

# The Good Governance Observer



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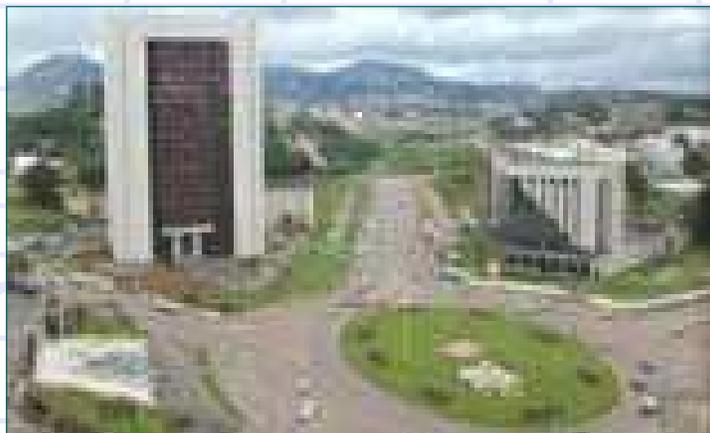
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"...Promoting Best Practices in the Management of Public Affairs and Honesty in Private Business Transactions".

## Good Governance & Sustainable Development

Development is today attaining unprecedented heights in several countries around the world. Unfortunately humanity is confronted with a perpetuation of disparities between and within nations. The continent of Africa remains the slowest in terms of development. Despite its enormous wealth in natural resources, Africa's greatest challenge is Poverty. Efforts on the continent to achieve sustainable development have been hindered by conflicts, insufficient investment, illiteracy, hunger and disease. Ecosystems are tempered with leading to droughts and other environmental hazards. Most of Africa's population cannot enjoy basic services like potable water, health facilities, electricity or decent housing. Leaders, most of whom have been elected through opaque democratic exercises, care little about the well-being of the governed. Most projects that are realised in the name of development simply do not stand the test of time and bring limited benefits to the people as they are



performed in a managerial environment full of embezzlement, corruption, illicit self-enrichment, capital flight and misplaced priorities. Consequently development is simply not sustainable, as the prosperity of future generations is not guaranteed. Today, there are growing demands for sustainable social, economic and human development that is best guaranteed by Good economic and political governance.

### Sustainable Development

Sustainable Development is about designing effective and integrated policies to meet economic, social and environmental goals. In other words, every action undertaken with regards to Sustainable Development should aim at fostering and enabling progress in all aspects of community life: economic, social, environmental and governance. It is development that is equitable and environmentally sustainable and that strengthens the economic,

social, environmental and capacity of the people. Three components of sustainable development are economic development, social development and environmental protection. They are independent and mutually reinforcing pillars. The Concept of **Sustainability** in Development requires that the needs of this generation must be met without compromising the right of future generations to be free of poverty and deprivation and to exercise their basic capabilities (Bruntland Report, 1987). Every social, political, or economic achievement is meant to last for future generations to meet and take full advantage of. Many countries have focused on economic development measured through economic growth that they refer to as an indicator of sustainable development. Economic growth is a means to sustainable development – not an end in itself. It has in several countries not led to the elimination of poverty. The central purpose of sustainable

*Turn to page 2*

### Globalisation: *The Economic Impact*

### The MEDIA & Sustainable Development

*The New Challenges of Sustainable Development in Africa*

**Développement Durable:** *Définition, Conditions et Objectifs*

**Sustainable Development & Environmental Protection**

**The African Diaspora & Wealth Creation**

*Political Will & Sustainable Development*

*How African Countries can learn from China's Booming Economy*

*How Corruption Affects a Nation's Sustainable Development!*

**DEBT CRISIS & DEBT RELIEF: Progress & Critiques**



# Good Governance & Sustainable Development



By George Mbella

## EDITORIAL

Dear Readers,

After a long break, The 'Good Governance Observer' comes back to you.

We express heartfelt thanks to our readers for expressing the desire to have this publication once more. The break was long indeed!

In this issue, we explore the links between Good Governance and Sustainable Development and attempt an analysis of the roles played by the Government, the Private Sector, Civil Society, Media and the African Diaspora in safeguarding Sustainable Development.

Africa's development is still lagging behind. We herein give an overview of the new challenges of sustainable development faced by Africa within an environment characterised by Corruption, environmental protection, debt crisis and globalisation.

How can African countries learn from China's booming economy?

While you search for the answers in the following pages, dear reader, we remain welcoming to your reactions and contributions.

Send to us your e-mail addresses for free online versions of 'The Parrot' and 'GNGG News Glance'

Enjoy your reading!



Mukete Tahle Itoe  
Secretary General,  
GNGG

Cont'd from page 1

development is the creation of an enabling environment in which all can enjoy long, healthy lives.

### Good Governance

Every society is today challenged to create a system of governance that promotes and supports sustainable development.

Governance can be seen as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise legal rights, meet their obligations and mediate their differences.

Governance has three legs: economic, political and administrative.

**Economic Governance** includes decision-making processes that affect a country's economic activities and its relationships with other economies. It clearly has major implications for equity, poverty and quality of life.

**Political Governance** is the process of decision-making to formulate policy.

**Administrative Governance** is the system of policy implementation.

Encompassing all three, Good Governance defines the processes and structures that guide political and socio-economic relationships.

Good Governance requires participation, transparency and accountability. It is also effective and equitable. It promotes the rule of law.

Good Governance ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources.

Good Governance encompasses the state, but it transcends the state by including the Private Sector and Civil Society Organisations.

The **State** here is defined to include political and public sector institutions.

The **Private Sector** covers private enterprises (manufacturing, trade, banking, cooperatives etc.) and the informal sector in the marketplace.

The **Civil Society** lies between the individual and the State and comprises individuals and groups (organised and unorganised) interacting socially, politically and economically. It is regulated by formal and informal rules and laws.

Civil Society Organisations are the host of associations around which society voluntarily organises. They include Trade Unions; Non-governmental Organisations; gender; language; cultural and religious groups; charities; business associations; social and sports clubs; cooperatives and community

development organisations, environmental groups; professional associations; academic and policy institutions and media outlets. Political Parties are also included, although they move between the civil society and the state if they are represented in Parliament.

### Good Governance and Sustainable Development: The Link

Good Governance and Sustainable Development are intimately tied together. If Sustainable Development is about designing effective, integrated

*"Good Governance and Sustainable Development are intimately tied together. If Sustainable Development is about designing effective, integrated policies to meet economic, environmental and social goals, then this will imply the involvement of several governmental and non-governmental actors to carefully and effectively design and coordinate and implement sustainable development policies..."*

policies to meet economic, environmental and social goals, then this will imply the involvement of several governmental and non-governmental actors to carefully and effectively design and coordinate and implement sustainable development policies. In other words, effective sustainable governance at all levels should be the key to the realisation of the goals of sustainable development.

### Economic Development

African States are making efforts towards accelerating economic growth. The limited financial resources obliges countries to open up to foreign investors, whose investments create the industries that transform natural resources to finished goods. The present move towards Privatisation of state-owned enterprises is aimed at efficiently carrying out production and distribution of goods and services.

While this remains a legitimate development goal, the privatisation process is often neither transparent nor accountable. It is also not participatory as the population affected are not consulted so that decisions taken do not compromise the needs of their future generations.

The growth of the private and the informal sector is slowed down by unrealistic fiscal policies that impose heavy taxes. Corrupt bureaucratic

hurdles disturb the registration of companies as well as their productive activities. Infrastructural development like roads, ports, communications are insufficient to accompany economic development. It is common to see parts of buildings collapse, bridges fall and roads depreciate not long after they are constructed.

Agriculture still remains the forgotten child of most African economies as the activities of mostly rural farmers receive little assistance from the state. The positive miraculous effects of a dynamic tourism industry on the economic growth still have to be recognised.

In countries where there are significant improvements in economic growth, the fruits are inequitably distributed among all levels of the social structure.

### Social Development

For people to live comfortably, they need schools, hospitals, markets etc. It is sad to note that in many African countries, decision makers give little consideration to projects that aim at facilitating the people's access to education, healthcare and jobs. It is common to see states bathing in infrastructural opulence while most of the population remains poor, sick, undernourished and illiterate. Women are relegated to the background in every domain of activity. Most educated Africans migrate to richer countries and this constitutes a major setback to African development.

### Environmental Development

Development is fuelled by natural resources. While some of these natural resources remain abundant, their quantities dwindle quickly when their exploitation is not regulated or orderly in a country's crazy drive for development. Wreck less timber exploitation, mining of mineral resources, and animal poaching all cause immeasurable environmental hazards like pollution, drought, energy shortages, animal extinction and induced seismic activity. These all seriously compromise the ability of future generations to meet their needs.

Each domain of Governance: the State, the Private Sector, the Civil Society, has a role to play and must be designed to promote and contribute to sustainable development by establishing the political, legal, economic and social circumstances for poverty reduction, job creation, environmental protection and the advancement of women.

### The Role of the State in Promoting Sustainable Development

In every modern country, the State is the authority that manages public services and has the responsibility for creating an enabling environment for sustainable development. This means establishing and maintaining stable, effective and regulatory frameworks for public and private activity.

Turn to page 3



# Good Governance & Sustainable Development

Cont'd from page 2

### Public Services

The State should mediate interests for public good and provide effective and accountable public services in the absence of corruption. The State should ensure that Good Governance addresses the concerns and needs of the poorest by increasing the opportunities for people to seek, achieve and sustain the kind of life they aspire to.

### Poverty Eradication

The state should develop a national programme for sustainable development to promote the empowerment of people living in poverty. This program should reflect their priorities and enable them to increase access to productive resources, public services and institutions, like land, water, employment opportunities, credit, education and healthcare.

### Women Empowerment

The State should promote women's equal access to and full participation on the basis of equality with men, in decision-making at all levels, eliminating all forms of violence and discrimination against women, and improving the status, health and economic welfare of women and girls through full and equal access to economic opportunity.

### Health Services

The State should deliver basic health services for all and reduce environmental health threats taking into account the special needs of children thereby reducing infant and child mortality that still remains alarmingly high in most African countries. The capacity of health-care systems to deliver basic health services to all, should be strengthened in an efficient, accessible and affordable manner aimed at preventing, controlling and treating diseases.

Access to drugs for killer diseases like Malaria and HIV/AIDS should be facilitated at affordable costs.

The construction of health institutions in every community should remain a priority. This should be accompanied by the training of medical personnel. The provision of clean potable drinking water is also necessary to promote health and the environment.

### Education

The State should construct schools and ensure that children everywhere will be able to complete a full course of primary schooling and will have access to all levels of education. Courses that touch culture, human rights, environment, and computers should be added to classic subjects.

### Food

Agriculture plays a crucial role in addressing the needs of a growing population and is inextricably linked to poverty eradication. Sustainable agriculture and rural development are

essential to increasing food production and enhancing food security and food safety in an environmentally sustainable way. The declining trend in public finance for sustainable agriculture observed in many countries should be reversed. The state should not only provide appropriate technical and financial assistance but promote private sector investment and agricultural research. The state should also strive at increasing food availability and affordability by encouraging the adoption of recent harvest and food technology in agriculture as well as equitable and distribution systems. Farm

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to market roads should be constructed to facilitate the distribution of farm products. Agro pastoral shows should be organised regularly to encourage and reward creative farmers.

The quality of imported foodstuffs like birds, animals and fisheries should be regularly checked as their bad quality could have devastating effects on the health of consumers. A solution to this might be to support the sustainable development of aquaculture giving its growing importance for food security and economic development.

### Industrial Development

The state should strengthen the contribution of industrial development to poverty eradication and sustainable economic development.

