

1. Introduction and summary

With continuing violent conflicts in the region of the African Great Lakes, the Horn of Africa; and West Africa, with an increasing number of African states appearing to fail and with social development and economic growth in many African countries not reaching levels required to meaningfully reduce poverty, Africa must remain a priority on the international agenda.

International cooperation has not been able to assist Africa sufficiently to overcome the enormous problems facing the continent at the onset of the 21st century.

However, there is increasing consensus between Africa and its international partners on a continent wide agenda on which five themes are central:

- increased peace, security and stability through conflict prevention, management and resolution;
- good governance and good policy;
- investing in people, by improving health and education and combating HIV/AIDS;
- pro-poor growth through support for the private sector in Africa;
- sustainable development, focusing on the management of natural resources, environment and water.

2. Africa's current problems and their origins

1. Conflict, often rooted in the colonial period, preventing nation building and socio-economic development

The vast majority of countries in Sub Sahara Africa gained independence in the second half of the last century and as a rule, their borders had been artificially drawn in the colonial period. While in most countries, independence was advocated by a politically aware elite and in some cases independence was preceded by armed struggle, a natural and gradual process of nation building did not take place. At independence, most countries were led by a strong leader who had emerged from the struggle for independence as a natural leader, a "father of the nation". But a sustainable political constellation capable of absorbing the shocks that the first period after independence would bring, was not in place.

In the first years after independence, the first national leader would often succeed in keeping the nation together and in many cases real development took place in that first period. But as the time came for the first generation to go, the insufficient development of a sustainable political constellation, including an accepted national political culture with the required checks and balances, proved to be fatal. Failing a true national constellation, internal differences would often play up, frequently in a violent fashion and in a number

of cases the army would take over power. The army usually found itself incapable of running the state in an efficient and effective manner and rather than restoring democracy, the army had to resort to increasingly repressive methods in a failing attempt to keep a country in rapid decline under some sort of control.

Often in combination with increased population pressure, economic decline and the unsustainable use of natural resources, a situation would emerge in which local warlords, often illegal commercial exploitation of natural resources, ethnic tensions and religious disputes would finally result in violent conflicts, often spilling over into other countries in the region.

While ethnicity and religion are often given much of the blame for Africa's problems and conflicts, they are either by definition contentious, but they can be swiftly mobilised in unstable situations. Leaders capitalise on ethnic and religious loyalties in their struggle for power. Religion can lead to conflict, but it can also make an invaluable contribution to increasing tolerance and resolving conflicts.

2.2. The failing state

A second main factor contributing to Africa's disappointing development record is the weak performance of African states. Again here, it is essential to note that the countries of Sub-Saharan Africa are not the product of a gradual process of nation building but the result of a colonial legacy which has divided Africa into artificial units. Consequently, population groups with different cultures are grouped together arbitrarily which has impeded the creation of proper nation states. To add to the complexity of the situation, population groups are frequently spread over different countries, thus creating conflicting loyalties.

Many African leaders, in the face of these difficulties, resorted to traditional patronage systems and the use of public funding to keep these systems alive. This in turn leads to widespread corruption and inefficiency as well as the blurring of divisions between formal and informal power. Governments have become a means for self-enrichment and an instrument to promote the interests of specific population groups when privileges, public funding and jobs are being handed out. Rather than focusing on the need for change, growth and development, too many African governments are committed to holding on to positions and privileges. Against this background, they too often lack the political will to seriously tackle the problems confronting them.

Although many countries have launched programmes of democratisation and administrative reform, these tend to be fragile and have not properly taken root. Civil society actors, including disadvantaged ethnic groups, trade unions and the private sector, are often poorly represented in state structures and democratic institutions. This is not just due to an authoritarian and sometimes centralistic attitude on the part of governments, but also to the lack of organisation within such movements, jointly referred to as civic society.

Many African countries have not yet been able to develop the required institutional checks and balances: democratic institutions are still weak, separation between legislative, executive and judicial powers is often not respected, media – despite often considerable achievements – are under heavy pressure from governments, respect for human rights remains a long-term goal and corruption and crime are endemic.

2.3. Insufficient human capacity

Widespread disease and inadequate social provisions are major reasons for the severe shortage of manpower, hampering development in Africa.

The education sector is struggling with substantial shortfalls in teaching staff and materials and curricula are often not up to the standard required for a process of national development.

Poor healthcare provision, lack of primary health care, widespread disease and malnourishment, and inadequate reproductive health care are preventing the full development of human capacity in Africa.

