or share political power. The solution for each and every African country should be the same: Power sharing and the politics of inclusion.

4. HIV/AIDS

The World Bank has estimated that \$3 billion a year is needed to combat the HIV/AIDS epidemic in Africa. U.N. Secretary-General, Kofi Annan, called for a "global war chest" of \$7-\$10 billion a year to battle AIDS. President George Bush pledged a \$15 billion Emergency Funds for AIDS in his State of the Union address in 2002.

In recent years, mounting frustration at the impunity with which the disease is spreading in Africa sparked clashes between AIDS activists, various NGOs and African governments on the one hand and pharmaceutical companies and Western governments on the other. At issue were the affordability of treatment drugs and who should pay for them. These issues came to a head at the June 25, 2001 U.N. AIDS Conference in New York. Insisting that the typical anti-retroviral AIDS drug cocktail cost of \$10-\$15,000 a year is beyond the reach of poor Africans, AIDS activists and NGOs have excoriated the pharmaceutical industry for putting profits ahead of saving human lives by refusing to lower the cost of AIDS drugs to indigent African patients. African leaders, for their part, came to the UN AIDS conference to berate the international community for negligence and to badger the West for more funds to fight the disease. Naturally, they never spoke of their own culpability or criminal irresponsibility in the spread of the disease.

In 1999, with its AIDS infection rate rising rapidly -- 4.7 million or 11 percent of its population infected -- South Africa's government passed legislation to allow local drug companies to manufacture or import cheap, generic substitutes for patented AIDS drugs. Cipla, an Indian manufacturer of generic medicines, sought permission under the law to sell inexpensive knockoff versions of 8 of the 15 anti-H.I.V. drugs that, in varying combinations, are used in the cocktails for an AIDS regimen at a cost of \$600 per patient. Believing that their intellectual property rights were under assault, 39 foreign drug companies brought a lawsuit to challenge the constitutionality of South Africa's law. AIDS activists sided the South African government.

Under intense public relations pressure, the drug companies dropped their court challenge in March to the jubilation of AIDS activists. Subsequently in May 2001, and at the urging of WHO, Merck and Bristol-Myers Squibb of the United States; Boehringer Ingelheim of Germany; GlaxoSmithKline of Britain; and Hoffman-LaRoche of Switzerland -- offered to sell their AIDS drugs to poor nations at lower prices: \$400 per patient.

Cheaper drugs are only one option in a complex menu of strategies required to combat the disease. Delivering affordable anti-retrovirals to the infected in Africa is important but since the disease has no cure, effective AIDS-education and prevention programs ought to occupy center stage. Especially more so since health care delivery systems have collapsed in many African countries -- as has the infrastructure of roads, electricity, water, communications and other basic requirements to provide an effective response to the epidemic. The exclusive focus on cost of drugs diminishes the importance that should be attached to prevention.

SECTION C: TOWARD BETTER AID PROGRAMS

Canadian aid programs designed to reduce poverty in Africa cannot be expected to work or achieve results in an environment that is wracked by civil conflict or war, rampant corruption, lack of freedom and total institutional break-down. Western aid programs are hobbled by two

fundamental problems. The first is the failure to distinguish between African governments or leaders and *the people*. In Africa, governments or leaders have been the problem, not the people.

Burdened with excessive racial sensitivity and guilt over the iniquities of the slave trade and colonialism, the West has been reluctant to speak candidly about Africa. Unable to distinguish between African *leaders* and the African *people*, Westerners shy away from criticizing African leaders for fear of being labeled "racist" or accused of "blaming the victim." This overt racial sensitivity shields African leaders from criticism and inadvertently helps perpetuate misguided policies and wrong choices.

Second, Western policies toward Africa has been leader-centered. Naïve Westerners think that the best way of helping the African people is by handing money over to their corrupt despots or forming "partnerships" with them. Former U.S. president, Bill Clinton, epitomized this approach.

During his historic visit to Africa in March 1998, President Clinton hailed Presidents Laurent Kabila of Congo, Yoweri Museveni of Uganda, Paul Kagame of Rwanda, Meles Zenawi of Ethiopia and Isaiah Afwerki of Eritrea as the "new leaders of Africa" and spoke fondly of the "new African renaissance sweeping the continent" - Africans taking charge of their own backyard. What happened?

