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## Governance and Economic Development of African States

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### Abstract

*Economic development is contingent upon peace, freedom, equality, accountability and justice which are engendered by good governance. Governance in African States is bedeviled by fraud, greed, corruption, unwarranted stay in power by leaders, ethnic segregation and religious intolerance. The paper made a comparative survey of governance and economic status of some African States with a view to identifying countries with strong and countries with weak economies. The paper argues that governance in African States are more autocratic than democratic, hence the retardation of their economies. The paper acknowledges the fact that African States are endowed with abundant human and material resources which, if harnessed and well managed will place Africa at a vantage position in the comity of nations. It recommends that it is by selfless service of leaders as exemplified by Nelson Mandela of South Africa, good governance and elimination of corruption that African States can attain economic development.*

African states are referred to as third world countries due to the indicators of underdevelopment that abound everywhere in Africa. As of 2012, approximately *1.07 billion people* were living in *54 different countries* of Africa. Africa is a resource-rich continent but many citizens are poor. Africa is the world's poorest inhabited continent, as measured by GDP per capita (wikipedia) Bad governance seems to have been firmly instituted in African states with the consequences of economic underdevelopment and poverty. The importance of good governance in achieving social and economic prosperity has recently attracted different literatures on

development studies. It is so bad that it has attracted the sympathy and generosity of a Sudan born Briton, Mo Ibrahim, who has established a foundation for the award of a prize for good governance in Africa.

The Award Committee of Mo Ibrahim Prize for Good Governance in Africa has again announced lack of worthy recipient for the fourth time of the seven year history of the foundation. Mo Ibrahim is a Suddanis businessman and a cell phone giant who sold Celtel in 2005 to establish a foundation to encourage good leadership and democratic governance in Africa. The award offers \$5m (five million dollars) for a period of 10 years and \$200m (two hundred million dollars) annual salary with additional \$200m (two hundred million dollars) to be used to support any worthy cause of public interest chosen by the recipient who must have been a democratically elected past leader who have left office in the last three years. Such a prospective beneficiary would have led his country out of poverty and distinguished himself as ardent democrat with respect for the rule of law.

Since the foundation was established in 2006, only three former African heads of state have won the prize. The winner of the inaugural prize in 2007 was Joaquim Chissano of Mozambique who left office in 2005. His outstanding achievement that qualified him for the award was that he successfully led his nation out of conflict to peace and democracy. The 2008 edition was won by Festus Mogae, former Botswana head of state who led his country to economic prosperity, out of economic instability and the scourge of HIV/AIDS. The 2011 edition was won by the president of Cape Verde, Pedro Peres. Beyond this list, there has been no winner for the 2009, 2010, 2012 and 2013 editions. The failure of the Committee to find worthy recipient for the past editions is a strong signal indicating that African leaders are not doing well in the governance.

It has been widely asserted that without good governance structures, poor and developing nations cannot reduce poverty as well as address their multi-faceted social and economic problems. The study conducted by United States Agency for International Development (USAID) that widely engaged in development activities in developing countries stress that democratic governance is the independent causal factor that improves an economy's performance. Speaking on the critical role of economic development of Africa, Nobel Prize winner Wole Soyinka asserted that good governance is an essential element for development while dictatorship is a crime. Good governance is established when public institutions act efficiently, providing an enabling environment for economic growth and development. Good governance requires the improvement of accountability and transparency of public sector agencies, concomitant with the effective fight against corruption. The effective performance of democratic institutions, including legislatures, and the fight against corruption, are central elements

of good governance. The fundamental challenge of developing economies is ensuring effective governance that provides an enabling environment that ensures social and economic prosperity. The challenge has been particularly evident in sub-Saharan countries that are characterized by poor governance and corruption. Despite endowed with resources that may bring about economic miracles in the region, the region is one of the lowest in any of the economic and social indicators due to poor governance.

## **Governance**

Governance relates to decisions that define *expectations*, grant [power](#), or verify [performance](#). It consists of either a separate process or part of [decision-making](#) or [leadership](#) processes. In modern nation-states, these processes and systems are typically administered by a [government](#). When discussing governance in particular organisations, the quality of governance within the organisation is often compared to a standard of [good governance](#). In the case of a [business](#) or of a [non-profit organization](#), governance relates to consistent management, cohesive policies, guidance, processes and decision-rights for a given area of responsibility. For example, managing at a corporate level might involve evolving policies on [privacy](#), on internal investment, and on the use of data. To distinguish the term *governance* from *government*: "governance" is what a "governing body" does. It might be a geo-political entity (nation-state), a corporate entity (business entity), a socio-political entity (chiefdom, tribe, family, etc.), or any number of different kinds of governing bodies, but governance is the way rules are set and implemented (wikipedia). Governance is the assignment of authority to an identified body, the use of such authority to lead, control, direct and administer a given entity, corporate organisations, geographical regions and a people.