The state should provide assistance and incentives to enhance entrepreneurial and industrial activity. Local, National and foreign investors should be encouraged through a soft fiscal policy. This will favour the growth of micro, small and medium-sized enterprises. Economic reforms will encourage growth in revenue and consumption. Industries should be made to locate in areas where their activity could be pertinent to local development.

### Energy

In African countries, sharp increases in energy services are required to improve the standards of living of populations. Most of these countries rely on hydroelectric power and Petroleum. States should provide support for the

development low-cost environmentally-friendly technologies like solar and wind energies as alternatives to dwindling hydroelectric and Petroleum sources of energy.

### Environment

The state should discontinue the abusive exploitation of timber, because this contributes to deforestation. Waste management systems should be developed, with highest priorities placed on waste prevention and minimisation, reuse and recycling, and environmentally sound disposal facilities, including technology to

recapture the energy contained in waste. The State should therefore encourage small-scale waste-recycling initiatives that support urban and rural waste management and provide income-generating opportunities. The State should enhance maritime safety and the protection of the marine environment from pollution.

**Decentralization**  
The state should decentralise political and economic systems to be more responsive to citizens' demands and to changing economic conditions.

**The Role of The Private Sector in Promoting Sustainable Development**

Alongside the State, the Private Sector contributes immensely to Sustainable Development. Wherever industries locate, they should bring along improvements in road networks, social amenities like housing, electricity, water, schools, hospitals, goods and services. The Private Sector is a big force for development and as such should act as a primary source of opportunities for productive employment.

It should provide enough income to improve living standards. In this era of economic globalisation, private sector is at the vanguard of development. Industries should seek to achieve their objective of making profits without jeopardising the development of the communities found in the areas in which they operate. The Private Sector's

contribution in terms of goods and services and revenue to the life of the country is an important aspect of the latter's sustainable social and economic development. The Private Sector should carry out projects that bring sustainable development to the areas round its location.

### The Role of the Civil Society in Promoting Sustainable Development

Civil Society Organisations should channel people's participation in economic and social activities and organise them into more powerful groups to influence public policies as well as gain access to public resources, especially for the poor. They should also provide checks and balances on government power and monitor social abuses. They should offer opportunities for people to develop their capacities and improve their standards of living - by monitoring the environment, assisting the disadvantaged, developing human resources, helping communication among business people and promoting best ethical and professional practices.

Civil Society networks can ease the dilemmas of collective action by institutionalising social interaction, reducing opportunism, fostering trust and making political and economic transactions easier.

### Conclusion

Strengthening the enabling environment for sustainable development depends not only on a State that governs well and a private sector that provides jobs that generate income. It also depends on civil society organisations that make political and social interaction easier and that mobilise society to participate in economic, social and political activities.

Because these domains of governance - state, private sector, civil society - have strengths and weaknesses, the pursuit of Good Governance requires greater interaction among the three to define the right balance among them for sustainable people centred development.

Relationships among government, civil society and the private sector are key determinants in whether a nation is able to create and sustain equitable opportunities for all its people. If a government does not function efficiently and effectively, scarce resources will be wasted. If it does not have legitimacy in the eyes of the people, it will not be able to achieve its goals or theirs. If it is unable to build national consensus around these objectives, no external assistance can help bring them about. If it is unable to foster a strong social fabric, the society risks disintegration and chaos.

Equally important, if people are not empowered to take responsibility for their own development within an enabling framework provided by government, development will not be sustainable.

# Développement Durable:

## Définitions, Conditions et Objectifs

[www.menv.gouv.qc.ca](http://www.menv.gouv.qc.ca)

Le concept de développement durable a été propagé par le rapport *Notre avenir* à tous de la *Commission des Nations Unies sur l'Environnement et le Développement (Rapport Brundtland)* en 1987. Cette formule, qui vise à réconcilier le développement économique et social, la protection de l'environnement et la conservation des ressources naturelles, a émergé graduellement entre 1970 et 1987.

Peu après l'apparition du concept de *Croissance Zéro* avancé par le Club de Rome en 1970, la Conférence de Stockholm de 1972 sur l'environnement humain a amené les Nations Unies à élaborer un modèle de développement respectueux de l'environnement et de la gestion efficace des ressources naturelles. L'expression « développement durable » a été proposée pour la première fois en 1980 dans la Stratégie Mondiale de la Conservation publiée par l'Union Internationale pour la Conservation de la Nature (UICN), devenue depuis l'Union Mondiale pour la Nature, le Fonds Mondial pour la Nature (WWF) et le Programme des Nations Unies pour l'Environnement (PNUE). Le *Rapport Brundtland* définit ainsi le développement durable : « *Un développement qui répond aux besoins du présent sans compromettre la capacité des générations futures de répondre aux leurs.* »

En 1991, la nouvelle stratégie de conservation de la nature publiée par l'UICN, le WWF et le PNUE définit le développement durable comme : *le fait d'améliorer les conditions d'existence des communautés humaines, tout en restant dans les limites de la capacité de charge des écosystèmes.*

De nombreuses autres définitions « opérationnelles » du développement durable ont été proposées depuis, mais aucune ne peut satisfaire simultanément les besoins légitimes de tous les individus, des peuples, des entreprises ou des organisations qui cherchent à la mettre en application, l'intégration en un tout opérationnel des dimensions sociales, économiques et environnementales du développement reste toujours le fondement pour l'atteinte d'un

développement qui est durable.

### Conditions nécessaires au développement durable

Nous avons longtemps considéré que l'ingéniosité humaine et la technologie pourraient pallier le manque de ressources et de matières premières, et remédier à la production de déchets et à la

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pollution de l'environnement. Au cours des années 1960 et 1970, la communauté internationale a réalisé que les systèmes actuels de production et d'utilisation des ressources entraînent des externalités sociales et écologiques indésirables. La majorité des chercheurs soutiennent que l'écosystème planétaire possède une capacité limitée d'absorber les déchets et de régénérer les ressources renouvelables. Une production et une consommation sans cesse croissantes entraînent une importante détérioration des systèmes naturels. Il est douteux que les technologies puissent à elles seules réduire entièrement les effets écologiques néfastes de la consommation effrénée de besoins de ressources.

L'atteinte du développement durable présuppose qu'un certain nombre de conditions soient respectées. Parmi celles proposées par de nombreux chercheurs, le Conseil Canadien des Ministres de l'Environnement a retenu les suivantes :

- le rythme d'utilisation des ressources naturelles renouvelables n'excède pas celui de leur régénération ;
- le rythme d'épuisement des

ressources non renouvelables ne dépasse pas le rythme de développement de substituts renouvelables ;

- la quantité de pollution et de déchets ne dépasse pas celle que peut absorber l'environnement.

Or, nos sociétés modernes éprouvent de grandes difficultés à respecter l'une ou l'autre de ces

conditions, et leur respect simultané est encore plus problématique. Nous devons donc apprendre à vivre en tenant compte des limites du milieu physique et biologique en tant que pourvoyeur de matières premières et receptacle des déchets.

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### Objectifs du développement durable

Le développement durable vise trois objectifs : l'intégrité écologique, l'équité entre les nations, les individus et les générations, et l'efficacité économique. La mise en œuvre de ces trois objectifs s'appuie sur un certain nombre de mesures dont l'énoncé nous aide à mieux saisir l'ampleur de défi qu'ils représentent.

***Maintenir l'intégrité de l'environnement***, c'est-à-dire intégrer, dans l'ensemble des actions des communautés humaines, la préoccupation du maintien de la vitalité et de la diversité des gènes, des espèces et de l'ensemble des écosystèmes naturels terrestres et aquatiques, et ce, notamment, par des mesures de protection de la qualité de l'environnement, par la restauration, l'aménagement et le maintien des habitats essentiels aux espèces ainsi que par une gestion durable de l'utilisation des populations animales et végétales exploitées.

***Améliorer l'équité sociale***, c'est-à-dire permettre la satisfaction des besoins des essentiels des communautés humaines présentes et futures et l'amélioration de la qualité de vie, et ce, notamment, par l'accès à l'emploi, à l'éducation, aux soins médicaux et aux services sociaux, à un logement de qualité, ainsi que par le respect des droits et des libertés de la personne, et par la participation, pour l'ensemble des groupes de la société, aux différents processus de prise de décision.

***Améliorer l'efficacité économique***, c'est-à-dire favoriser une gestion optimale des ressources humaines, naturelles et financières, afin de permettre la satisfaction des besoins des communautés humaines, et ce, notamment, par la responsabilisation des entreprises et des consommateurs au regard des biens et des services qu'ils produisent et utilisent ainsi que par l'adoption de politiques gouvernementales appropriées (principe du pollueur/utilisateur payeur, internalisation des coûts environnementaux et sociaux, éco-fiscalité, etc).

Le défi de la mise en œuvre du développement durable consiste donc à faire en sorte que dans nos comportements, nos actions, nos politiques, nos programmes, nos lois et nos règlements, bref, dans l'ensemble de nos interventions comme citoyen, groupe d'intérêt, entreprise, gouvernement, nous visions l'atteinte simultanée et équilibrée de ces trois objectifs fondamentaux.

# The New Challenges for Sustainable Development in Africa



By *Berry Kodjo Afanvi*  
GNGG Convenor, Togo

Creating wealth, generating growth, alleviating poverty, fighting HIV/AIDS and other deadly diseases, building peace and stability and fighting corruption and the waste of public resources, respecting human rights and good governance norms are among other things the main challenges for Africa's development.

Since its independence up to now, Africa's plights have been deepening continually and several initiatives and efforts taken so far at helping the continent out of its everlasting quagmire, have been unsuccessful.

Telling African people today that their countries are not managed according to the norms and principles of good governance and the rule of law may not be a new statement. But what seems more interesting may be to stress on the negative effects that bad or poor governance is having on the development process of the continent and the daily life of its people.

When you take the public sector, good governance is about how public resources and services are managed and how decisions are taken and implemented. Good governance is also about how financial, as well as material resources belonging to the state are spent by government officials, from the head of state to his ministers including various clerks working within the different departments of public administration. Good governance is about how contracts are awarded to companies working for the public sector, especially consultants, entrepreneurs in the construction business, the oil and mine sectors, etc. In countries such as Nigeria, Chad and the Democratic Republic of Congo, the abundance of natural resources such as oil, gold or diamond instead of being a development factor has rather become a source of impoverishment and endless conflicts.

In most of African countries, there is no control mechanism of how public resources are managed or utilised. The disbursement of cash from the treasury is let to the free will of the leaders in power and when laws and regulations exist;

their enforcement is not effective if not partisan. Financial policies and procedures are not transparent. And the exploitation of underground resources never benefit to the community.

It must be recalled that accountability is very important to assure progress. The fair, transparent and responsible

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management of services and resources is the only way to create wealth, sustain development and share prosperity.

Good development policy is about building infrastructures (roads, airports, ports, housing, water and energy supply facilities, telephone and communication systems, etc), easing circulation of people and goods (open market access, encourage competition and support entrepreneurship) investing in human resources capacity building (massive education, professional training, etc), improving the health system (reduction of mortality rates, fight against endemic diseases, increase access to health facilities, etc), fighting hunger by supporting and investing in agriculture development and the protection of the environment, insure access to information technology and the internet, etc.

People-centred policies, good management, accountability, transparency, the existence of effective regulations and control mechanisms, this is what good governance is all about.

A government cannot have a good

policy if it is not accountable to its people and other control bodies set up by the law.

Good governance in public as well as private affairs needs a system of check and balance whereas the decision making bodies are separated from the management machinery as well as the assessment and auditing institutions.