These problems have been added to by the HIV/AIDS pandemic which poses an enormous threat to development in Africa. Its rapid spread was initially confined mainly to southern Africa but it has now advanced with alarming speed to other parts of the continent. Public ignorance and a male-dominated society have hindered effective control of the disease. Declining living standards and widespread mobility are encouraging high-risk behaviour, which leads to rapid transmission of the HIV virus. This applies especially to regions in the immediate post-conflict phase, when many refugees and former combatants return home infected. HIV/AIDS is undermining the continent's already limited human capacity and its consequences are being felt in all corners of society: public administration, security and stability, social structures, output and economic growth, life expectancy, education. It is also creating a generation of AIDS orphans bereft of parental guidance and support. Even countries that have made some economic headway or where stability and good governance have laid the foundations for promising development are at risk of sliding back into poverty and instability. The true impact of HIV/AIDS on the existing development strategies of both the African governments and the international community are still not fully understood. Stocktaking of these consequences is urgently needed.

2.4. Economic decline

While sustainable growth is required to generate jobs, revenue and investment in the social infrastructure and to halt the spiral of conflict, a bleak economic outlook, lack of employment prospects and declining living standards will contribute to political instability. Reducing poverty with 50% by 2015 is central to both the MDGs and NEPAD. To meet this goal, African countries must achieve an annual GDP growth rate of at least 7%, something very few have ever managed. Yet robust economic growth is essential to generate the investment needed in the social sectors and in infrastructure. Given the low average productivity of the labour force, low savings and a low ratio, high transaction costs and unfavourable business climate, we must remain realistic about

Africa's growth potential. Also, economic growth in itself is not enough. Growth must be pro-poor, i.e. it must be stimulated in a way that assists development and benefits the poor.

Africa continues to occupy a relatively marginal position in the global economy. Lack of diversification means that most African countries are still heavily dependent for their exports on raw materials markets. This has led to a structural worsening of their terms of trade and to severe economic instability. Soil depletion, deforestation, erosion and desertification are destroying the socioeconomic security of its populations. There are few alternatives to these traditional exports, which is why Africa's participation in the globalisation process has been so limited. Its share in international trade remains largely unchanged at around 2%. Since most African economies are small, the obvious solution is for them to target foreign markets and open up their domestic economies. Regional integration appears to be part of an effective long-term answer but is still in its infancy. High transport costs are a structural obstacle to trade. External factors also cause major problems: market distortions affect agricultural, fisheries and textile products in particular. As the globalisation process accelerates, Africa is in danger of further marginalisation. Yet it still feels the negative effects of globalisation, in the form of illegal migration, terrorism and crime.

Lack of institutional capacity and manpower, combined with a wholly inadequate enabling environment, means that even the severely limited opportunities for trade and investment are not being fully exploited. Failing economic policy has worsened Africa's structural disadvantages. The patronage system is preventing the development of a fully functioning market economy. For too long, state-owned companies have been artificially shored up by their governments. Tax revenue is consistently low due to limited collection capacity and tax evasion. Against this background, privatisation has only partially succeeded. Average investment never rises above 20% of GNP, and certainly not by enough to generate the minimum 7% economic growth needed to halve poverty by 2015. Foreign investment (excluding oil and telecommunications) is minimal due to the high risks involved, and this is aggravated by large-scale capital flight. Africa's debt problem distorts its relationship with the capital market and places a disproportionate burden on its national budgets.

The private sector in Africa lacks the capacity to develop without outside assistance. Yet on average, it accounts for two-thirds to four-fifths of the overall economy. Much of this income, however, is generated by large enterprises, some of them multinationals, and an extensive and growing informal sector. The informal sector consists mainly of subsistence farmers and small service providers in towns and cities and is, for many, the main means of survival. Remittances sent home by immigrants are an increasingly important part of this survival strategy. The downside of this largely informal practice is that it does not make a genuine contribution to the growth of the national economy. The economic contribution by SMEs and commercial farms in the formal sector is relatively small, yet it is here that the main potential for growth lies. The reasons for this unusual situation are both complex and profound. For instance, in many African countries a good macroeconomic policy does not automatically lead to a flourishing private sector. As well

as the existence of sociocultural factors – such as egalitarian and redistributive social systems which discourage individual performance – lack of capital, knowledge and management skills are also a serious problem.

2.5. Unsustainable exploitation of natural resources

Self-sufficiency and economic growth are heavily reliant on biodiversity, agricultural land and fishing grounds, timber and forestry products, oil and minerals, and other natural resources. Without sustainable management, these resources are being depleted. It is the poor who suffer most from soil erosion, contaminated water, forest clearance and wasted revenue from oil and mineral extraction. And it is the poor who are least able to cope with the effects of disasters such as floods, earthquakes and drought.

Natural resources often play a role in conflicts in Africa. In some countries, the shortage of natural resources – aggravated by a large and growing population – fuels conflict. Competition for land and water between sedentary farmers and itinerant herdsmen was one of the causes of the dispute between the Hutus and Tutsis in Rwanda and Burundi, and the Hemas and Lendus in the eastern Congo.

