

Governance in Africa - What do we mean and why does it matter?

The term governance emerged in the development community in the 1980s to refer to the overall institutional and governing architecture of a country. Shortcomings in governance have become the common explanation for the failure of African development after 30 years of external assistance. During the 1990's usage of the term was stretched to encompass more overt political factors such as democracy and human rights.

Governance has become a convenient basket term for a mix of factors. These include a government's management of public funds (accountability, corruption), the transparency with which it conducts its business (openness and accountability to parliament), its legal and judicial framework (effective and fair application of the law), the quality of its representative institutions (elections and public participation) and the behaviour of its enforcement agencies (human rights). African states are characteristically weak in some if not all of these areas. Service delivery (provision of public services such as health and education) also sometimes enters the considerations on good governance. Some aspects of governance can be quantified and measured, especially those relating directly to elections and public finance. Other aspects, especially relating to exclusion of social groups, are less easily quantified, but may be at least as important.

Financial Management and Transparency

The transparent use of State resources, including the absence of corruption in areas such as public works and procurement, are central issues in African governance. They have long been the concern of donors, particularly of the IMF in their assessments of fiscal and budgetary standards. They are of concern to HMG as an aid donor as they have a clear impact on the effectiveness of aid spending.

DfID's current preferred approach has been to select countries whose fiscal accountability is considered adequate and who are committed to reform and poverty reduction. Such partners receive direct budgetary support (DBS), so a positive judgement on their standards of governance is of critical importance (a list of countries receiving DBS from DfID is in annex 1). The advantage of providing aid in this way is that the country "owns" the programme, with the donor taking a "back seat" oversight role. More recently, DfID has looked at aid conditions based on the process of policy making (process based conditionality) and at ways to affect change more actively (Drivers of Change).

The Legal Framework

At the **domestic** level, the first consideration is **whether the legal framework (constitution and law) provides an adequate and impartial tool** for the guarantee of individual and group rights. Concerns may include the absence of habeas corpus, the constitution or law discriminating against a particular individual or group and inadequate separation of powers. A reliable legal and regulatory system is also a key requirement for attracting investment.

We expect a regime, at a minimum, to comply with its own laws. However, one difficulty in making judgements of good and bad governance is the possibility for leaders (especially when they control national parliaments) to alter the law or the constitution to suit their own political purposes (Mugabe has, for example, been careful to ensure that his actions have always been legal, in the formal sense) . Koffi Annan alluded to this when he admonished African leaders at the July 2004 African Union meeting for changing constitutional provisions on term limits.

The next consideration is whether in reality the principles of rights and freedoms are adequately observed by those acting in the name of the State and whether those who abuse human rights are adequately pursued and punished. The use of violence with impunity by forces of the state is often the main concern, directed against journalists, opposition politicians or the population in general. This may be politically or criminally motivated, or it may be difficult to distinguish between the two.

Good governance also entails **compliance with international commitments**, binding or not. This applies to international human rights obligations and international security concerns - the obligation not to invade one's neighbour. The FCO's approach to human rights consists largely of challenging countries to honour the commitments they have made. These commitments derive mainly from membership of the UN, but there is also a growing set of African treaties and principles.

Inclusion, Exclusion and Democratic Accountability.

Good governance consists of government representing and acting on behalf of the population as a whole. This includes **formal democracy**, which can partly be measured by analysis of the overall electoral processes (although observing elections only on the day often yields little insight). Formal democracy has two important consequences: legitimacy and restraint. If a government's electoral legitimacy is contested, rather than its policies or actions, the institutions of State are thereby contested, making both corruption and violent insurrection more likely. A government is restrained in its actions and may be held to account if it fears electoral approbation, and may be better motivated to provide public goods to the population as a whole.

While necessary, multiparty democracy is not an adequate guarantee of inclusion. As formal democratic processes have become the norm over the last ten years, **Informal exclusion** is now arguably the biggest challenge to African governance. Parts of a country's population may be excluded from the distribution of State resources, and from the actual decision making processes, even in a formally democratic country, especially in winner-takes-all, centralised presidential states. This may be simply a question of distribution of State spending, or it may take on more serious political aspects, such as the use of xenophobia to legitimise the exclusion of a social group from the benefits of state power.

As elsewhere, politics in Africa is about the contest between different social groups for the control of resources and social recognition. Although it does not allow for neat and easy measurement, the exclusion of groups from the political game has real and serious consequences, exacerbated by Africa's poverty, and is a major threat to stability.

Problems of assessing governance

With such varied components it is inevitably difficult to come up with clear judgements on the overall quality of governance in any one country and harder still to attempt comparative judgements. It is not unusual to find in Africa countries that have very poor standards of public financial management combined with vibrant democratic political institutions (eg Kenya) or a lively free press (eg Nigeria). The reverse can also be true. (eg Rwanda). When the international community talks of governance, it often simply reflects issues of current concern (human rights in one country, corruption in another). For the aid partnership, however, financial accountability is an overriding consideration, not least due to accountability to parliament for aid expenditure.

On the less easily measurable criteria, it is difficult for HMG to have a firm and consistent position. If donors make judgements on overly technical and inflexible criteria, the danger is that savvy African leaders will learn how to tick the boxes (eg setting up an anti-corruption commission) while business as usual continues behind the scenes.

We also need to consider the trajectory of governance, taking into account the circumstances in which the country finds itself. A country emerging from civil war is unlikely to have the robust institutions needed to underpin most aspects of good governance (eg the DRC). In some cases it may be judged appropriate to provide development aid (despite poor governance) in order to help the country build these institutions (eg Sierra Leone), but tricky judgements have to be made further down the line when we expect governance to improve. Our policy needs to be based on an overall political assessment of a country, as it always has been.

African Views on Good Governance

As part of the New Partnership for Africa's Development (NEPAD) Africans have explicitly recognised the importance of good governance, including its democratic elements. They have gone further in asserting that African leaders themselves have the first responsibility for delivering better governance to their own public. This is partly because many Africans consider that donors use the governance agenda as a stick to beat those who fall out of favour, and that its very imprecision allows donors to pick and choose cases of "bad" governance.

The UN Economic Commission on Africa has been working on a major African governance report for two years, looking at 28 countries. It has now been published in summary form (October 2004). Building on this work, NEPAD has created institutional machinery - the African Peer Review Mechanism - to evaluate and improve governance. 23 countries have currently signed up to this (listed in annex 2). Ghana, Kenya, Rwanda and Mauritius have started the procedure. Following a self assessment, a panel of experts will review a broad range of governance indicators (political, corporate/business law, economic and development/service provision) and submit a report to heads of State of the APRM participating countries. Both the report and the self assessment process will be important for opening domestic and pan-African dialogue and will keep governance issues high on the African agenda.

Annex 1: Countries Receiving Direct Budgetary Support from DFID (at March 2004).

Ethiopia

Ghana

Malawi

Mozambique

Rwanda

Sierra Leone

Tanzania

Uganda

Annex 2 APRM participating countries (October 2004)

Algeria

Angola

Benin

Burkina Faso

Cameroon

Republic of Congo

Egypt

Ethiopia

Gabon

Ghana

Kenya

Mali

Mauritius

Mozambique

Nigeria

Rwanda

Senegal

South Africa

Uganda

Malawi

Lesotho

Tanzania

Sierra Leone