## **Economic Development**

Economic development generally refers to the sustained, concerted actions of [policymakers](#) and [communities](#) that promote the [standard of living](#) and [economic health](#) of a specific area. Economic development can also be referred to as the quantitative and qualitative changes in the economy. Such actions can involve multiple areas including development of [human capital](#), [critical infrastructure](#), regional [competitiveness](#), [environmental sustainability](#), [social inclusion](#), [health](#), [safety](#), [literacy](#), and other initiatives. Economic development differs from [economic growth](#). Whereas economic development is a [policy intervention](#) endeavor with the aims of economic and social well-being of people, economic growth is a phenomenon of [market productivity](#) and rise in gross domestic products (*GDP*), (Wikipedia 2012). Consequently, as *Amartya* (2011) points out: "economic growth is one aspect of the process of economic development." The scope of economic development includes the process and policies by which a nation improves the economic, political, and social well-being of its people.

Mansell and When (2010) also state that economic development has been understood since the *World War II* to involve economic growth, namely the increases in *per capita income*, and (if currently absent) the attainment of a standard of living equivalent to that of *industrialized countries*. Economic development can also be considered as a static theory that documents the state of an economy at a certain time. According to Schumpeter (2003), the changes in this equilibrium state to document in economic theory can only be caused by intervening factors coming from the outside.

### **Bad Governance in Africa**

Bad governance in Africa has become endemic and stems from the foundation of the monarchical political structures of the pre-colonial era, the colonial indirect rule and the protracted periods of military dictators administration that occurred in majority of African States. These dictatorial political structures have continued to characterize African political behaviour and speeches of African heads of states as evidenced in the mannerisms and choice of words by African politicians who couch their language in such dictatorial terms as “with immediate effect,” “there is no going back”, “this is a no go area”, etc. These military expressions are used by the politicians after they have won elections and thereafter it becomes habitual for them to hand down directives to the public as press releases in disrespect to the sensibilities of the electorates.

To maintain their hegemonies, African leaders subvert electoral processes and offer the people fictional democracies with the phenomenon bearing the skin of Jacob with the voice of Esau. A number of past African leaders left political scene with relics of painful memories to history. Gnassingbe Eyadema of Togo for example ruled his country for 38 years with iron wrist and thereafter handed over to his son Faure Gnassingbe. Omar Bongo of Gabon perpetuated his reign in office for 42 years and also handed over to his son, Alli Bongo. Late Idi Amin Dada of Uganda, Charles Tailor of Liberia who have been convicted of genocide by the International Criminal Court (ICC) and host of other past and present leaders who have littered their streets with blood; esteeming the choice of death in office rather than the honour of peaceful exit. The world has seen the sad end of Muammar Gaddafi of Libya who was assassinated in 2011 after 42 years in office, Ben Ali of Tunisia 24 years in office, Husni Mubarak of Egypt 30 years in office, Laurent Gbagbo of Cote D'Ivoire, 10 years in office. The list of those who have held Africa back to dark political history is endless. There are other African Leaders who looted the treasuries of their countries such as Mobutu Sese Seko of Zaire (Congo) 32 years in office, Daniel Arap Moi of Kenya 43 years in office and Sanni Abacha of Nigeria 5 years bloody tenure of office. Some of these rulers have administered with the fierce of a lion skin against the will of the people leaving trails of blood in the annals of the polity of their countries.

## **Corruption**

Corruption is the conscious and planned act by a person or group of persons to appropriate, by unlawful means, the wealth of another person or group of persons. Corruption can also be seen as diversion of resources to the gain of individuals at the expense of another or a community. Corruption, according to Harsh (1993), is a practical problem involving the outright theft, embezzlement of funds or other appropriation of state property, nepotism, and granting of favours to personal acquaintance. It has been argued that corruption involves behaviours which deviate from the moral and constitutional requirements. In Nigeria for example, corruption has pervaded every segment of public institutions. During Her official visit to Nigeria in 2009 American Secretary of State, Mrs Hillary Clinton said “Between 1960 and now, the World Bank estimate that Nigerian leaders have stolen over \$400 billion from the treasury. This may sound just as figures until you imagine the number of schools such amount would have built and the number of hospitals that would have been equipped”. The statement explains what corruption have done to the institutions and citizens of Nigeria. The situation is not quite different in other African states as Togo, Benin Republic, Gabon and Mali.

