Foreword

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THIS TIMELY AND COMPELLING BOOK rises from the wreckage of five decades of development failure in Africa, which has also been a failure of analysis and political will on the part of the international community. To the idealism and generosity of spirit that partially motivates aid flows, this volume adds tough-mindedness. The authors—most of whom bring to their chapters several decades of experience in studying Africa and trying to advance its political and economic development—are united in their conviction that aid must be reinvented if Africa is to be lifted out of its persistent poverty and stagnation. Reinventing aid, they make clear, must not only—or even primarily—mean increasing aid. After several decades of large international aid flows to Africa, approaching or exceeding an estimated 1 trillion dollars in total, simply "more" is clearly not the answer. Swimming partially against the tide of global political and moral sympathy that has called for doubling (in effect, unconditionally) aid to Africa, the contributors here appeal for aid to be smartened and made more effective in a number of ways. In the final analysis, "smart aid" is not necessarily inconsistent with more aid, but it is the only way that any amount of aid will be effective.

For at least two decades now, international donors have known that the old practice of unconditional transfers to African governments, however venal and abusive, was not working—that it was failing to lift countries out of poverty, and even doing harm by subsidizing and reinforcing bad governance. But in the midst of the Cold War, Western donors found it hard to cut off or sanction governments whose support they wanted in the competition with the Soviet bloc. With the collapse of the communist bloc (and with it, the Afro-Marxist option) in the late 1980s and early 1990s, a new approach became possible, and since 1990 roughly a score of African countries have made transitions to democracy. Some of these transitions came as Western donors began to pressure or cut off the most hopeless African autocracies. There followed tough and promising talk about the need for better governance to deliver development. "Conditionality" began to shift from economic policy (following the neoliberal "Washington consensus") at least partly to political considerations of open and purposeful governance. However, many of the regimes that would benefit in the 1990s and early 2000s from increasing aid flows were not democracies, but rather—as in Ethiopia and Uganda—autocracies whose leaders had managed to "talk the talk" of governance. A decade and a half later, as each of those countries slips into deepening corruption and authoritarianism under long-serving rulers (Meles Zenawi and Yoweri Museveni, respectively), the need for genuine democracy and not just "good leadership" is increasingly apparent. After all, it was not so long ago that Robert Mugabe was hailed as a progressive leader of a "relatively" democratic system in Zimbabwe. But after almost thirty years in power, that country is nearing collapse under brutal dictatorship, and we are once again reminded of the potentially staggering costs of a system that lacks firm institutionalized means for the constraint and rotation of leaders.

One clear thrust of this book is thus the need for a democratic political context in order for aid to be effective. Without the core institutions of democracy—individual rights, a free press, an open civil society, and free and fair elections to determine who will rule at different levels of government—it is virtually impossible for Africans to monitor what government does and ensure that public resources (including the large proportion of them that derive from international aid flows) will be spent to advance the public good. Yet, "democracy" alone is not enough; about half of the forty-eight states of sub-Saharan Africa now meet at least the minimal test of electoral democracy (as judged by Freedom House), and even most of these are not putting aid to work effectively for development.

Democracy, as Richard Joseph and most of his colleagues in this volume stress, is a necessary but not sufficient condition for aid to be "smart." To make sustained, effective use of aid, African states must wed democracy to good governance. This requires a broader institutional architecture to achieve not only vertical but horizontal accountability. To secure this deeper quality of democratic governance, the key institutions of regulation and oversight must have the legal and operational independence, the financial resources, and the vigorous leadership to hold the executive branch of government accountable, scrutinize one another, and expose and punish corruption and abuse of power. As Peter Anyang' Nyong'o stresses in his eloquent assessment of the long-running tragedy of his country, Kenya, without strong institutions and committed, capable leadership, there is no chance of containing the cancer that corruption has become.