Barely two months after President Clinton's return to the U.S., Ethiopia and Eritrea were at war and the rest of the "new leaders" were pounding each other in the Congo conflict. As if the embarrassment was not enough, the administration's other African "partners in development" turned out to be crocodile reformers and crackpot democrats

There are better ways of helping Africa - by empowering its *people*. The leader-centered approach needs to be demolished and replaced with an *institution-based* approach. I have identified above the six institutions that are most critical: An independent central bank, an independent and free media, an independent judiciary, an independent electoral commission, an efficient civil service, and a neutral and professional armed/security forces.

Give the African people these six institutions and they themselves would solve more than 80 percent of Africa's problems by instigating change from within. These institutions cannot be established by the leaders or the ruling elites as there is a conflict of interest involved. They must be established by civil society.

For example, last December, while Ukrainians had camped outside parliament and government buildings to protest a fraudulent election, Ghanaians went to vote in one of the most peaceful and calm in Ghana's - indeed Africa's - recent history. The international news media missed it probably because there were no street protests or violence. Why the difference?

In Ukraine, the electoral commission and the media were state-controlled, except for a few private internet bloggers. The result was a stolen election that drove irate citizens into the streets to mount an Orange Revolution. Fortunately for the protesters, the security forces acted professionally and withheld fire. A fairly independent Supreme Court invalidated the fraudulent results, setting the state for their eventual overturn.

In Ghana, by contrast, the electoral commission was independent and the private media fiercely and raucously free -- especially the private FM radio stations and independent newspapers. They played such a stupendous role during Ghana's 2000 elections, sending swarms of reporters to keep vigilance at polling stations. Any electoral irregularity was instantly reported on the air, causing teams of election officers to rush to the scene and fix the problem. Prior to the elections, the FM

stations had, through their call-in shows, empowered the people with unfiltered information, urging them to exercise their right to vote. After observing Ghana's 2000 elections, New York Times columnist, Thomas Friedman, remarked: "Let's make all aid, all I.M.F.-World Bank loans, all debt relief conditional on African governments' permitting free FM radio stations. Africans will do the rest." (*The New York Times*, May 4, 2001; p.A21).

They haven't in many other African countries because their leaders control the key institutions and have formed "partnerships of death" with Western donors. Ghana's neighbor, Togo, has descended into chaos because its April 2005 elections were fraudulent.

The entire Western aid process has been corrupted and perverted. It is now a circus, riddled with failure, dependency, fraud, and trenchant dishonesty on both the donor and recipient sides. Badgered by incessant appeals for foreign aid, an exasperated and fatigued West pretends it is helping when it is not. As George Soros, an international financier and philanthropist, once remarked, "foreign aid benefits the donors rather than the recipients" (*The Wall Street Journal*, March 14, 2002; p.B1). As noted earlier, Western aid to Africa has been ineffective.

In fact, the resources Africa desperately needs to launch into self-sustaining growth and prosperity can be found in Africa itself by plugging the holes in Africa's leaky begging bowl. Foreign aid to Africa from all sources amounted to \$18.6 billion in 2000 but food imports reached \$18.7 billion, meaning foreign aid was simply used to import food (*Africa Recovery*, Jan 2004; p.16). Africa can't feed itself because of the neglect of peasant agriculture, the uprooting of farmers by senseless civil wars, devastated infrastructure, and misguided agricultural policies.

Civil wars cost Africa at least \$15 billion annually in lost output, wreckage of infrastructure, and refugee crises. These wars are over power – the politics of exclusion. The crisis in Zimbabwe, for example, has cost Africa dearly. Foreign investors have fled the region. According to *The Observer* [London] (Sept 30, 2001), Zimbabwe's economic collapse had caused \$37 billion worth of damage to South Africa and other neighboring countries.

Meanwhile, Africa continues to spend an enormous amount on arms and the military. "Excluding South Africa, spending on arms in sub-Saharan Africa totaled nearly \$11 billion in 1998, if military assistance and funding of opposition groups and mercenaries are taken into account. This was an annual increase of about 14 percent at a time when the regions economic growth rose by less than 1 percent in real terms" (*The Washington Times*, Nov 8, 1999; p.A16).