The availability of natural resources traded on international markets – notably oil – often fuels tensions and conflicts between those with access to these resources and the revenue they generate, and those who are denied such access. Rebel groups use the revenue from readily available resources to buy arms. This was the case in Sierra Leone and Angola, with diamonds and ivory. Revenue from the sale of timber (Liberia), oil (Sudan) and coltran (eastern Congo) has also been used to finance armed conflicts.

Few countries in Africa have effective regulations, such as environmental impact assessments, or other instruments in place to include ecological interests in economic decision-making. Even where such laws and regulations do exist, they are often inadequately enforced. This is especially true of open-access resources such as fishing grounds and forests. One problem is that ownership and users rights to land and water, traditional knowledge and genetic material are often inadequately defined.

The environmental sector itself is rarely given enough attention in economic decision-making. Governments do not seem to fully appreciate the importance of the preservation and sustainable management of natural resources to conflict prevention and poverty reduction.

3. Towards an African agenda

African leaders and civic society will need to develop as united an approach as possible, working on three levels; international, regional and national.

3.1 The international agenda

On the wider international agenda of the UN, the Bretton Woods institutions, the EU, the G8, the US and other bilateral parties, the adoption of an integrated approach to African problems, including political, developmental and economic dimensions must become a first priority. African leaders and civic society will need to promote this actively, international attention for Africa is still too often only the result of determined action by groups and individuals outside Africa.

3.2 The regional African agenda

Africa's own agenda should be as sharply focused as possible and to this end the African Union, regional organizations including SADC, ECOWAS and IGAD, NEPAD and individual countries, notably those with sufficient capacity, such as South Africa, Nigeria and Egypt, should consider action in the most adversely affected areas of the continent as a first priority. While Africa is increasingly capable of preventing, managing and resolving conflicts, additional resources and enhanced political commitment are urgently required.

3.3 National agenda's linked with the need for regional action

Across the continent, five themes are emerging as increasingly central:

- increased peace, security and stability through conflict prevention, management and resolution;
- good governance and good policy;
- investing in people, by improving health and education and combating HIV/AIDS;
- pro-poor growth through support for the private sector in Africa;
- sustainable development, focusing on the management of natural resources, environment and water.

4. The international community: options to assist

4.1. The need for improved international co-operation

Development cooperation has failed to halt Africa's decline over the past forty years. This is partly the result of external factors such as war, famine, natural disasters, the collapse in the price of raw materials and the outbreak of the HIV/AIDS epidemic. But the limited effectiveness of development aid has also been due to the inadequate organisation and scale of the aid itself. As the international community failed to deliver its pledge to set aside 0.7% of GNP for development aid, Africa has received less aid than was internationally agreed. Another main problem has been lack of overall policy coherence, with the potential effects of aid being undermined by policy in other areas, such as trade and agriculture. Also, the form in which aid was given was flawed. It was often too supply-driven, divorced from political, social and ecological realities and did too little to promote good policy and good governance. The belief that economic reforms could be pushed through without political change held for too long. The provision of aid took too little account of the limited capacity of African states and rarely tied in

effectively with conflict management strategies. In some countries, international assistance actually worsened the situation by blocking crucial change instead of encouraging it, and by creating a dependency on aid. And still, not enough is being done to coordinate and harmonise assistance provided by different donors. This reduces its effectiveness, while managing it absorbs far too much of the limited capacity of African governments.

Donors have learned from these failings. They have begun to look for ways of improving coordination, harmonisation and coherence, in conjunction with capacity building and institutional development in the recipient countries. Even so, integrating development assistance into a broad approach, which provides a credible answer to the crises with which Africa is struggling, remains a challenge.

The need to provide an effective response to the huge challenges facing Africa is as urgent as ever. To begin with, the ongoing humanitarian tragedy on the continent should be ended and better prospects for future generations should be created. Second, the international community cannot afford to ignore the consequences of the crisis in Africa: growing instability, lack of security, worsening crime, spreading disease, environmental degradation and migration. In an ever-shrinking 'global village', escape is no longer possible. The rest of the world must accept that Africa's interests are the same as their own.

However, we cannot meet this challenge using development cooperation alone. Africa's problems require a holistic approach. Each must be tackled through political, economic, diplomatic and security means as well as through the provision of aid. Since in some African countries the state has limited capacity and lacks legitimacy in many areas, partnerships should be sought with non-governmental actors where possible. In addition to governments – the private sector, civil society organisations and international partners play a key role in the African development process.

The international community should apply different approaches to different countries and regions. In the more stable countries, which are fortunately still in a majority, structural cooperation aimed at sustainable poverty reduction should prevail.

By contrast, activities in failing states and regions in conflict should focus on conflict prevention and management, reconstruction and promoting stability.

Special attention should be given to the Great Lakes region, the Horn of Africa and parts of West Africa, where political, humanitarian and security problems are among the worst in Africa, partly due to the threat of spill-over to neighbouring countries.