This raises a question that may seem intemperate even for this bold volume: If democracy with serious institutions of accountability is necessary for aid effectiveness, then why give any aid at all, other than urgent humanitarian and health assistance, to states that lack these basic structures? In the absence of strong political mechanisms to ensure that African governments will be accountable to their own peoples, don't large aid flows merely widen the gulf between state and society, reinforcing predatory behavior? Some readers may wish to take the arguments in this book a logical step further and suggest that most *development* assistance (and most of all, general budgetary support) should be conditioned on credible institutional arrangements for democratic and accountable governance: free, fair, neutrally administered and independently monitored elections; a free press; freedom of speech and association; freedom of access to information; budgetary transparency; a parliament with meaningful independent powers; an independent judiciary; serious and autonomous institutions to monitor and prosecute corruption and abuse of power; and perhaps even some devolution of power to elected local government. Similar types of governance standards, I would argue, should be applied to debt relief as well. What is the point of relieving the crippling debts of poor countries if unaccountable, predatory rulers will use the breathing space to continue looting the country while piling up new national debt? Smart debt relief would suspend debt service payments and write down the debt at some steady increment for every year that the country adheres to basic standards of accountable governance. Instead, dumb debt relief has cancelled the debts of the highly indebted poor countries in one fell swoop, while typically securing little in the way of transformed governance in return. Thus, Thomas Callaghy concludes that Nigeria "was given major debt relief too soon" (though he puts the reform emphasis on tough selectivity for economic policy commitment rather than on democratic accountability).

The cry will go out that this is all inappropriate ("neocolonial") interference in the internal affairs of other countries. But when international aid supports 40 or 50 percent of the recurrent budget of a corrupt and repressive authoritarian regime that then delivers little of it to the people in schooling, health care, roads, and other public goods, what is that—neutrality? Or when aid agencies insist on micromanaging the uses of aid both to governments and civil societies, but fail, as the authors of this book note, to focus on the big structural questions of whether any of these actors are democratically accountable, what kind of intervention is that? Broadly, the chapters in this volume suggest that a far smarter approach would be to set certain basic standards or expectations for the structure and quality of governance, monitor those carefully—not unilaterally, but as a partnership among domestic, regional, and international actors (taking seriously the promise in New Partnership for African Development)—and then give countries the freedom to set their own developmental priorities, so long as this is done in the spirit of genuine dialogue between government and citizens.

Such an approach would move away from the old ex ante conditionality: the donor sets certain economic and policy conditions for aid and the recipient promises to meet them, then fails, then renegotiates, then fails again, in an endless cycle of mutual deceit known as the "dance of conditionality." As Joel Barkan explains in his chapter, Kenya under Daniel arap Moi was the poster child for this absurdity, but many other African countries also played the system in this way. The new conditionality is ex post and therefore better understood as "selectivity": standards are set in advance for what is necessary institutionally and in terms of policy performance to qualify for development aid. Those countries that meet the standards get the aid, and the others do not (or do not to anywhere near the same degree). This is the basic operational principle of the Millennium Challenge Account (MCA)—a deliberate attempt to engineer a new vehicle of "smart aid"—but it is not clear that the Millennium Challenge Corporation has been sufficiently tough and independent in the application of the criteria and sufficiently expeditious in negotiating country compacts to make a big difference. And in any case, it is so far just one aid vehicle of just one donor, with a relatively small total budget. Were the "selectivity" approach, focused around democratic and accountable governance, to be applied much more broadly and by the bulk of international aid donors to Africa, one might expect a much more transformative impact. This would especially be so if the criteria were focused more heavily around "governing justly" (which is now just one of three broad categories of conditions applied by the MCA), and if the donors were willing to make the sizeable investments in building institutional capacity that are necessary to help countries put in place serious instruments of democratic governance, such as independent courts, parliaments, electoral management bodies, supreme audit agencies, and counter-corruption commissions.

