

Democratic Transitions, Conditionality and the African Crisis

Building Pro-Poor Organisational Systems

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Political Conflict, Crisis and Institutional Transitions in Africa

Modern African history can be understood as a long series of institutional transformations driven by the expansion of modern capitalism that first forcibly subjected local societies to external controls institutionalised in the imperial system, and now uses less coercive but equally powerful pressures to oblige them to adopt liberal democratic market based systems. These shifts have been shaped by a changing series of asymmetrical encounters between foreign and domestic groups attempting to build capitalist institutions and those attempting to protect local institutions from them. The result has been an evolutionary process generating new hybrids that have not been 'a mere fusion or mixing' but which have modified both external and local institutions 'in a much more complicated and dynamic way.' (Malinowsky, 1945/1961:11) These processes have transformed the global system, assuming similar forms during particular periods, but also producing wide variations over time and space. The result has been an immense range of experiments with different kinds of institutional arrangements producing effective and ineffective versions of state socialism, corporatism, liberalism, authoritarianism and democracy.

These outcomes have been generated by struggles between social groups with both interdependent and conflicting interests. Elites and subordinated classes, foreigners and natives, have always depended on each other, but also wanted to increase their share of available resources. Thus each new group that succeeded had to create new institutions that not only universalised cooperation and sustained social life, but also used authority and incentive systems that benefitted their interests and marginalised their predecessors. They justified these changes on developmental grounds, but they also generated antagonistic conflicts and institutional crises. In some developmental states these shifts did produce equitable growth, but in Africa they were far more likely to produce political disorder, economic reversals, civil war and donor dependency.

These crises have generated widespread pessimism about the African situation that cannot be wished away, but they have also produced continuous institutional changes that are producing positive results in many contexts. The radical nature of these changes are a function of current failures, since Institutions maintain themselves when they satisfy people's needs, but have to be re-structured, for better or worse, when they are undermined by conflicts that they cannot manage in their existing form. Capitalist institutions emerged in the west and generated an evolutionary process by destabilising existing arrangements creating new structures by combining themselves with local institutions in many different ways.

These emerging systems varied sharply in response to interactions between different varieties of colonialism and of local structures and practices. However, these variations were not random, because western institutions and knowledge systems were also being (re)formed in response to the demands of the capitalist system, and imposing similar pressures on local institutions and the class, ethnic and sectarian conflicts that they were expected to manage. These challenges have engendered both incremental and structural change. Some local people took advantages of the opportunities provided by the new system and played increasingly important roles within the new system, while others reinvented traditional institutions and used them to resist the oppressive demands imposed on them by their new rulers. These incremental changes in access to power and wealth, new knowledge and technologies and political and economic endowments eventually created the conditions needed for radical structural change – decolonisation, authoritarian structuralism, economic liberalisation, and democratisation. We need to explain why these changes have produced such limited results, and what could be done to improve them.

Explaining Institutional Failures and Structural Change

Global capitalist development has transformed most people's lives for the better, but most African states still occupy the lowest tiers on the Human Development Index, 50 years after the end of colonialism. During these years most regimes followed the dominant policy paradigms of the day, following the advice of their international advisors. Structuralism prevailed till the 1970s, liberalisation thereafter – but neither produced results comparable with similar experiments in post-war Europe and in East Asia. Recently theorists have attributed these failures to many different variables – geography, weak levels of colonial penetration, the dominant role of the IFIs and donor community; the curse imposed by easy access resource rents, inappropriate economic policy models, or authoritarian political regimes. However none of these models explain why similar conditions and policy agendas have produced dramatically unequal outcomes in different contexts. Thus:

- societies like Japan and China resisted colonial penetration and carved out autonomous routes to development; those with weak ones like Yemen resisted colonisation, but failed;
- some IFI programmes succeeded, and they have only intervened in societies where local policies had already failed;
- resource rents strengthened state capacity in Botswana and South Africa, but allowed Nigeria to engage in predatory behaviour, and rebel groups to finance themselves in Sierra Leone;
- corruption was endemic in the successful Tudor state in Britain, but has clearly blocked development in Nigeria;
- structuralist policies enabled Taiwan to achieve unparalleled levels of growth, but have facilitated predation and economic decline in Zimbabwe;