Corruption exacts a heavy price on Africa's development. The African Union itself estimated that corruption costs Africa more than \$148 billion yearly -- an amount which represents 25 percent of Africa's Gross Domestic Product (GDP) and increases the cost of goods by 20 percent (*The Vanguard* [Lagos], Aug 6, 2004). Back in 1996, a U.N. estimate claimed that, "\$200 billion or 90 percent of the sub-Saharan part of the continent's gross domestic product (much of it illicitly earned), was shipped to foreign banks in 1991 alone" (*The New York Times* (Feb 4, 1996; p.A4). Part of the capital flight out of Africa represents wealth created legitimately by business owners who have little faith in keeping it in Africa. The rest represents loot stolen by corrupt African leaders and politicians. At an African civic groups meeting in Addis Ababa, Ethiopia, in June 2002, Nigeria's President, Olusegun Obasanjo, claimed that "corrupt African leaders have stolen at least \$140bn (£95bn) from their people in the decades since independence" (*The London Independent*, June 14, 2002; web posted). At the Commonwealth Summit in Abuja, Nigeria on December 3, 2003, former British secretary of state for international development, Rt. Hon Lynda Chalker, revealed that 40 per cent of wealth created in Africa is invested outside the continent (*This Day* [Lagos], Dec 4, 2003).

NEPAD seeks \$64 billion from the West in investments. When the presidents of Algeria, Nigeria, Senegal and South Africa, trekked to Kananaski, Alberta (Canada) to present NEPAD to the G-8 Summit for funding by the rich nations on June 26, 2002, an enthusiastic Jean Chretien, the then Canadian prime minister and chairman of the G-8 plunked down \$500 million as down payment. Mercy Muigai, an unemployed Kenyan woman, was unimpressed:

"All these people (African leaders) do is talk, talk, talk. Then if they do get any money from the *wazungu* (white men), they just steal it for themselves. And what about us? We have no food. We have no schools. We have no future. We are just left to die" (*The Washington Times*, June 28, 2002; p.A17).

The African people have no future because their leaders don't use their heads and Western donors don't use theirs either.

3. Resolving Conflicts and Political Crises: The Indigenous African Approach

Each time an African country implodes, international and diplomatic pressure is brought to bear on the combatants to negotiate and reach a peace accord. But peace accords are essentially a blueprint for joint plunder of the state. Congo has four vice-presidents, one for each rebel group. A "government of national unity" (GNU) is often proposed to "bring the rebels into the government." A certain number of ministerial or government positions are reserved for rebel leaders. But nobody is satisfied with what they get at the peace talks. Inevitably, squabbles erupt over the distribution of posts, leading to the resumption of conflict (Angola in 1992, Congo in 1999, Sierra Leone in 2000, and Ivory Coast in 2003).

More than 30 such peace accords have been brokered in Africa since the 1970s with abysmal success record. Only Mozambique's 1991 peace accord has endured, while shaky pacts hold in Chad, Liberia, and Niger. Elsewhere, peace accords were shredded like confetti even before the ink on them was dry, amid mutual recriminations of cease-fire violations. The most spectacular failures were: Angola (1991 Bicesse Accord, 1994 Lusaka Accord), Burundi (1993 Arusha Accord), DR Congo (July 1999 Lusaka Accord), Rwanda (1993 Arusha Accord) and Sierra Leone (1999 Lome Accord). All collapsed because the approach was flawed.

The cornerstone of this "Western" approach, often foisted on African combatants by well-intentioned Western donors or the international community, is direct face-to-face negotiation between warring factions. It works if factional leaders want peace or must pay a price for the mayhem they cause -- assumptions, which grotesquely confute reality. Fact is, war is "profitable" to both sides to the conflict. The conflict situation provides warlords with the opportunity to rape women, pillage villages and plunder natural resources, such as gold and diamonds. Both rebel and government soldiers have grown rich by looting and seizing control of diamond fields. The war also gives the government an excuse ("national security") to suspend development projects, provision of social services and keep its defense budget secret, thereby shielding padded contracts to cronies from scrutiny.

Africa's own indigenous conflict resolution mechanism provides a better approach. It requires four parties: An arbiter, the combatants and civil society or those directly and indirectly affected by the conflict (the victims). For example, in traditional Africa, when two disputants cannot resolve their differences by themselves, the case is taken to a chief's court for adjudication. The court is open and anyone affected by the dispute can participate. The complainant makes his case; then the defendant. Next, anybody else who has something to say may do so. After all the arguments have been heard, the chief renders a decision. The guilty party may be fined say three goats. In default, his family is held liable.