4.2 Promoting peace, security and stability

Peace, security and stability are basic prerequisites for a workable society and hence for development. Armed conflicts not only create internal disorder, they often also spill over into other countries in the region.

Recognising the early signs of potential destabilisation is crucial and therefore the expansion of early warning systems will need to be encouraged so that political and diplomatic efforts can be stepped up in good time.

During and immediately after a conflict, the international community must focus its efforts on conflict management to restore stability and re-establish the conditions for sustainable development. These efforts should be based on local capacity. The international community should assist the development of local peacekeeping capacity in post-conflict countries and help build an effective security sector under civil control. It is also necessary to be able to provide a contribution in terms of finance, material and personnel quickly and effectively for multilateral disarmament, demobilisation, reintegration and mine clearance operations.

During the reconstruction phase, the focus of support should shift to repairing the infrastructure, fostering participation and decision-making processes, strengthening the apparatus of government and guaranteeing security.

Since many of the countries involved are failing states, close cooperation is needed with non-governmental actors such as civil society organisations and the private sector.

4.3 Promoting good governance and good policy

Without effective, democratic governments, efforts to promote development and reduce poverty are ultimately doomed to failure. A government that maintains order and invests in the development of society is crucial in getting a sustainable development process off the ground.

Support will need to be given to develop the capacity of African states to adopt and enforce regulations, develop their administrative and technical capacity to achieve accountability, transparency, efficiency and effectiveness and improve their revenue base. The international community should actively support countries that combine political commitment with a viable policy, together with a willingness to engage in dialogue with their national and international partners

4.4 Investing in people: a focus on reproductive health, education and HIV/AIDS

The loss of manpower caused by mass migration and the rapid spread of HIV/AIDS calls for a major effort to limit the devastating impact on Africa's development.

To reverse this loss of capacity, the international community should focus on improving local administrative capacity, basic education and reproductive health care. Greater levels of security and stability in Africa and a higher standard of living are the best ways to ease the pressure of migration. In the short term, the international community should help to reverse the loss of capacity caused by migration by strengthening local governments in the countries of origin, an effective repatriation policy and measures to oppose illegal

trafficking and trade in humans in the host countries. Capacity building in relation to HIV/AIDS should form an integral part of sectoral support in African countries.

4.4 Promoting pro-poor growth by supporting the private sector in Africa

Sustainable economic growth is crucial for poverty reduction, directly because it generates employment and revenue and indirectly because it creates an economic and fiscal base for investment in the social infrastructure. Yet growth itself is not enough. Wherever possible it must lead to an improvement of the lives of the poor, and governments must formulate their policies with this in mind.

Much will depend on the ongoing development of the private sector in Africa, which has to form the bedrock for a growing market economy. The international community should support this process on three levels:

1. promoting access to the global market and encouraging a coherent policy in the rich countries through the WTO, EU and other channels;
2. fostering a good business climate by strengthening those aspects of government needed for economic development (such as security of title, the fight against corruption and development of the financial sector); and
3. applying specific measures to boost the private sector in Africa, especially agriculture, through bilateral and multilateral programmes geared to developing knowledge, institutions and capacity.

4.5 Sustainable development, focusing on the management of natural resources, environment and water

Africa's population and the development of the African economy rely heavily on natural resources, including water. The unbridled exploitation of forests, water sources, fertile land and mineral resources has led to a sharp increase in erosion and soil depletion and is reducing the socioeconomic security of the population. The resulting scarcity is partly responsible for the proliferation of conflicts in Africa, while natural resources such as timber and minerals are being plundered to provide capital to perpetuate these conflicts.

Sustainable management and equitable distribution of natural resources should be an integral part of measures to strengthen good governance and civil society. This theme should also be incorporated in policy on conflict prevention. Organisations such as UNDP, UNEP, CBD, Habitat, FAO and the World Bank should play a key role in this respect.

5. In conclusion

Developments in Africa require increased international cooperation, which will need to be based on strong African leadership, internationally, regionally, nationally and at the various sub-state levels. The AU, NEPAD, the African regional organizations and its

regional trade organizations will need to lead the way, with committed support from national leaders.

The international community should step up its efforts and contribute as has been pledged, but it should also strengthen organization and coordination between its members, both multilateral and bilateral.

The international community should intensify its political dialogue with Africa; to break the circle of poverty and violence, political reform is essential. Economic development in the short term requires stability and predictability and for sustained economic development with the urgently needed increased attention for the limits of the natural environment, democratic systems in which checks and balances are ensured, appears to be the only way forward. Such systems will need to be developed in Africa, not as simple copies of external systems, but as products of African political development.

(1) While this paper is based on the Netherlands policy on Africa, translated in English under the title "Strong people, weak states", it is revised and adapted by the author and reflects his personal views only.