## **Governance in Some African States**

**Liberia:** Many African nations have laws designed to promote accountability in the oil and mining sector. According to Kaufmann, President of Revenue Watch Resource Governance, Liberia has been listed amongst countries in Africa that suffer the highest score in governance gap in natural resource governance (Kaufmann 2013). The Revenue Watch’s Resource Governance Index measures the quality of governance in the oil, gas and mining sector of 58 countries worldwide. The index was launched symbolically in Accra, Washington and London. The index indicated that Ghana, Liberia, Zambia and South Africa earned the region’s highest scores. Strong oil and mining laws help guarantee a competitive licensing process. Along with Tanzania, they have anti-corruption policies and emerging audit systems. This latest report further proves the September 2012 Security Council report of governance on Liberia which states “though UNMIL has been in operation since 2003, there are still critical gaps in Liberia’s governance and security apparatuses.”

**South Africa** A recent survey of the people perception of governance in South Africa revealed that South Africans are becoming more positive about the overall democratic regime, and more optimistic about where it will be in ten years time. Yet within that outer shell, South Africans offer a great deal of negative assessments about how the country is actually governed, assessments to which South Africa’s government would do well to listen. 54 percent now give an overall positive mark to current system of government, up 18 points since 1995 when only 36 percent did so. 46 percent of whites offer a positive assessment compared to only 12 percent in 1995. 74 percent offer an

optimistic evaluation of how they believe the political system will be in 10 years time. Whites' positive assessments have increased from 24 percent in 1995 to 44 percent. Popular trust in political institutions remains at relatively low levels. Just over one third trust the President (37 percent), and just under a third trust Parliament (31 percent). One quarter trust their Provincial Government (28 percent), Premier (28 percent) or Local Government (24 percent). (Mattes 2012).

**Botswana** Although Botswana is the longest serving democracy in Sub-Saharan Africa and Mo Ibrahim prize for good governance winner in 2008, it is not perfect. The one party dominant system exacerbated by a fractious and very weak opposition, and the growing voter apathy, especially with regard to national referenda render the electoral process nothing more than a legitimizing exercise and the further entrenchment of the governing party's hegemony. Botswana, just like other African countries, but to varying degree, is faced with a number of governance challenges. These include the eradication of poverty, skewed income distribution, tribalism, corruption and mismanagement, limited popular participation in the policy process, human rights issues, and a skeptical look from foreign investors.

While Botswana has functioned as success case of democratic governance in Africa, the emergence of multi-party democracies in Namibia and South Africa has put Botswana on the spot light. The key weakness of Botswana's democratic governance rests in the quality of its institutions that could have been relevant at an earlier stage of its development. Even then, Botswana's democratic governance is still evolving.

**Ethiopia** Since 1992 Ethiopia has embarked upon major policy and institutional reform and initiatives aimed at accelerating growth and reducing poverty. Governance has been a key part of these reforms. The Country Governance Profile (CGP) has identified strengths and weaknesses in Ethiopia's existing governance system. On the positive side, the country has made remarkable progress in decentralization and the developmental role of the state has been significantly enhanced. The quality of public financial management has improved and the amount of fiscal resources transferred to sub-national governments has increased significantly. The major challenges that need to be addressed to secure major gains in governance include promoting civil society participation; improving access to information to enhance transparency; strengthening the capacity and independence of the judiciary and other key accountability institutions. The CGP has also highlighted the need to consolidate the democratization process building on the remarkable progress achieved in decentralization. The CGP has found that the governance agenda presents an appropriate response to the country's challenges. It is, however, crucial that demand for good governance is enhanced by moving forward the social accountability agenda.