Corruption and mismanagement of resources cannot be effectively investigated and appropriately fought if there is no transparent system that guarantees that perpetrators of economic crimes will be punished and that victims of corruption cases will be redressed.

In the past five years or so, most of African governments established anticorruption commissions to deal with the numberless corruption and mismanagement cases involving mainly public officials and some private business networks. Many government professed a "Zero Tolerance" policy toward corruption practices. In spite of some relative progress achieved here and there, the system didn't work in most cases simply because of severe deficits in terms of governance. The lack of effective investigation and law enforcement mechanisms weakened the efforts made by authorities to tackle corruption problems.

In Ghana and Togo for example (and I am sure it is the same in most African countries, except South Africa), most of corruption

allegations are reported only in the media and there is no proper mechanism to ensure that effective investigations and actions will be taken to bring suspects to face the law. Some corruption networks are so strong that the law cannot stand in front of them.

Usually it is only when the suspects are for example serious political opponents that the government acts with zeal, giving to public opinion strong reasons to believe in witch hunt strategies.

All this indicates that the fight against corruption needs a corporate, transparent and very focused action involving the government, international as well as regional organisations, national as well as local NGOs, civil society groups and activists, the police services, the judiciary, public as well as private legal practitioners, the media, private business corporations such banks and other financial institutions to allow proper investigation of corruption cases and bring these to public notice and inflict proper punishment.

Africa's development perspective is at this price and there is no need to turn around with new theories, plans and initiatives.

Africa is in its majority today a continent synonym with leaders more eager to give verbal lessons to their people, suppress liberties and jail opponents and other critic voices such as journalists and human rights activists instead of implementing genuine development policies and actions, building infrastructures, creating jobs and improving the economy.

NEPAD for example sets up a *Peer Review Mechanism* to allow African countries to assess each other's progress in the domain of democratic reforms, good governance, the rule of law and the fight against corruption. As a whole the *Peer Review Mechanism* subscribed by only five countries, Ethiopia, Ghana, Nigeria, South Africa and Uganda is hardly working. Apart from Ghana and South Africa where the mechanism seems to be relatively working, it has practically failed in places such as Nigeria, Ethiopia and Uganda.

Turn to page 6



# The New Challenges for Sustainable Development

Cont'd from page 5

In spite of the good initiatives taken by the Nigerian government in fighting corruption these last five years, Nigeria, one of the most corrupt and volatile countries in the world still have to prove to Africa and the international community its irrevocable commitment to democracy, the rule of law and good governance.

The Nigerian president Olusegun Obasanjo, one of the Founding fathers of the NEPAD is hardly questioned at home on his suspect silence regarding his intention to amend Nigeria's constitution to run for a third term in 2007 shading the good and respected image as well as the unique role that this country is supposed to play in African politics.

The situation in Ethiopia is quite worrying. Since the June 2005 controversial general elections which results are still contested by the opposition, Prime Minister Melet Zenawi and his government have put in jail hundreds of political opposition members and several journalists on allegations of terrorism and call for public unrest. Uganda, formerly cheered and cherished by western powers for its good governance and successful economic reforms is failing at its political governance exam with the open un-readiness of President Yoweri Museveni to embark his country on the journey of multiparty democracy.

Uganda used to be quoted as a good example in terms of economic management in Africa. At least this country is the mere case of successful economic reforms on the continent. But does it make any sense to be praised for good economic governance if this goes along with poor political governance?

What does it mean to have good economic indicators, if all the wealth only benefits to some few, to those enjoying personal relationships with government officials and their relatives? And how can corruption cases be properly dealt with if those governing the land are above the law and cannot be questioned or sued for their wrong doings?

## development

The question about the relation between development and democracy, human rights, the effective respect of the rule of law and good governance has gained very important significance within policy and decision makers, international organisations, civil

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society groups and public opinion in our time.

The ultimate necessity of backing good development policies with good governance practices to ensure that the outputs of development benefit to the people is what I have tried to underline in this lines.

The matter of the fact is that it has become evident these days that the flow of foreign aids, transfer of technology, debt relief are insufficient ingredients to help toward improving the living conditions of poor countries and trigger the necessary energies and incentives needed for socio-economic progress.

Development is a very endogenous and self-reliant process. Foreign aid, debt relief and massive investment can support it; however in an atmosphere of political and social instability and where people seem to be excluded from the game, any external initiative may turn to nought. People are the ultimate goal of development and the only way to achieve genuine development is to

guarantee people's participation to its process.

Development is for the people and its basic goals and processes should be defined, agreed upon and implemented by the people and for the people. This can be achieved only if democratic and good governance principles are accepted and effectively observed.

The state as a governing body is a very important factor in the development process; however it behoves to the people themselves to define what they think are their priority needs and chose who they believe can best represent them and work for the common good.

This new perspective of rethinking development questions emerged with the end of the Cold war in the 1990s and the prospects of the globalisation and liberalisation of world economy.

In fact the fall of the Berlin Wall in November 1989 and the reunification of Germany while hastening the downfall of totalitarian regimes in Eastern Europe and the former Soviet Union has furthered the opening up of formerly closed nations to democratic and liberal values.

Since then the necessity of operating and speeding up political and economic reforms by introducing the rule of law and new systems of management of public as well as private affairs appeared to

be the sine qua non conditions to any social and economic development policy and the only way to achieve and sustain peace, stability and prosperity around the world.

Whether in Eastern Europe, the former Soviet empire, Africa, Latin America, Asia or the Arab world, the imperative of establishing democratic states based on the principles of the rule of law, good governance, the respect of human rights and free and open market appears as the most significant fact marking the triumph of the growing universal desire of people to assume their basic responsibility as the main actors and goals of any development policy by participating fully in the decision making processes as well as the management of various sectors of activity that affect their life.

Today all seem to signify that democracy, the rule of law and good governance are universal requirements for a true and genuine development and that no nation can pretend to spare itself from this line.

The international community seems unanimous on this point. Whether for the United Nations, regional as well as sub-regional organisations such as the EU, AU, ECOWAS, SADC, etc. the daunting challenges of today (poverty, hunger, war, natural disasters, the spread of deadly diseases, etc.) cannot be appropriately dealt with unless all the nations of the world adopt the principles of the rule of law and good governance in the management of human affairs.

It is not a matter of rhetoric; it is a question real commitment and effective political will to insure that at last poorly managed countries take the opportunity to effectively and appropriately used all the resources, human, financial, material, infrastructural and structural that exist today to foster development and spread prosperity within society.

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# Political Will & Sustainable Development



*Political Will remains a particular challenge for developing countries today. Though often invoked as a concept, political will refers to the desire and determination of political actors to introduce as well as embark on reforms that will bring significant and persistent changes in the society. It is difficult if not impossible to divorce political will from sustainable development.* **By Stephen Nkem Asek**

The Brunt land Commission in its 1987 report "Our Common Future" defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their needs". Political will is the steer that is needed to turn the wheels of developmental reforms that do not only meet present needs but also secures the capacity of future generations to meet their own needs.

Political will in developing countries rest in the hands of the government and ruling political parties. As a result therefore, a lot of incentives have been offered by international organisations to tilt political commitment in the direction of realising both the present and future needs of developing countries. However the political commitment of most governments today still hover around-exploit the little you have today for the brief time you have it, because that is the only way you can feed your self and your family today. Tomorrow, the next generation, the planet-they must look after themselves.

Sustainable development cannot survive on this conception. Even with all the necessary economic assistance, sustainable development will be a charade if political actors continue to operate on this paradigm of development.

For example, a political leader who wields great power may decide to construct a hospital in region "X" instead of making the people understand that it is his duty to do so, he makes it seem as though it were a favour he was doing, even when he completes the "favor project" its durability is only short lived. He does not bear it in mind that the people concerned pay their taxes and other revenue owed to the government for it to be able to carry out meaningful and sustainable projects. The development of civilized societies is in no way perceived as a favor from their home government. It is an obligation, which is an expression of the deep-rooted love for the homeland and they that live therein. If power wielders do not make an effort to change the conception of development in their societies, they will be contributing in slowing down the efforts of sustainable development. Political will is the central energy that can encourage meaningful development in developing countries. Therefore investment in political will should be of major concern to industrializing societies today. Developing countries do not develop not

necessarily because they lack the resources for development but because the orientation of political will is not habituated towards sustainable development for all, irrespective of region, culture and political attachment. This is to say that most of the development projects undertaking by

***"Political will that centers on nationwide sustainable development is first genuine and does not serve regional, cultural, religious or linguistic interests. Politicians and policy makers have to understand that every decision they make has systemic repercussion. There will always be consequences, negative ones of course, when policies are made to disadvantage other minorities in the society."***

governments and other civil actors are not sustainable. Things are done to temporarily satisfy specific groups and interests.

Political will that centers on nationwide sustainable development is first genuine and does not serve regional, cultural, religious or linguistic interests. Politicians and policy makers have to understand that every decision they make has systemic repercussion. There will always be consequences, negative ones of course, when policies are made to disadvantage other minorities in the society. But the truth stands till this day that; whatever a political actor sows in the fields of developing countries he/she hall reap it when it has fully matured. Developing societies particularly Africa can develop, what Africa needs for its development are true sons, people who see themselves as Africans and not as citizens of Africa. Africa's hope are not the loans and dept cancellation schemes of Advanced Nations that our leaders should be scrambling for. Africa's hope is that someday Africans will harness their God given material and human resources with all sincerity and like-mindedness for a glorious development of each component that makes up Africa.

Sensible, collective and judicious use of what we have from within the continent

and the Diasporas will restore hope to the African population. We are our own hope and future. Loans, even their cancellation cannot solve our problems. Leaders simple have to carry out projects that are sustainable. It is hard for political actors to sow in that which is not sustainable and reap that which is

sustainable.

Have African governments ever asked themselves why the United Kingdom, the United States, France, Japan and Germany do not ask for loans and debt cancellation from the IMF? Have they quickly forgotten that it is the structural adjustment and privatisation of young economies that has climax the poverty level of developing countries today? Why is the West "getting on" even with the capitalist model of free enterprise?

- The answers are:
- They have understood the political and economic stability that are harvested from sustainable development actions.
  - They go for the best human and material resources so as to realize the best results in the economic social and political sectors.
  - They embark on projects that have long-term capacities and which are useful and productive for the society.
  - They ensure that the projects they indulge in are able to sustain themselves without necessarily burdening taxpayers to raise money for subsidy and subventions.
  - They take serious precautions to make certain that the projects they agree to do will also benefit future generation.
  - The existence of their projects is linked to it ability to sustain the community both in the short and long-term periods.
  - They minimize any possibility of

development projects being motivated by political interest. Lastly, they do nothing without giving the future a careful thought. The missing ingredient in development policies in developing countries is sustainability. And who are those to take responsibility to ensure this? I will tell you again that it is our leaders.

When the leaders are bad and narrow-minded, policies will be poorly made and loans will be defectively managed, as was the case in Zaire under the dictatorship of Mobutu. When the leaders have no genuine political desire to equally distribute socio-economic and political advantages, they create artificial difficulties in the live of the population. Political will that is selfish, egocentric, myopic parochial and careless of the feelings and future of others is a serious antithesis to any fundamental initiative towards sustainable development. Such a political will can:

- Stop the flow of capital investment in a particular region.
  - Kill industries and drain financial institutions.
  - Hinder the development of rural areas that have the potential to become cities.
  - Tighten reforms and waste resources.
  - Frustrate the ability of societies to cope with the challenges of the future.
  - Provoke civil strife and genocides.
  - Make it difficult to envisage democratisation.
- On the contrary, when political desire looks at the future and shows no bias in the redistribution of national benefits, it becomes a sufficient condition for sustainable development. Without political will it will be difficult to tell how the future will look like for developing countries. This is the epoch to choose leaders putting aside sentiments and cultural ties.