The injured party receives one goat; the chief receives another for his services and the remaining goat is slaughtered for a village feast. The latter social event is derived from the African belief that it takes a village, not only to raise a child but also to heal frayed social relations. Thus, traditional African jurisprudence lays more emphasis on healing and restoring social harmony and peace than punishing the guilty. Further, the interests of the community supersede those of the disputants. If they adopt intransigent positions, they can be sidelined by the will of the community and fined say two goats each for disturbing social peace. In extreme cases, they can be expelled from the village. Thus, there is a price to be paid for intransigence and for wreaking social mayhem -- a price exacted by the victims.

A similar indigenous African approach has performed exceptionally well in resolving political crisis. When a crisis erupts in an African village, the chief and the village elders would summon a village meeting. There the issue was debated by the people until a consensus was reached. During the debate, the chief usually made no effort to manipulate the outcome or sway public opinion. Nor were there bazooka-wielding rogues, intimidating or instructing people on what they should say. People expressed their ideas openly and freely without fear of arrest. No one was arrested or locked out of the decision-making process. Once a decision had been reached by consensus, all must abide by it, including the chief.

In recent years, this indigenous African approach was revived and modernized by pro-democracy forces in the form of "sovereign national conferences" to chart a new political future in Benin, Cape Verde Islands, Congo, Malawi, Mali, South Africa, and Zambia. Benin's nine-day "national conference" began on 19 February 1990, with 488 delegates, representing various political, religious, trade union, and other groups encompassing the broad spectrum of Beninois society. The conference, whose chairman was Father Isidore de Souza, held "sovereign power" and its decisions were binding on all, including the government. It stripped President Matthieu Kerekou of power, scheduled multiparty elections that ended 17 years of autocratic Marxist rule.

In South Africa, the vehicle used to make that difficult but peaceful transition to a multiracial democratic society was the Convention for a Democratic South Africa. It began deliberations in July 1991, with 228 delegates drawn from about 25 political parties and various anti-apartheid groups. The de Klerk government made no effort to "control" the composition of CODESA. Political parties were not excluded; not even ultra right-wing political groups, although they chose to boycott its deliberations. CODESA strove to reach a "working consensus" on an interim constitution and set a date for the March 1994 elections. It established the composition of an interim or transitional government that would rule until the elections were held. More important, CODESA was "sovereign." Its decisions were binding on the de Klerk government. De Klerk could not abrogate any decision made by CODESA -- just as the African chief could not disregard any decision arrived at the village meeting.

Clearly, the vehicle, similar to the "loya jirga" that was constituted for Afghanistan in 2003, exists in Africa itself. If it worked in Afghanistan, Benin, South Africa and Zambia, it should be prescribed for Congo, Nigeria, Ivory Coast, Sudan, Togo, Uganda, Zimbabwe, and elsewhere in Africa.

4. HIV/AIDS

Since the outbreak of the AIDS pandemic, there has been little effort devoted to *prevention* by African leaders and governments. Only four African countries (Ghana, Mali, Senegal and Uganda) made serious efforts to confront the AIDS epidemic. It must be mentioned that Botswana has mounted an aggressive campaign to combat the AIDS epidemic. Senegal managed to hold its infection rate below 2 percent of the adult population and Uganda, through intensive

public education, condom distribution, voluntary testing and counseling services, cut its infection rate from 15 percent to below 10 percent in the 1990s.

To the shame of African governments, there are now various African civic and church organizations that are actively involved in AIDS prevention and awareness programs. The Ministry of Health of Ghana launched the female condom in May 2000, ordering a million of them, after extensive strategic planning with the Joint United Nations Program on HIV/AIDS (UNAIDS), the United Nations Population Fund (UNFPA), the Ghana Social Marketing Foundation, the Society for Women and AIDS in Africa (SWAA) and the Female Health Company. The Ghana Chapter of SWAA has played a particularly important role in helping to mobilize local women's organizations and community groups to educate about the importance of safer sex generally (Ayttey, 2005; p. 341).

Besides safe sex, public education on AIDS prevention, these local community groups can also be effective in altering certain belief systems and cultural practices that facilitate the spread of AIDS. In this exercise, it is imperative to enlist the active participation of Africa's traditional healers and chiefs.