**Nigeria** Among the multiplicity of the challenges that have confronted democratic governance in Nigeria since the inception of the Fourth Republic in 1999, include the following; electoral irregularities and malpractices, inter and intra-ethnic rivalries, religious crises and insecurity, poverty, inadequate and weak democratic institutions and institutionalized corruption. According to Omodia (2010), in Nigeria, just like most of the countries in Africa, elections especially its freeness and fairness constitute the central factor in ensuring democratic survival. This is because the lack of free and fair elections often tends to threaten the democratic process as a result of legitimacy questions. This factor, no doubt has characterized the democratic experiment of the Nigeria Fourth Republic in that there have been persistent crises of legitimacy in governance arising from poor electoral system. Obama (2006) observed that corruption erodes the state from the inside out, sickening the justice system until there is no justice to be found, poisoning the police forces until their presence becomes a source of insecurity rather than a source of security. The serious challenges of good governance in Nigeria are coming from electoral malpractices, corruption, religious divides and ethnic bigotry.

**Ghana** The report of USID (2011) identified two interrelated elements of the analytical framework as the principal development objective problems in Ghana. First, the excessive concentration of power in the executive branch and orientation of all political accountability to the president. Second, the pattern of political accountability undermines administrative accountability and the effectiveness of those actors responsible for the delivery of public goods and services to Ghanaian citizens throughout the country. Thus, lack of political accountability resulting from the executive's construction of a neo-patrimonial system of governance ultimately leads to an absence of administrative accountability and effectiveness among lower-level administrative appointees and civil servants (USID 2011).

**The Gambia** While the country continues to maintain a stable political environment, there are concerns over political governance in the country, which has led to slow implementation and impact of policies and programmes. The dominance of the ruling party over the legislature continues and a true and genuine system of checks and balances needs to be enhanced, including building the opacity of key governance institutions (e.g. National Audit Office and Parliament) in order to deliver on their core functions of scrutiny, oversight and representation. Despite government's endeavours on the macroeconomic policy front, the Government of The Gambia continues to be beset with a combination of structural problems, most of which are attributable to shortcomings in policy reforms and institutional capacity and governance problems (ADB Report 2011).

### **Conclusion**

Governance in African States as noted above is bedeviled by fraud, greed, corruption, unwarranted stay in power by leaders, ethnic segregation and religious intolerance. In the course of the paper attempts were made on a comparative survey of governance and economic status of some African states with a view to identifying countries with strong and countries with weak governance institutions. The paper observed that governance in African States are more autocratic than democratic, hence the retardation of their economies. Specifically the paper acknowledges the fact that African States are endowed with abundant human and material resources which, if harnessed and well managed will place Africa at a vantage position in the comity of nations. It recommends that it is by selfless service of leaders as exemplified by Nelson Mandela of South Africa, good governance and elimination of corruption that African States can attain economic development.

### **Recommendations**

In order to break the cycle of corruption and poverty in Africa, accountability and transparency have to be vigorously enforced, guaranteed and the people involved in issues that affect their lives and immediate community, their state and the country. Among other measures to stimulate employment in Africa is to monitor aids to state and local governments and accelerate public works. Social problems (poverty, diseases, illiteracy, prostitution, crime, etc.), are in one way or the other related to the sour state of the economy. The situation can be ameliorated with good governance.

Sound economic policies should also be instituted to diversify economies across African states. The diversification of the economies would reduce African states dependence on the outside world for industrial goods and create employment for the teeming populations. Among other measures to stimulate employment in the countries is to monitor aid to state and local governments and accelerate public works. Social problems such as poverty, diseases, illiteracy, prostitution, crime, etc., can be mitigated with good governance. Good governance requires deliberate changes in attitudes, values and skills and a strong willpower for selfless service.

The weakness and inadequacies of economic institutions are also among the challenges facing democratic governance in Africa. The electoral process is vulnerable and is easily manipulated by the incumbents in office. This engenders electoral malpractices and outright rigging of elections. It has also led to the erosion of public confidence in the democratic process and brought about the question of credibility and legitimacy of elected public office holders. There should be a structural and organizational readjustments of all public institutions with transparent bureaucracies and sanctions for erring office holders so as to curtail corruption, insecurity and the excesses of public office holders.



African leaders must not continue to allow the opportunity of Mo Ibrahim award to slip through their fingers. African continent deserves enduring democratic culture to keep pace with developed nations. There is hope for political and economic development of African states. African heads of state should seize this opportunity to prove the quality of their governance by winning Mo Ibrahim award, because their inability to win the prize is indicative of bad governance in Africa. History has shown that it is more costly to hold on to political power than to relinquish it.

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