For Carlos Nerves, immediate action has to be taken to ensure that government is manned by people with expertise and desire for development rather than individuals who think purely on electoral lines. As for Alhaji Yahya, there are "people" who will do any thing to be "somebody" even at the country's expense. Therefore the way forward towards development is in the educational and health sectors-because an ignorant nation cannot survive and a sick nation can never hope to develop in this millennium. Our basic problems stems from ignorance and an absence of political desire to induce development. If you want to develop Africa and get rid of

*By Stephen Nkem Asek*



# Political Will & Sustainable Development

Cont'd from page 7

unnecessary conflicts you have to educate and heal both the people and their leaders so that they can take the lead in their own development and sustain them.

Take the case of Papua New Guinea for example; in the 1990s this small country was suffering from severe economic crises so much so that the government refused to increase its investment in essential programs like education and health. Its response was that it did not have enough revenue to increase investment in this sector. But the same government turned around and expanded its ministries; it had about 28 ministries and 14 vice ministers. This posed as a tremendous weakness in its political and economic system. The additional burden to run the newly created ministries was placed on taxpayers consequently slowing down PNG's economic recovery.

This is not just a flaw in PNG's Political system alone as the flaw is traceable in other ACP countries like Cameroon that is witnessing a yearly expansion in ministries without a corresponding increase in economic growth or standard of living. To attain the MDGs by 2015 and to reach the HIPC completion point there is a crucial need for governments and political party leaders to pay close attention to the direction in which their political will is being influenced. In Cameroon, there are many actions that could be taken by governments to solve the problem of unemployment and poverty but government's will is under constant influence, which cut across ethnic and political sentiments. If we feel the truth and we desire to change we will adjust our lifestyles and move them from a mentality based on possession to a mentality based on necessity. For others to take their fill before we all refill again.

Other small actions that can be taken at present like, reducing the number of police and gendarme checkpoints on our high ways, using the tariffs road users pay to maintain and repair our roads, especially as they assist in our economic growth is not taken seriously. Our roads are really reflecting the state of our economy. When roads are bad economic performance will be poor. The coordination of our

development efforts will go a long way to assist in solving part of the crime, prostitution, corruption, embezzlement and poverty problems. Any nation can function effectively when the government wants it to. Lets break from the bondage of *-exploit the little you have for the brief time you have it-*

With the omission of genuine political will it will be impossible

**"If our policy makers can prioritise our development needs objectively, putting aside other sentiments there will be enough for every Cameroonian in the long term."**

for government to move forward in a very positive way. Lets take Cameroon once more as an example, This country has been benefiting from loans and grants from French, British, Chinese Japanese, and Brazilian partners but the population is yet to feel the presence of these loans and grants considering that the poverty level of the population is not changing. The same applies for European Union and its counterpart's funds, which are intended to finance development projects. One is tempted to ask if this money was given to increase the money supply in the Central Bank or to assist in swelling up prices of basic commodities?

Cameroonians are suffering from unemployment and poverty when studies have revealed that Cameroon can be industrialized as a tourist destination. The revenue that could be collected from this sector can significantly contribute in the development of other sectors. But at present this is utterly disregarded. The Dja Reserve that has the potential to become the jewel in the

crown of Cameroon's eco-tourism is in danger because of insufficient monitoring and constant killing of wildlife by poachers. No real political commitment on the part of the Ministry of Environment and Forestry to either fortify monitoring, control or preserve the reserve. And the Dja has a natural potential which justifies its status as a biosphere reserve and a world heritage site.

According to the Global Forest Watch, wide spread corruption, disregard for forest exploitation rules by logging companies, illegal declarations and felling of timber accounts for the loss of significant revenue by the state. The rate at which Cameroon's forest is being exploited threatens the ability of future generation to benefit from the forest for their own development

Meanwhile the authorities continue to be obdurate to invest political will for sustainable development. It should be noted that if there ever exist an opportunity on the part of the power wielders to harness our natural and human resources the government will be able to achieve the millennium development goals by 2015. Cameroonians are lagging behind because government and political leaders are not serious about giving sustainability a priority in their policy making.

If our policy makers can prioritise our development needs objectively, putting aside other sentiments there

will be enough for every Cameroonian in the long term. We have infrastructures, (like Garoua airport), which were constructed but are less effective because of the low rate of traffic they receive per week. Government is going into state coffers to maintain and run a project that cannot sustain itself. Why construct airports or infrastructures, which cannot sustain their running cost. Instead the government could have used the money to renovate other infrastructures (like the Douala airport) that generates revenue for the state and can sustain itself. Things are not happening because most of our projects are politically motivated, personal and other priorities are placed before national priority. The challenge is not just for the authorities to address impediments to sustainable development but to ensure that effective policies are developed and transformed into possible realities for the present and future good of all Cameroonians.

The acid test for the government's contribution towards sustainable development will be two folds; its vision to invest political will in the governance system and in giving sustainability a place in any of its development plans.

As Klaus Toepfer says "we need concrete actions, concrete timetables and an iron will". Hence, he once said "I am driven by the hundred per cent conviction that unless we change the structures and the situations we have today, we shall pay an enormous price tomorrow" true political will for sustainable development can create a miracle of economic independence in the long run for developing countries and also in achieving the Millennium Development Goals by 2015, without which it will be difficult to tell how the future will look like for developing nations.

*Any meaningful advancement towards sustainable development in D.C depends on the political desire of the home government and other political actors like political parties and civil society organisations to introduce as well as give it a priority concern.*



# Sustainable Development & Environmental Protection

By Emmanuel Achiri Nyindem  
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General public concern world wide on the degradation of the environment through rapid industrialization in the developed countries in the 1970s brought government together to seek out a response to the issues raised. Less attention by industry was given to the adverse impact their activities were causing on the environment.

It is a well-known fact that every industrial activity in a large or small scale produces bi-products, which are either non-reusable and carelessly neglected and abandoned. Such practices are no longer condoned because it has been scientifically and socially proven that these wastes solid, liquid, gases have accumulated overtime to the detriment of the environment. The air was becoming heavily polluted causing lakes to die through acid rain; oil spills and effluent discharges polluted the oceans and rivers; toxic chemicals were left to contaminate the soil causing health and safety effects to humans and forests were continuously destroyed and damaged. Globally, there exist a framework for response to the ecological crisis. Pollution protocols and guidelines have been realized and executed in developed and some developing nations in order to achieve sustainability.

Environmental sustainability by industries was not a priority in developing countries until the Historic RIO Earth Summit in 1992 that established the role of industries as a partner in sustainable development. It is thus, the responsibility of the Governments of developed and developing countries to provide a framework by which industries can achieve this sustainable development through Laws, Legislation and Regulation Standards involved with the Protection of the Environment. Sound environmental Management is critical to sustainable development and as a consequence to poverty reduction. Growth will be short-lived if we do not conserve the natural environment and its resources. Environment agenda has evolved from impact mitigation to impact prevention.

Growing environmental concerns, coupled with public pressure and

stricter regulations, are changing the way people do business across the world. Industries are on a three-stage journey from environmental compliance, through environmental risk management, to long-term sustainable development strategies.

Sustainable Development is a natural extension of many corporate environmental policies which means adopting strategies and activities that meet the needs of the enterprise and its stake holders today while protecting, sustaining

healthy environment means clean air, unpolluted water and healthy soil, which are necessary for the survival of the future generations.

***"It is a well-known fact that every industrial activity in a large or small scale produces bi-products, which are either non-reusable and carelessly neglected and abandoned. Such practices are no longer condoned because it has been scientifically and socially proven that these wastes solid, liquid, gases have accumulated overtime to the detriment of the environment. The air was becoming heavily polluted causing lakes to die through acid rain; oil spills and effluent discharges polluted the oceans and rivers; toxic chemicals were left to contaminate the soil causing health and safety effects to humans and forests were continuously destroyed and damaged. Globally, there exist a framework for response to the ecological crisis. Pollution protocols and guidelines have been realized and executed in developed and some developing nations in order to achieve sustainability."***

-The initial phase of the journey, the need to comply with environmental regulations drives improvements in environmental performance.

-The next phase; environmental risk management is introduced, to reduced environmental liabilities and to minimize the costs of regulatory compliance

-The last phase; business strategies for sustainable development is to seek win-win situations that can achieve environmental quality, increase wealth, and enhance competitive advantage.

and enhancing the human and natural resources that will be needed in the future.

### HOW DOES ENVIRONMENTAL PROTECTION HELP PROMOTE SUSTAINABLE DEVELOPMENT

How environmental protection has helped to promote sustainable development

-By protecting the environment we support sustainable development. A

-The preservation of natural resources supports sustainability. Many environmental concepts like Reuse and Recycling allow us to save natural resources for future generations.eg the recycling of paper will lead in the reduction of more wood use in the paper pulp industries there by preserving the natural resource in the reduction of the number of trees fell needed in the production of the different types of paper.

-Environmental training and education support sustainable development. While working to protect the environment we learn more about the world around us and improve our ability to identify solutions for sustainable development.

How ever, Environment is just one of the components embedded in the concept of sustainable development. Society and economy are equally important. Although it is necessary to protect the environment it is not always sufficient, since a healthy environment does not necessary mean a prosperous society or a healthy economy.

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# The African Diaspora and Wealth Creation



By David Nkeng

According to Oxford Advanced Learner's Dictionary (6th edition), Diaspora is "the movement of Jewish people away from their own country to live and work in other countries." But here, we are not talking about Jews. We are talking about those people who live very far from their fatherlands. In fact, we are referring to the movement of people from any nation or group away from their own countries. The question that immediately comes to the fore is what is their contribution in the acquisition and accumulation of wealth back home?

Forced migration (slave trade) caused millions of young and able bodied men, women and children of Africa to work in plantations in the Americas. Post-World War Two migrations saw millions of Africans leave for the Developed World in search of education and better jobs. This notwithstanding, Africa and its people living outside the continent remain united through blood ties, cultural affinity and shared history, and to some extent, a common destiny.

*"The Diaspora has been very active in spurring up private local investments. By sending money and goods to their relatives, friends or partners back home, they have made it possible for small and medium-size enterprises to be set up and to create incomes and employment thereby enhancing individual efforts to realise sustainable development initiatives."*

Today, there is no doubt that Africans living in the Diaspora have made tremendous efforts and/or contributions to the development of their home countries, thereby enhancing the acquisition and accumulation of wealth. Economic reforms preformed in many African States this past decade have created a suitable environment for private local and foreign investment. Hence the private and the informal sectors are to day booming in most of this countries. However this positive trend is slowed that by the lack of

capital due to Poverty. For this reason foreign investors are having a greater share in the privatisation process going on.

Nobody will deny the fact that most foreign investors are inspired and directed by Africans living in the Diaspora. The fallouts of these investments are largely encouraging so much so that they cannot be overlooked. The case of Cameroon is a glaring example.

The Diaspora has been very active in spurring up private local investments.

By sending money and goods to their relatives, friends or partners back home, they have made it possible for small and medium-size enterprises to be set up and to create incomes and employment thereby enhancing individual efforts to realise sustainable development initiatives.

This situation can be observed in every other developing country. There have been several instances where groups of persons coming from the same village or school put together financial resources to finance development projects back home. Such financial input has created a favourable environment for wealth creation.

It is worth mentioning that the socio-political climate of a nation should be conducive, enabling those people living in the Diaspora carry out activities that could generate and develop wealth. Thanks to their contributions to poverty eradication and/or wealth creation, The development of Africa depends, in no small way, on her hardworking sons and daughters living in the Diaspora.