At a regional AIDS conference in Burkina Faso, sponsored by the United Nations last December, a group of more than 150 traditional healers and doctors issued a statement calling on "all Countries to put in place legal measures allowing the free practice of traditional medicines" and asking that traditional healers be allowed to play "an active role as agents of information, education and communication." The statement also asked for collaboration in biomedical research, as well as the creation of an international body for the protection of traditional medicines. (*Agence France-Presse*) -- in *The New York Times*, Dec 13, 2001; p.A16).

Traditional healers across the continent say their remedies offer a huge potential to fight diseases like TB and pneumonia in HIV patients. For centuries, they have used plants to treat illnesses like diarrhea and lung infections. African herbalists argue that their pills and potions are cheap, available in remote areas, and effective. The World Health Organization says 80 percent of people rely on herbs in countries from South Africa to Ethiopia.

Often dismissed by the scientific medical community as "quack" or witch doctors," it is important to engage Africa's traditional healers if for no other reason than the potential damage they can do. In South Africa, the myth that sex with a virgin would cure AIDS was originally propagated by traditional healer.

Traditional African chiefs, the guardians of indigenous cultures, also need to be involved in the battle against AIDS. The increase in the pandemic has been linked to such cultural practices as polygamy, female genital mutilation, widow inheritance and sexual practices and behavior that are culturally imposed in some societies. In Swaziland, for example, the local culture fawns virility or the "Ingwanwa" -- a man who engages in multiple sexual encounters while the female equivalent ("Igwandla") is shunned.

Evidently, on prevention and stanching the spread of AIDS, African governments have shamefully abdicated their responsibility. Until African governments show serious commitment, the international community and Western donors should work with African NGOs, local community organizations, traditional chiefs and healers associations. Such initiatives at the grassroots level offer much better hope of reaching illiterate rural folks with AIDS prevention education and stemming the spread of AIDS since the dreadful disease cannot be cured. One such initiative might be a AIDS awareness program crafted by the local village council, which

may seek to instruct the people on changing certain sexual and cultural practices that spread the disease. Such programs do not cost much and can be funded by Western donors.

SECTION D: RECOMMENDATIONS

In the past three years, there have been changes in CIDA's bilateral aid delivery systems and targets. According to CCIC, among the noticeable changes are:

1. The private sector in Africa is receiving less aid as a proportion of the total – from 20.9 percent in 2000/01 to less than 10 percent in 2003/04.
2. The role of Canadian Civil Society Organizations (CSOs) in delivering aid to Africa has diminished from 31.2 percent in 2000/01 to 25.1 percent in 2003/04.
3. Government, including the multilateral agencies, as a direct implementer of CIDA's projects and programs, has increased dramatically from 47.9 percent to 65.4 percent in all African countries. (web posted: http://www.ccic.ca/e/docs/003_acf_2004-10_subsaharan_africa_aid_trends.pdf).

I believe that this trend – increasing emphasis on government-to-government aid relationship – is in the wrong direction. As noted earlier, “government” is the problem in Africa and aid needs to be channeled to by-pass Africa's “vampire states” to the private sector and civil society groups in Africa. While such direct assistance can pose a diplomatic problem (interference in the internal affairs of sovereign African nations), Canadian CSOs can be useful in this regard. But there is a limit to what they can do in an African country without being expelled.

I would recommend a new source that can also be tapped for effective formulation and delivery of Canadian aid programs: African exiles in Canada or North America. There are African professionals and organizations in Canada and the U.S. who have intricate knowledge of conditions back home. They know who is doing what to promote change or reform in Africa and how best to assist them. For example, opposition groups in Africa face an uphill battle in competing on a field that is not level. Since direct assistance to such groups may be diplomatically unacceptable, such aid can be channeled through Canadian CSOs or better yet, African organizations based in North America. After all, during the Cold War, the West worked with and assisted Soviet dissidents and organizations based in the West to channel aid to civil society groups in the former Soviet Union. The same approach will also work for Africa.

Finally, I will also recommend that Canada adopts the institutional approach and focus on just two vital institutions: an independent and free media and an independent electoral commission. The role of the media in the collapse of the former Soviet Union cannot be overemphasized. In Africa, radio is the medium of the masses. Perhaps, Radio Free Africa would be the best gift Canada ever gave to Africa.

Thank you.

The witness, a native of Ghana, is a Distinguished Economist at American University and President of the Free Africa Foundation. He is the author of *Africa Unchained* (Palgrave/MacMillan) and *Indigenous African Institutions* (Transnational Publishers).

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