As many of the chapters in this book make clear, it is not only at the level of Africa's national governments that change must come. Endemic corruption is strongly facilitated by a mass political culture that is accepting of it and that, as the Afrobarometer data presented by Michael Bratton and Carolyn Logan show, generates relatively weak demands from below for accountable government. Accountability involves relationships, not only among government institutions that monitor one another and that hold each other in check, but ultimately between citizens and the state. If ordinary Africans do not look for and demand better governance from their rulers and representatives—if they do not, in the words of Bratton and Logan, become real citizens—then the quest for good governance and broad-based development will lack the national ownership that can elevate it above mere international pressure and give it enduring legitimacy. If the structures of horizontal accountability lack the civic commitment and informed support of a vigilant society, they will gradually be suborned and subverted by die-hard neopatrimonial elements. The battle against neopatrimonialism—the corrupt "big man" syndrome—cannot only be top-down, or it will not be sustainable. But neither can it be only bottom-up, or a mobilized civil society will be able to record few real victories. Fighting the corruption that saps development is not some isolated governance task. It requires a comprehensive, total strategy, an alliance of four types of actors: from below (in civil society), from within the state itself (among civil servants who will execute their duties lawfully and responsibly if given a chance and the right incentives), from above (leaders who envision or reconfigure their interests along good-governance lines), and from outside, in the international community. The task is not simply "reform" of government; it is to change the entire way a political and social system has worked for decades. That can only be done with a sustained, comprehensive approach—and very powerful incentives.

As many of the chapters that follow make clear, the aid agencies and donor governments must themselves change. Currently, their efforts toward reform of aid are too partial and fragmented to bring about the revolution in governance that is needed. The more that donors realign their aid allocations around common, robust standards of good governance with clear expectations for institution building and reform, and the more that they can coordinate their interactions so that weak African states are not left having to comply with literally dozens of different donor agencies and policies, the better the chance for transformative leverage. However difficult this will be for bilateral donors, it will be still more so for the World Bank and other global and regional multilateral donors, which are in theory forbidden to take politics into account and whose effectiveness is undermined by perverse incentives of their own that (as Barkan stresses) put a premium on shoving money out the door.

At the same time, donors need to do a better job of listening to African societies (and empowering them so they can speak). The sad story told by Darren Kew of US aid prescribing specific aid projects in Nigeria while "implementing partners" micromanage the programs over the heads of recipient organizations is all too common in Africa (and beyond). Donors need to do a much better job of responding to what African states and societies see as the specific priorities for generating development and democracy. The key considerations for donors should be that those priorities pursue or observe the principles of good, democratic governance; that they be arrived at through transparent and open dialogue; and that they gradually produce results in terms of development and poverty reduction. As Chapters 8 and 9 on Liberia make clear, the priorities and paths will not be the same in all African countries, and postconflict countries present special needs and vulnerabilities. Inevitably, the country context structures what is necessary and possible and how the broad principles of democratic good governance will be translated into specific institutional realities, requiring what Paolo de Renzio calls here "tailored interventions." This is one reason why Carol Lancaster, with her years of experience in helping to manage the US Agency for International Development, stresses flexibility as a key principle of aid management.

As this book makes clear, we are at a critical juncture. In recent years, moral concerns about Africa's plight have motivated an extraordinary outpouring of engagement and commitment, with significant increases in private and public flows of aid to Africa, as well as much more extravagant official commitments that will not in the near term be met. But rigorous analysis, like that in this book, is showing that the traditional aid approaches have not worked, and that strong institutions and powerful and coordinated incentives are needed to change—no, to transform—embedded patterns of rotten governance. This book offers serious glimmers of hope that we may be arriving at an understanding of what is necessary to bring about that transformation. It will require sweeping change in the content, structure, and underlying assumptions of international aid to generate diffuse norms and potent institutions of accountability. Yet, among societies on both sides of the aid relationship, there is a growing understanding of the need for such sweeping change—to "get smart" in the aid relationship. If international aid donors can gradually refashion their disparate aid programs around these smarter principles and strategies, Africans may someday be able to say of the donor community what Winston Churchill once famously remarked about the United States, that it "will always do the right thing, after exhausting all other possibilities."

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Widespread poverty persists in sub-Saharan Africa in a world that is experiencing unprecedented growth. Although external aid to Africa has now reached several trillion dollars, there is no sign that a sure path to growth and development has been identified. We hope that this book will improve understanding of this fundamental dilemma and contribute to the formulation of better policies. Ultimately, of course, the answers must be found in Africa. We therefore also hope that the ideas presented in *Smart Aid* will be made readily available to the citizens of Africa and that they will have the opportunity to carry this project forward in a new way.

Richard Joseph dedicates his work on this book to his parents, George Francis and Pearl Theresa.

—Richard Joseph,
Alexandra Gillies