# The Media & Sustainable Development



By Ruth Samba

The word *development* is as old as time and has been reoccurring as far as life is concerned. Man has always looked forward to developing the world to suit his ever-growing desires and needs.

Traditionally, throughout in the 1960s, Development was measured by such early quantifiable indices as the area and per capita income; it was clear by the 1970s that the strategy had not worked. It was criticised for its ethnocentrism, its unilateral view of history and it's over concentration only on endogenous factors of Development (Dissanayake 1981)

It is almost senseless in contemporary practice and academia to measure Development using such minor indices. For any action to be classified as Development, it must be sustainable.

One of the greatest problem man is facing is how to reconcile the realities of Development activities with the future and the environment not being destroyed - towards sustainability.

The Brundtland Commission (1987) is credited for popularising the concept of Sustainable Development through its report, which stressed the need for 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. The report further explain Sustainable Development as 'a

*"An efficient use of the mass media for economic and social development implies that they should be as local as possible, their programmes should originate no further than necessary from their audience, the programmes should be prepared by persons who understand the culture to which they are speaking and means should be available for the audience to report back to the media."*

process in which exploitation of resources, the direction of investment, the reorientation of technology, development and institutional change are all in harmony and enhance both current and future potentials to meet human needs and aspirations' (W.C.E.D, 1987:43). Though this definition had come under severe scrutiny, its theoretical rigour is undisputed.

### THE MEDIA AND SUSTAINABLE DEVELOPMENT

The role of Communication in Development has frequently come under scrutiny by scholars and it has been realised that communication plays a vital role in Development; development process must go 'hang in gloves' with communication. Dissanayake (1981) argues that it is only by comprehending fully the relationship between Development and Communication that we would be able to devise strategies to effect meaningful social changes.

'Development Communication' is the global contribution made by communication to the development of a society or at times as the utilisation of the Media to deal with development themes. It is the planned use of communication strategies and processes with view to development (Bessette 1995).

The employment of the media for the purpose of promoting development should therefore be undertaken with full attention paid to the old and new media as well as hybrid forms that are referred to as transitional communication.

Media messages have tremendous effects to its audience. Such messages call for quick mobilisation and the empowerment of the population. An efficient use of the mass media for economic and social development implies that they should be as local as possible, their programmes should originate no further than necessary from

their audience, the programmes should be prepared by persons who understand the culture to which they are speaking and means should be available for the audience to report back to the media.

The first requirement for Sustainable Development according to the World Commission on Environment is a political system that secures effective citizen participation in decision-making.

For Sustainable Development to be successful popular participation is absolutely essential; the greatest resource for development is the people themselves. In such a participatory process, the people, the illiterate poor that were formerly marginalized become initiators and not receiver of development ideas. That is there must be increased participation in decision making to reinforce community institutions and provide access to knowledge. The country must have an atmosphere of peace and stability and promoting social justice and democracy. When the media constantly create awareness, the development process is speedy and likely to succeed. Information activities, educational practices, communication using the media, all geared towards development must be linked together with community involvement and direct participation.



# How Corruption Affects A Nation's Sustainable Development



By Gwanpua Andin Joy  
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Advocates of *human-centered* sustainable development had devised several paradigms through which the phenomenon of development could be understood. Among others were outlined the eradication of poverty, equal distribution of wealth, decentralisation of powers, excellent use of natural resources for all, open governance and pure democracy in which total freedom of expression and action, and equal opportunities for all will be the order of the day. Corruption has made a mockery of these development goals eventually leaving a disastrous impact on nations' sustainability.

Misappropriation of state funds, embezzlement, nepotism/favouritism, reckless spending, shameful infrastructure developments, unemployment, poverty, and make-belief democracy, are all benchmarks of what havoc corruption is wreaking in the country. It is not surprising thus, to find hospitals, bridges, roads and schools in shambles, with an ever-increasing rate of unemployment, juvenile delinquency, illiteracy, death and general frustration in Africa, in the presence of rich natural resources. Members of the ruling elite own luxury cars worth over 50 million FCFA, when the majority of the populace are going sometimes for days without quality food or access to basic healthcare and education.

Seldom is government accountable for its expenditure: money for the ruling parties which come from parastatals through so-called "resource-persons" heading them is used as if it were personal wealth, because there is little or no control over state expenditure. As such, when one of these General Managers or Directors take 20 million FCFA for the upkeep of the ruling party, he takes a one hundred million for himself and indicates in the records that he had given 120 million FCFA to the ruling party. It is the same corruption that is giving a blow to Cameroon's development goals.

In 1999, the African Development Bank (ADB) proclaimed poverty reduction as an integral part of an environmentally and socially sustainable development. However, corruption is making this difficult, if not impossible, in the form of inequitable distribution of income, which contributes to poverty. Indeed, it is because of corruption that sustained unemployment and substance abuse exists, effectively wiping out the little development existing, (as people remain idle while the much needed human labour is wasted) and contributing to crimes, alcohol and substance waste. The glaring example is that of university graduates having a hard time to secure jobs, and getting into prestige government careers is mostly possible through corruption through bribery. In effect, these aspiring graduates can either sit in defeat, while all that was learnt in college gets seeped out, or go out into the streets and create

pressure groups which have been the breeding ground for discontent, hatred, and national strives, or as is becoming the case, "fall bush:, in order words, travelling abroad through any means, to seek for greener pastures. This is how Africa is draining its intellectual

Nigeria (2001) President Olusegun Obasanjo had remarked that public sector corruption was deferring much needed foreign investment in the country and worsening poverty in Africa. "The reckless indulgence of our public officials in bribery and extortion has not

***"Misappropriation of state funds, embezzlement, nepotism/favouritism, reckless spending, shameful infrastructure developments, unemployment, poverty, and make-belief democracy, are all benchmarks of what havoc corruption is wreaking in the country. It is not surprising thus, to find hospitals, bridges, roads and schools in shambles, with an ever-increasing rate of unemployment, juvenile delinquency, illiteracy, death and general frustration in Africa, in the presence of rich natural resources. Members of the ruling elite own luxury cars worth over 50 million FCFA, when the majority of the populace are going sometimes for days without quality food or access to basic healthcare and education."***

resources, because it has not been able to manage it properly. Little wonder the level of poverty (material, intellectual, and financial) determines how corrupt a government is.

The OECD appropriately asserts that corruption is fast becoming a tax on development, rather than a sort of informal and supplementary tax payable in developing countries. Also, in its summary report during a June 2000 Ministerial Conference on Development in Asia and the Pacific, the Economic and Social Commission for Asia and the Pacific stated that "Humanity's biggest challenge today is poverty reduction in a socially and environmentally acceptable manner. This challenge can be met if the political decision makers of the region are prepared to bring about changes in thinking, deciding and executing." And how best can this be achieved than through the eradication of corruption and introduction of responsible, accountable, and open governance?

As earlier mentioned, corruption has put severe pressure on nations' sustainability through unequal distribution of opportunities, embezzlement, bribery, and misuse of state funds that should have been used to combat poverty, create more job opportunities/equal services for all, and develop the areas of the nations' economy that needed change.

During a speech at the opening of the African Parliamentary Union in Abuja,

only robbed Africa of the much needed local and foreign investment, but has also attracted a reputation around the world." lamented the Nigerian Statesman.

He revealed how high levels of corruption bring down the income level in Sub-Saharan Africa. "In short, corruption has been a major cause of internal conflicts, wars of attrition, famine, etc, as competing interest groups contest for the control of scarce resources" he concluded.

With corruption putting a ban on freedom, coupled with over centralisation of powers, it becomes very difficult, if not impossible for the masses to take part in development initiatives, something that is very vital for sustainable development. Development cannot, and will never be attained through the efforts of a centralised power, as development advocates posit, the power wielded by the masses if the driving force needed to realise development objectives, since the issues to be battled mostly concerns them.

According to the 2004 survey by anti-corruption campaign group, Transparency International (TI), oil wealth is posing as breeding ground for corruption. The report estimated that billions of dollars are lost to bribery in public purchasing, citing the oil sector in many nations as a particular problem. Mr. Eigen of TI remarked that the 2004

Corruption Perception Index showed oil rich countries to be having extremely low scores. He added that in oil rich countries like Nigeria, Burma, Haiti, Paraguay and Chad, revenues vanishing into the pockets of western oil executives, middlemen and local officials, plague the oil sector.

Mr. Eigen prophesied that reconstruction of nations' economies would be wrecked by wasteful diversion of resources to corrupt elites, unless strict anti-bribery measures are taken. He therefore opined that oil companies could help end corruption by making public details of the payments made to government and state-controlled oil companies.

Infact, even the environment is suffering from the onslaught of corruption. When government funds are misappropriated through unexplained delays in executing official duties, such as road/bridge maintenance and general reconstruction projects, the environment is harmed, and the management of the environment is another important factor towards realising a sustainable economy.

No longer or hardly ever, can nations, especially in the African continent, enjoy the rich diversity of their ecological environment. In the Northern parts, in particular, corruption in the form of wildlife and forestry thievery and exploitation, has degraded fauna and flora resources once in abundance in the continent. Here again, corruption is showing its ugly head and inevitably putting a handicap on sustainable development. With world peace threatened daily, and nations' sustainability given a deadly blow by the corruption syndrome, the few morally-conscious individuals that are left to stand up for the down-trodden will cry in unison with the prophet Moses (who lamented the sins of the Israelites in Deuteronomy 32:5), "They have acted corruptly towards him [God], to their shame, they are no longer his children, but a warped and crooked generation"

Like Moses, we have to ask each other, "Is this the way you repay the Lord, O foolish and unwise people? Is He not your father, your creator who made you?" [to sustainably make of the abundant but now scarce resources He gave you dominion over].

Let us heed to this voice of our conscience and change the degrading status quo of corruption.



# The Millennium Development Goals

At the United Nations Millennium Summit in September 2000, world leaders placed development at the heart of the global agenda by adopting the Millennium Development Goals (MDGs), which set clear targets for reducing poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women by 2015.

The eight Millennium Development Goals constitute an ambitious agenda to significantly improve the human condition by 2015. For each goal a set of Targets and Indicators have been defined and are used to track the process in meeting the goals.

## GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

**Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day**

*Indicator 1: Proportion of population below \$1 per day (PPP values)*

*Indicator 2: Poverty gap ratio [incidence x depth of poverty]*

*Indicator 3: Share of poorest quintile in national consumption*

**Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger**

*Indicator 4: Prevalence of underweight children under five years of age*

*Indicator 5: Proportion of population below minimum level of dietary energy consumption*

## GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

**Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling**

*Indicator 6: Net enrolment ratio in primary education*

*Indicator 7: Proportion of pupils starting grade 1 who reach grade 5*

*Indicator 8: Literacy rate of 15-24 year olds*

## GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

**Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015**

*Indicator 9: Ratios of girls to boys in primary, secondary and tertiary education*

*Indicator 10: Ratio of literate females to males 15-24 years old*

*Indicator 11: Share of women in wage employment in the non-agricultural sector*

*Indicator 12: Proportion of seats held by women in national parliament*

## GOAL 4: REDUCE CHILD MORTALITY

**Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate**

*Indicator 13: Under-five mortality rate*

*Indicator 14: Infant mortality rate*

*Indicator 15: Proportion of 1 year-old children*

*immunised against measles*

## GOAL 5: IMPROVE MATERNAL HEALTH

**Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio**

*Indicator 16: Maternal mortality ratio*

*Indicator 17: Proportion of births attended by skilled health personnel*

## GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

**Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS**

*Indicator 18: HIV prevalence among 15-24 year-old pregnant women*

*Indicator 19: Condom use rate of the contraceptive prevalence rate*

*Indicator 20: Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14*

**Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases**

*Indicator 21: Prevalence and death rates associated with malaria*

*Indicator 22: Proportion of population in Malaria risk areas using effective malaria prevention and treatment measures*

*Indicator 23: Prevalence and death rates associated with tuberculosis*

*Indicator 24: Proportion of tuberculosis cases detected and cured under DOTS (internationally recommended TB control strategy).*

## GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

**Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources**

*Indicator 25: Proportion of land area covered by forest*

*Indicator 26: Ratio of area protected to maintain biological diversity to surface area*

*Indicator 27: Energy use (metric ton oil equivalent) per \$1 GDP (PPP)*

*Indicator 28: Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons)*

*Indicator 29: Proportion of population using solid fuels*

**Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation**

*Indicator 30: Proportion of population with sustainable access to an improved water source, urban and rural*

*Indicator 31: Proportion of population with access to improved sanitation, urban and rural*

**Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers**

*Indicator 32: Proportion of households with access to secure tenure*

## GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

**Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system [Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally]**

**Target 13: Address the Special Needs of the Least Developed Countries [Includes: tariff and quota free access for LDC exports; enhanced programme of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction]**

*Indicator 33: Net ODA, total and to LDCs, as percentage of OECD/DAC donors' GNI*

*Indicator 34: Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)*

*Indicator 35: Proportion of bilateral ODA of OECD/DAC donors that is untied*

**Target 14: Address the Special Needs of landlocked countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the 22nd special session of the General Assembly)**

*Indicator 36: ODA received in landlocked countries as proportion of their GNGIs*

*Indicator 37: ODA received in small island developing States as proportion of their GNIs*

**Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term**

*Indicator 38: Proportion of total developed country imports (by value and excluding arms) from developing countries and from LDCs, admitted free of duties*

*Indicator 39: Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries*

*Indicator 40: Agricultural support estimate for OECD countries as percentage of their GDP*

*Indicator 41: Proportion of ODA provided to help build trade capacity*

*Indicator 42: Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)*

*Indicator 43: Debt relief committed under HIPC initiative*

*Indicator 44: Debt service as a percentage of exports of goods and services*

**Target 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth**

*Indicator 45: Unemployment rate of 15 to 24 year-olds, each sex and total*

**Target 17: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries.**

*Indicator 46: Proportion of population with access to affordable essential drugs on a sustainable basis*

**Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communications**

*Indicator 47: Telephone lines and cellular subscribers per 100 population*

*Indicator 48: Personal computers in use per 100 population and Internet users per 100 population.*



# DEBT CRISIS & DEBT RELIEF

## Progress and Critiques



By George Mbella

As China and India record rapid growth in their economies, Sub-Saharan Africa is fast sliding back into poverty. Infant & maternal mortality, unemployment, hunger, illiteracy are on a sharp increase in this region. Many reasons have been advanced for the fate of sub-saharan african countries. Prominent is the very low foreign direct investments that are rather concentrated on mining and oil instead of manufacturing industries, thereby creating few jobs and linkages to the wider economy.

Another reason advanced for increasing poverty relates to unfair trade policies and practices of wealthy nations, who continue to impose tariffs on poor exporters and grant large domestic agriculture subsidies, hence preventing impoverished countries from competing in the global economy.

Recently, more development experts and statesmen seem to agree millions of people Africa are living in poverty because of DEBTS. According to Adebayo Adedeji of the African Centre for Development Strategy in Nigeria, "Debt is tearing down schools, clinics and hospitals and the effects are no less devastating as war".

More than two-thirds of the countries classified as highly indebted poor countries are found in sub-Saharan Africa. Infact sub-Saharan Africa spends more on debt repayment than she does on healthcare.

Debt has impeded sustainable human development, security and political or economic stability (Anup Shah, 2005)

### ORIGINS OF THE DEBT CRISIS

#### IMF's Story

According to the International Monetary Fund (IMF), worldwide events in the 1970s and 1980s – particularly the oil price shocks, high interest rates and recessions in industrial countries, and then weak commodity prices – were major contributors to the debt build-up in the heavily indebted and poor countries. After rising by 12% per year from 1970 to 1980, commodity prices dropped sharply in the early eighties. Countries partly compensated for declining terms of trade with increasing borrowing.

The IMF also adds that domestic factors also played a large role in the debt build-up. Many countries were already living beyond their means, with high trade and budget deficits and low savings rates, and had no way to cushion themselves from external shocks. Instead, they borrowed heavily, often without any change in policies to reduce their dependence on loans. Poor public sector management, including at times poor project selection by donors, meant that much of the foreign borrowing was squandered, bringing no long-term benefit in terms of capacity to produce or to earn foreign exchange. Caprices of weather, protracted civil wars, weak economic policies and poor governance all played a part in the build-up. Some poor countries increasingly resorted to new borrowing simply to service debt. Funds for new investment became more scarce, economic growth slowed and the debt dynamics were set off that became unsustainable on many cases.

#### Debt-Cancellation Activists' View

Activists from pro-debt cancellation movements like Jubilee Plus, Caritas International and Africa Action do not share the IMF's view as to the origins of the debt crisis. They have linked the debt build-up to inherited debts from colonial powers, the fall of the World's stock of dollars in 1960s, oil price hikes in the 70s, the growth of Dictators, failure of Mexico to pay its creditors in 1982, and the policies of international

institutions such as the IMF and the World Bank.

#### A Continuing Legacy of Colonialism

According to El Hadji Guissé (2004), the developing countries' debt is partly the result of the unjust transfer to them of the debts of the colonising States! A sum of US \$59 billion in external public debt was imposed on

**"In 1982, Mexico told its creditors that it could not repay its debts. The whole international credit system was threatened. Mexico owed huge sums of money to banks in the US and Europe, and the latter didn't want to lose it. The IMF and World Bank stepped in with new loans, under strict conditions, to help pay the interest. Governments had to agree to impose very strict economic programmes on their countries in order to reschedule their debts or borrow more money. The devaluation of some currencies like the Franc CFA worsened because the value of the debts more than doubled."**

the newly independent States in 1960. With the additional strain of an interest rate unilaterally set at 14%, this debt increased rapidly. Before they had time to organise their economies, the new debtors were already saddled with a heavy burden of debt.

#### Mismanaged Lending by the West

Many have linked further debt to mismanage spending and lending by wealthy nations in the 1960s and 1970s. They claim that in the 1960s, the USA spent more than it had, resulting to the printing of more dollars. Oil-producing countries, pegged to the dollar, were affected as the value of the dollar decreased.

In 1973, the oil-producing countries hiked their prices as a result, earning a lot of money, which they put into European and American banks. Interest rates started to drop, resulting in more lending by banks to try and prevent a crisis. A lot of money went to Western-backed dictators who used the money to oppress the people or for personal purposes, with the knowledge of the

creditors. In the end, little of the money borrowed benefited the poor. Much of the money went on arms. Many governments started large-scale development projects, some of which proved of little value. All too often, the money found its way into private bank accounts.

In the mid-70s, Third world countries, in general, encouraged by the Western wealthy nations to grow cash crops, suddenly found that they weren't getting the prices that they used to for the raw materials they sold. Like Copper, tea, cocoa. Too many countries - advised by the West – were producing the same crops, so prices fell.

Then interest rates began to rise, pushed further by an increase in US interest rates. Meanwhile oil prices rose again due to rise to power of a tough Islamic Government in Iran. Interest rates were increased by fund lenders. The trap was sprung – Third world countries were earning less than ever for their exports and paying more than ever on their loans and on what they needed to import. They had to borrow more money just to pay off the interest.

In 1982, Mexico told its creditors that it could not repay its debts. The whole international credit system was threatened. Mexico owed huge sums of money to banks in the US and Europe, and the latter didn't want to lose it. The IMF and World Bank stepped in with new loans, under strict conditions, to help pay the interest. Governments had to agree to impose very strict economic programmes on their countries in order to reschedule their debts or borrow more money. The devaluation of some currencies like the Franc CFA worsened because the value of the debts more than doubled.

These programmes, known as Structural Adjustment Programmes (SAPs), debt-cancellation activists claim, have particularly affected the countries of sub-Saharan Africa, whose economies are already the poorest in the world.

### DEBT RELIEF INITIATIVES

#### DEBT RESCHEDULING

Initially, creditors believed the debt service problems of the poor countries to be temporary. Accordingly, debt relief took the form of payment rescheduling, sometimes on concessional terms, sometimes coupled with new package loans.

An elaborate mechanism developed to ensure that all of a country's bilateral creditors contributed equally to payment rescheduling. Creditor governments formed a committee to agree on the needed debt relief, in consultation with the IMF, and try to make sure that all creditors offered terms at least favourable as those agreed by the Committee. Hosted by the French Treasury, this Committee became known as the "Paris Club".

Repeated Paris Club reschedulings for many debtors led official lenders to recognise that a new approach was needed for these countries that went beyond rescheduling debt service. At the summits of the G-7 industrialised countries in Toronto (1988), Trinidad (1990), London (1991) and Naples (1994), new and increasingly concessional mechanisms were devised to bring more lasting relief. Thus, increasing amounts of debt reduction were written into the terms of Paris Club reschedulings, so that by 1944 when the Paris Club began to offer "Naples terms" at the reschedulings, so that by 1994 when the Paris Club began to offer "Naples terms" at reschedulings, up to two-thirds of the stock of official

Turn to page 14



# DEBT CRISIS & DEBT RELIEF

## Progress and Critiques

Cont'd from page 13

debt was being cancelled. Still, the debt of poor countries remained high.

### THE HIGHLY INDEBTED POOR COUNTRIES (HIPC) INITIATIVE – OCTOBER 1996

By the mid-1990s, it had become evident that the combination of existing debt relief mechanisms, new official assistance and policy packages aimed at reducing borrowing needs were still not enough to reduce debt to sustainable levels. In October 1996, the IMF and the World Bank jointly announced the HIPC Initiative to provide a comprehensive solution to the problems of poor country indebtedness.

The Initiative for Heavily Indebted Poor Countries (HIPC) is an approach to debt reduction that requires the participation of all creditors – bilateral, multilateral and commercial. The initiative aims for countries to make debt service burdens manageable, through a mixture of sound policies, generous debt relief, and new inflows of aid.

For a country to be eligible, its per capita income must be low enough to qualify for concessional lending from the IMF and the World Bank, and it must face an unsustainable debt burden even after traditional debt relief (such as the Paris Club's Naples Terms)

One of the ground-breaking features of the HIPC Initiative is that it is based on the full participation of multilateral creditors, including the IMF, the World Bank, and the regional development banks. These institutions have historically assumed the status of preferred creditors and not rescheduled their loans. Under the HIPC Initiative, all of these institutions are providing debt relief, substantially reducing their claims on qualifying countries. Indeed, half of the debt relief provided under the HIPC Initiative is on multilateral debt.

Once countries have demonstrated their commitment to reduce macroeconomic imbalances and sustain growth-oriented policies, normally over a three-year period, they reach the "decision point". At this stage, an assessment of the needed assistance is made and appropriate relief is committed, including reductions in the stock of debt. The full stock-of-debt reduction is implemented following a further period of sound economic policies, at what is then called the "Completion Point".

### THE ENHANCED HIPC INITIATIVE OCTOBER 1999

The IMF and the World Bank admitted that early progress with the initiative did not meet public expectations, with only seven countries qualifying for assistance in the first three years. In response, the HIPC Initiative was enhanced in October 1999, with new mechanisms to provide deeper, broader and faster debt relief.

Interim debt relief was introduced between the decision point and the completion point, so that debt service costs are reduced as soon as the decision is made, and assistance was front-loaded to free up resources for higher spending on poverty reduction. To increase the amount of debt relief offered, the amount of debt a country could sustainably carry – what it would still have to service after the Initiative reductions are made – was defined to be no more than 150% of annual exports, less in cases where there is heavy fiscal burden of debt. These changes led to a marked acceleration of HIPC debt relief. During the first year that these enhancements were put in place, the IMF claimed the US \$10 billion of debt relief was committed for 10 countries, much more than the debt relief approved under the "old" HIPC Initiative.

As creditors were committing to provide even more debt relief under the 1999 enhancements, the debtor's role was made more precise. Beneficiaries of the Initiative are expected to use the resources freed up by debt relief for poverty reduction. In order to qualify for assistance under the HIPC Initiative – or for concessional loans from the IMF or World Bank-

***"In July 2005, the G8 nations met at Gleneagles, Scotland to discuss among other issues, economic issues concerning Africa like Debt Relief, Trade and Aid. With pressure mounting for total debt cancellation from anti-debt campaigners and African Statesmen, the G8 felt obliged to make a gesture. In fact the African Leaders had in a resolution issued on the eve of the G8 Summit requested the developed countries and development partners to write-off total debts throughout the continent by the year 2007. The G8 found no alternative than to offer to write off \$40 billion in debt to multilateral institutions. This decision covered the debt that 18 countries - 14 of them African - owe to the World Bank, the International Monetary Fund (IMF) and regional development banks such as the African Development.***

countries are expected to prepare Poverty Reduction Strategies.

### POVERTY REDUCTION STRATEGY PAPERS (PRSPs)

Lending from the IMF the World Bank is being framed around a comprehensive Poverty Reduction Strategy Paper (PRSP) prepared by the borrowing country's government, based on a process involving the active participation of the civil society, NGOs, donors and international institutions.

Poverty Reduction Strategy Papers present low-income countries' macroeconomic, structural and social policies and programs over a two-to-five year horizon that is aimed at promoting broad-based

growth and reducing poverty. PRSPs form the crucial link between the national public actions, donor support and development outcomes. The **Monterrey Consensus** underlined the importance of national ownership of poverty reduction strategies in progress toward the **Millennium Development Goals (MDGs)**. PRSPs provide the basis for Fund concessional lending and for debt relief under the Enhanced HIPC Initiative.

### HIPC PROGRESS

The IMF affirms in its 2005 Annual Report that during the 2005 financial year, five additional members – Ghana, Honduras, Madagascar, Rwanda and Zambia – reached their completion points under the HIPC Initiative. A total of 18 members reached this stage by end – April 2005 – two-thirds of the 27 countries that have reached their decision points.

Maintaining macroeconomic stability has proved a challenge for many of the nine member countries that are in the interim period between their decision and completion points. The IMF is providing interim relief to three member countries (Chad, the Democratic Republic of Congo, and Sierra Leone) whose macroeconomic programs are supported by a Poverty Reduction and Growth Facility (PRGF). Restoring macroeconomic stability in the remaining of the four members during the interim period (Cameroon, The Gambia, Guinea, and Guinea Bissau) will require strong efforts to address obstacles in public resource management and structural reforms of the remaining countries that have yet to reach the decision point, two (Burundi and the Republic of Congo) are making considerable progress on that route. While others still face significant challenges. Many of these (for example, Liberia, Somalia, Sudan) have been affected by conflict, and several have large arrears to various creditors.

### G8 DEBT RELIEF INITIATIVES

The Group of Eight (G-8) is made up of the eight most powerful economies in the world (USA, Japan, France, United Kingdom, Canada, Italy and Russia). Initially formed in 1975 to discuss the oil crisis, the G8 today wields considerable political and economic power over international institutions, thereby playing an important role in Global Governance. G8 has nearly 50 percent of the votes at the World Bank and IMF. Due to the influence and power of the G8 nations, their yearly summits have been seen as a chance to discuss a number of social, political and economic issues. While the G8 nations themselves often differ on certain policies, their overall agendas and eventual decisions or agreements have a direct bearing on most other regions of the world. It is through formal institutions like the World Bank, IMF, UN Security Council and the World Trade Organisation (WTO) that many of the G8's decisions become reality in the world. G8 Summits have been held in Toronto (1988), Trinidad (1990), London (1991), Naples (1994), Birmingham (1998), Cologne (1999), Okinawa (2000), Genoa (2001), Kananaskis (2002), Evian (2003), Sea Island, Georgia (2004) and Gleneagles (2005).

In July 2005, the G8 nations met at Gleneagles, Scotland to discuss among other issues, economic issues concerning Africa like Debt Relief, Trade and Aid. With pressure mounting for total debt cancellation from anti-debt campaigners and African Statesmen, the G8 felt obliged to make a gesture. In fact the African Leaders had in a resolution issued on the eve of the G8 Summit requested the developed countries and development partners to write-off total debts

Turn to page 15



# DEBT CRISIS & DEBT RELIEF

## Progress and Critiques

Cont'd from page 14

throughout the continent by the year 2007. The G8 found no alternative than to offer to write off \$40 billion in debt to multilateral institutions. This decision covered the debt that 18 countries – 14 of them African – owe to the World Bank, the International Monetary Fund (IMF) and regional development banks such as the African Development.

However, to qualify for a country must first complete the Heavily Indebted Poor Countries (HIPC) initiative. The countries deemed eligible have to meet HIPC targets for good governance, curb corruption and fraud, open up their economies and liberalise trade. The countries benefiting from the \$40 billion write-off are Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Senegal, Tanzania, Uganda and Zambia.

The G8 plan will only be extended to the 38 countries currently eligible for HIPC, bringing the maximum relief for multilateral debt to \$55 billion. According to the World Bank, nine more countries are likely to reach the HIPC completion point before mid-2007, allowing them to qualify for G8 relief. These are Cameroon, Chad, the Democratic Republic of the Congo, the Gambia, Guinea, Guinea-Bissau, Malawi, São Tomé e Príncipe and Sierra Leone.

To take effect, the agreement needed to be endorsed by the IMF/World Bank board at its annual meeting. This happened in late September 2005 during the jointly held annual meetings of the two Washington-based institutions. The committees responsible approved the plan proposed by the G8 at Gleneagles to cancel all multilateral debts owed by up to 38 poor countries.

### CRITIQUES OF DEBT RELIEF INITIATIVES

#### Shortcomings of the HIPC Initiative

Africa Action, a debt relief organisation based in USA, claims that neither the original HIPC initiative, nor the “enhanced” version introduced in 1999, has succeeded in resolving Africa’s debt crisis. The African countries that have so far qualified are still required to pay almost \$2 billion each year in debt repayments to wealthy creditor countries and institutions, mainly to the World Bank and the IMF themselves.

The HIPC Initiative offers too little debt reduction for too few countries, and with too many conditions. It has also been sharply criticised for not involving all African countries that also need debt relief, but are left out because they do not meet the qualification criteria. Examples are Kenya and Nigeria.

Some anti-debt activists argue that tying debt relief to conditions determined by the creditors violates the sovereignty of borrower nations and imposes programmes that may be unsuited to the economies of poor countries.

To *Debt Relief International*, the frequent delays experienced under the HIPC are caused by over rigid fiscal and macroeconomic frameworks. The process is further complicated by insistence on executing ‘left-over’ structural conditions from past programmes and the proliferation of new poverty reduction performance criteria.

*Caritas International* remarks that the HIPC Initiative requires countries that want debt relief to carry out Structural Adjustment Plans (SAPs). It supports that SAPs can reform economies in positive ways but can also contribute to poverty.

Adrian Lovett had commented in 2001 that poor countries had jumped through every hoop and over every hurdle put in their way in order to qualify for debt relief, meeting highly unpopular conditions, that, if implemented in Western countries, would provoke

electoral obliteration for the government of the day. Structural Adjustment advice in the past led to cut back on important government spending on health, education, social services and development giving priority to debt repayments and other economic policies like privatisation of public industries and sale

*“Africa Action believes that the HIPC Initiative obfuscates the illegitimacy of most of Africa’s debt. Many of the loans being repaid by African countries today were disbursed for strategic purposes, to prop up repressive regimes during the Cold War. They were given for failed and grandiose projects pushed by creditors, most of which did not benefit Africa’s people. Today Africa is drained of desperately needed resources to pay debts. Africa’s burden of illegitimate foreign debt, Africa Action claims, represents the largest single obstacle to the continent’s development.”*

to foreign investors, reduced protection of immature domestic industries, currency devaluation, increased interest rates, flexibility of the labour market, cut in jobs and wages for workers in government industries and services, elimination of food subsidies etc.

It is therefore evident that through SAPs the IMF and World Bank demanded that poor nations lower the Standard of Living of their people. By insisting that national leaders place the interests of international financial investors above the needs of their own citizens, the IMF and the World Bank short-circuited the accountability at the heart of self-governance, thereby corrupting the democratic process and instigating social unrest.

The Global Exchange remarked that the subordination of social needs to the concerns of financial markets had made it more difficult for national governments to ensure that their people receive food, healthcare and education – basic human rights as defined by the Universal Declaration of Human Rights.

The HIPC still insists that these poor countries open up their already frail economies and liberalise trade, when most public industries have been privatised to foreign investors. Weak African economies are pushed into markets where they are unable to compete with the might of the international private sector, hence retarding the economic development of Africa. Furthermore a majority of the countries concerned by the HIPC depend on primary commodities as a main source of about half of their export revenues and many continue to rely heavily on one or two primary commodities for the bulk of their export earnings. Most of these commodities are produced in large quantities and lower prices by heavily subsidised farmers in developed countries leading to a greater fall in poor countries’ export revenues. When the purchasing power of a country’s exports declines, a country is unable to purchase imported goods and services necessary for its sustenance, as well as generating income for the implementation of

sustainable development programs. The World and IMF know this.

In 1999, the IMF replaced Structural Adjustment Plans with Poverty Reduction Growth Facility (PRGF) and their Policy Framework Papers with Poverty Reduction Strategy Papers (PSRP) as the new conditions for debt relief under HIPC Initiative. Many Civil Society Organisations, however, say that, the PRSP process is simply delivering repackaged Structural Adjustment Plans (SAPs) adding that, it is not delivering poverty-focused development plans and it has failed to involve civil society and parliamentarians in economic policy discussions.

Joseph Hanlon and Ann Pettifor have criticised the policies imposed under the HIPC Initiative like ‘good governance’, ‘sound policies’ and ‘poverty reduction’. They support that, had the USA followed the IMF Policy, it would not have achieved its remarkable expansion.

Africa Action believes that the HIPC Initiative obfuscates the illegitimacy of most of Africa’s debt. Many of the loans being repaid by African countries today were disbursed for strategic purposes, to prop up repressive regimes during the Cold War. They were given for failed and grandiose projects pushed by creditors, most of which did not benefit Africa’s people. Today Africa is drained of desperately needed resources to pay debts. Africa’s burden of illegitimate foreign debt, Africa Action claims, represents the largest single obstacle to the continent’s development.

#### Shortcomings of the G8 Debt Write-Offs

G8 Summits have become attractions for media attention and thousands of protestors because the latter believe that this is where the power to change things really belongs.

The G8 made a key decision on African Debt in Cologne, Germany in 1999, when members offered up to 100 per cent relief on bilateral debt owed them by poor countries. This was however criticised because multilateral debts, owed to institutions such as the IMF, received only partial relief.

At the 2005 Summit in Gleneagles, Scotland, the G8 wrote-off \$40 billion in debt to multilateral institutions. According to Ms. Caroline Sande Mukulira of the Southern African Office of the non-governmental *ActionAid*, “What Africa needed from the G8 was a giant leap forward – all it got was tiny steps. The deal that has been announced falls way short of our demands. We have some aid, but not enough; some debt relief, but not enough; and virtually nothing on trade. Once again, Africa’s people have been short-changed.”

To *Jubilee South*, a global network of anti-debt NGOs, Africa’s total debt stands at about \$300 billion and that the debt to be cancelled by the G8 is a “minuscule” part of this total.

The *European Network on Debt and Development* calls the plan limited because countries such as Kenya, Angola and Haiti are excluded. It also calculates that 62 countries are paying \$10 billion each year in debt servicing that must be cancelled if they are to achieve the Millennium Development Goals, aimed at alleviating poverty.

*Attac Germany* talked of “a mere drop in the ocean”. To *Jubilee Plus*, the relief is spread over some 40 years, amounting to \$1 billion per year and is tied with many conditions that have caused poverty and misery in the first place. These conditions, they uphold, are undemocratically imposed by rich countries and their institutions, and promote what has historically been unequal trade.



# GLOBALISATION

## The Economic Impact



By Elsie Fordam

Globalisation has set in motion a process of far-reaching change that is affecting everyone. New technology, supported by more open policies has created a world more interconnected than before. This spans not only growing interdependence in economic relations – trade, investment, finance and the organisation of production globally – but also social and political interaction among organisations and individuals across the world.

The potential for good is immense. The growing interconnectivity among people across the world is nurturing the realisation that we are all part of a global community. This nascent sense of interdependence, commitment to shared universal values and solidarity among peoples across the world can be channelled to build enlightened and democratic global governance in the interest of all. The global market economy has demonstrated great positive capacity. Wisely managed, it can deliver unprecedented material progress, generate more positive and better jobs for all, and contribute significantly to reducing world poverty.

But we also see how far short we are from realising this potential. The current process of globalisation is generating unbalanced outcomes, both between and within countries. Wealth is being created, but too many countries and people are not sharing in its benefits. They also have little or no voice in the shaping process. Seen through the eyes of a vast majority of women and men, globalisation has not met their simple and legitimate aspirations for decent jobs and a better future for their children. Even in economically successful countries, some workers and communities have been adversely affected by globalisation.

A basic step in evaluating the impact (economic impact) of globalisation is to look at what has happened to rates of economic growth both globally and across

countries. It is striking that since the 1990s, the period in which globalisation has been most pronounced, global Gross Domestic Product (GDP) growth has been slower than in previous decades. At the very

*"The global market economy has demonstrated great positive capacity. Wisely managed, it can deliver unprecedented material progress, generate more positive and better jobs for all, and contribute significantly to reducing world poverty."*

least, this action is at variance with the more optimistic predictions on the growth-enhancing impact of globalisation.

Growth has also been unevenly distributed across countries, among both industrialised and developing countries. Globalisation requires that techniques of production have to be constantly changing so as to increase productivity to meet up with the global need. It follows that there would be increased mechanisation and automation. This in turn may create many new

jobs but at the same time may make current jobs obsolete and therefore lead to some redundancies with all the attendant negative effects of unemployment. Globalisation entails the usage of natural and other resources, some of which may be irreplaceable or not easily replaceable. Resources like forests, fertile soils are readily replaceable. Other resources like precious metals and crude oil may be totally irreplaceable. Globalisation thus imposes a severe cost in terms of the depletion of these resources. It is possible therefore to argue in favour of a reduced rate of growth because this will reduce the rate at which our resources are being used up.

In effect, globalisation is a complex phenomenon that has had far reaching effects. Not surprisingly, therefore, the term "Globalisation" has acquired many emotive connotations and become a hotly contested issue in current political discourse. At one extreme, globalisation is seen as an irresistible benign force for delivering economic prosperity to people throughout the world. At the other, it is blamed as a source of all contemporary ills. This in mind, Africa will be able to achieve sustained economic growth only if it invests heavily in its people, both to reduce poverty and enhance the continent's ability to compete globally. She must continue on the part of economic and institutional reform, since without reform, its economies will not grow rapidly and without growth, poverty will worsen. Yet, even where economic growth is high, there is no evidence that income inequalities have been reduced. And if pervasive inequalities are not addressed, growth will not be sustainable and will not reduce poverty.

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# How African Countries Can Learn From China's Booming Economy



By Maggie Oben,  
GNGG's Asian Correspondent

For a long time now, China has been a very closed society especially with its predominant communist government. Despite the federal nature of the provinces, as well as the very high and ever growing population, the government still had a very tight grip on the country. Most of the country was dependent on agriculture and foreign goods were hard to find. There was a lot of nationalisation, which prompted the growth of private owned companies, both small and big.

However, this closed nature started changing in the 90's and this change became more visible on December 11th 2001, when China officially joined the World Trade Organisation (W.T.O). Of course, this was some sort of a blow to Chinese companies because this would mean more foreign investments and a lot of competition. This also culminated with China imposing itself as one of the leading countries in the United Nations Organisation. Today, China's growth is geometric. New buildings sprout everyday like mushrooms. Manpower is never in shortage, foreign investment is growing steadily, the Chinese Reminbi (RMB/Yuan) is also very stable and making its way in the international market as one of the world's hard currencies. Capital inflow is far greater than outflow and many Chinese would prefer returning to work in China than to stay in the USA or Europe. All these would not be complete if we do not mention the fact that the living cost in China is quite cheap if compared with many African countries. The government equally does all in its power to make everyone benefit from the growth of China. For example, the government of China just legislated that farmers will no longer be levied any tax. This will incite the farmers to work harder, increase quality of products and make living conditions for most of the rural inhabitants better than it was. China has also taken the lead in creating an Asian organisation called ASEAN made up of Japan, North Korea, South Korea, Singapore, China and many others. This is to strengthen trade ties and facilitate import and export of goods to and from China. The accord is mainly agricultural. Taxes on some foodstuffs coming into China, from the other member countries have been almost cancelled and vice-versa. This will stabilize the trade on some good for a while and hence, guarantee more money for the governments.

The Beijing 2008 Olympic Games would be the final stage to the opening up of China to the world as many tourists and businessmen would in one way or the other, improve, not only the quality of life and the ideas of the Chinese people, but they would also bring about a lot of cash inflow into China. Right now, many restaurants in China are competing to win the contract of supplying food during the games to both athletes and tourists. This promotes culture and increases the number of catering enterprises not forgetting the fact that catering services will improve their standards. Organising international tournaments and making the competition open for anyone, no matter the background or personality, increases self confidence on the part of the population, the government as well as gains the respect of other nations because this would be classified as free and fair. The amount of money it brings in, if properly organised would be a source of pride to all.

Africa, in terms of size and population, is smaller than China, richer in raw materials than China and yet, poorer than China. A few decades ago, China and Africa were all classified as underdeveloped countries but today, Africa still holds that unprestigious position, while China is an actively developing country. A significant mark of this growth took place in December 2005, when the Food and Agricultural Organisation announced that it had stopped food donations to China

because China had proven, in a very short while, that it had become food self sufficient and could also provide for its neighbours in need such as Indonesia and Vietnam.

Banks are also a very good source of money for the Chinese government and can be the same for African countries. Opening an account is a simple and cheap process so much so that, not having an account in China

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sounds like an abomination. It costs 1 RMB (about 70 CFA), to open an account everywhere in China. Of course, in Africa, the term "account" denotes riches, which should not be so. If the cost of opening an account is lowered to a bare minimum, then, many more people would save and the banks would be able to operate on higher funds. Installing a 24 hr self-service machines (ATM machines) would also be an advantage as this would not only lessen the work of the employees, but it would also help in case of emergency. Africans don't save and so tend to use their money for things, which do not really matter. Reasons why many people become frustrated after retirement.

One major way by which Africans can learn from China is this. Firstly, it is very necessary that we Africans learn to appreciate homemade goods. Many African people give much more credit to foreign goods than our own home made goods. Today, most Africans abroad are afraid to set up companies and other enterprises in any country in Africa due to negative criticism. Most of our people don't see home made products as good enough and so, go in for foreign made goods, thereby discouraging development and innovation.

Secondly, the government has a very big role to play in order for the country to develop. This is done by reducing taxes on imports made by their nationals of a certain country. For example, the government of Cameroon can reduce the import taxes of goods brought in by Cameroonians and increase import duties on goods brought in by non-Cameroonians. Of course, there would be fraud as some foreigners would do all they can to get hold of a Cameroonian document as prove of their nationality so as to get their tax on goods, lowered. We must remember that no measure is fraud-free. Also, African companies, small scale businesses, private and public owned businesses like banks, should not be overburdened with taxes as this kills innovation and nationalisation. Less taxes would mean more African-based industries and small scale businesses, more turnover, more savings, more cash inflow and less outflow as all Africans would learn to appreciate and consume more goods made in Africa than abroad. Government revenue will also improve greatly.

The governments should invest on the cream of the society. By this, I mean university students,

researchers and so on. More investment would mean the production of new technology, which will be well suited for our African context instead of waiting for the other countries to produce, while we only consume. The Chinese government has and is still investing hugely on its youths and researchers and the results are remarkable, I must say. As the highest populated country in the world, it is but normal that it also has a very high, if not the greatest amount of waste, from kitchens and industries. However, everyday, recycling companies come up. It is very common to see people picking up bottles, glasses, clothes that they take to these companies and exchange for money. Back in Cameroon especially, one would find bottles everywhere, whether broken or not. In China if you saw a bottle at your door when leaving the house, upon returning, you would find it there because someone would have picked it up and alongside others, (even cartons), taken it to a recycling company. The process of recycling can bring about invention and this is where our youths and researchers come in. With the acquired skills, they would be able to come up with a cheaper and more efficient method of recycling and even invent some other useful equipment, perhaps.

More serious and stronger diplomatic ties should be made between African states. We cannot keep enhancing only ties with Europe, America, Asia while forgetting our own continent. Africa is one of the most blessed continents when it comes to natural resources. We can improve friendships in ways such as creating visa waiver programs among African countries and drastically reducing privatisation, as this is the greatest source of cash outflow and poverty among African countries. These days, it is very common to hear Chinese ministers visiting other countries and statesmen from other countries visiting China. The Chinese government has made it a point of duty to improve bilateral ties especially with members of ASEAN. We can do it in Africa with the African Union (A.U) as well as regional organisations like the ECOWAS and CEMAC. This will promote and greatly improve the image of Africa, which still leaves much to be desired.

Most importantly, the government should take the education of its population, whether in school or through the media (both public and private) very seriously. It should not also forget the development and improvement of vital sectors like the health sector and transport sector. Laying emphasis on sports is also important because Africans have a very good talent, which by all means, must be kept alive. Nothing can be done successfully without the government and nothing can be successfully done without the participation of the people. Both groups are indispensable to one another and so, while promoting self-employment, nationalisation and so on, it is also necessary that the government intervenes to reduce fraudulent actors from killing the society. A few weeks back (Dec 2005), the government of China ordered a company based in Shanghai to pay its workers after failure to do so for a good number of months. Later, all the workers were transferred to other jobs because their former employer was not meeting up with the rules and regulations. Protecting the interest of the people is a non-negotiable incentive to workers everywhere in the world and Africa must not be left out. Many skilled labourers leave their countries in Africa for greener pastures in Europe and America, not only because of lack of jobs, but for lack of incentives such as wages, stipends, holidays, workers interests and many other reasons. This kills Africa so much and always leaves us asking help from without our borders.

I cannot belabour these points but as a conclusion, I would say, let us forget our differences and collaborate. With the backing of the governments, we would be able to develop the continent, which, up till now, is still being referred to as the "dark continent"