These variables have therefore all played a significant role at different times, but they clearly do not explain success or failure in a mono-causal way. What we can claim, however, is that the nature of state capacity does always play a key role, since strong states have been able to generate positive external relationships, use their resources effectively and implement either structuralist or market based policies in an effective way, and weak ones have failed. Thus, as North said, creating strong states has always been 'the necessary condition for all subsequent economic development', while failing to do so has been a 'source of man-made economic decline'. (North, 1981:21/2, 24) This is good news for political scientists since it shows that economic explanations of developmental failures must produce partial and probably misleading results, but it also confronts us with a major challenge, since it obliges us to explain the success of some states and weakness of others.

While the structural adjustment programmes of the 1980s were focussed almost exclusively on economic policy reforms, the failure of many states to implement them forced donors to recognise this problem and add 'good governance' to their list of policy requirements in the 1990s. They attempted to achieve it through liberalisation and privatisation, democratisation and public sector reform. They attributed developmental failures to the absence of effective economic and political markets, and the existence of perverse incentives in the public sector. They therefore used conditionality to oblige governments to shift from authoritarian corporatism or socialism to liberal capitalism and competitive democracy, and use privatisation and new forms of public management based on surrogate markets and sub-contracting to private firms and NGOs to deliver services. These reforms did address many of the weaknesses of the neo-liberal 'Washington consensus' that ignored well known problems of market failure by recognising the need for strong states and civic organisation, but these initiatives also produced very uneven results:

- privatisation and liberalisation changed, but did not eliminate the ability of governments to allocate favours, so corrupt politicians and officials went on selling them for personal or political gain, and capitalists continued to pay them for special treatment;
- increased competition reduced prices to consumers but undermined weak domestic firms and blocked the emergence of new ones;
- democratisation introduced political competition, but also encouraged unviable populist policies, while elections were subverted by patron-clientism, ethnic and sectarian conflict, and the weakness of parties and interest groups;
- result-based management systems, surrogate markets, sub-contracting, privatisation and participatory methodologies only succeeded where politicians actually felt the need for better services, and private sector suppliers already existed;

These failures were the outcome of a wide gap between the requirements of the new liberal institutions and local capacities. Developed societies also struggle to manage the tensions and technical demands generated by highly complex and interdependent systems as the ongoing financial and environmental crises show. However, societies that lack their resources and experience find it even more difficult as theorists like Malinowsky understood. The donors have assumed that formal changes in the rules governing formal institutions will actually generate corresponding changes in behaviour, but classical development theorists recognised that attempts to transplant institutions from one society to another does not simply involve changes in formal rules, but what must be heavily contested changes in cultures, understandings and the distribution of wealth and power.

The effect of these conflicts are clearly visible across the African continent, not least in the predictable failure of most countries to achieve the millennial goals identified by the donor community. This can be used by many radicals to justify a return to interventionist programmes or through social movements for global justice that seek to escape the constraints imposed by global capitalism and to 'disempower' the key donor organisations. (Bond & Manyanya, 2002, Ch. 5) Unfortunately it is hard to justify old-style structuralism given its earlier failures, or to show how LLDCs could survive without access to global markets technologies and resources and donor support. Further, the ability of progressive social movements to campaign for radical reforms depends on the existence of liberal institutions that allow them to criticise and remove rulers without fear, and eliminate the economic monopolies that enabled both corporatist and communist regimes from marginalising or suppressing them. Thus we cannot simply reject a poverty-focussed liberal project as an imperialistic imposition, but do need to find more effective ways of promoting it in the weakest LDCs.

The Political Organisation and Redistributive Development

Thus we may not need to question the goals of current donor programmes but we do need to question their failure to address the serious *political* and *organisational* challenges raised by their attempt to persuade host governments to implement the costly and disruptive policy and institutional reforms needed to achieve them. Successful development depends on the existence of strong states, but strength alone is not enough since strong governments often adopt *pro-poor* policy programmes. Thus demanding redistributive policies adds a far more demanding element to the conditionality problem since it assumes that democratisation will automatically produce rulers committed to pro-poor rather than pro-rich solutions, despite much evidence to the contrary. Patrimonial African states used their power to transfer resources from the poor to often corrupt political, bureaucratic and economic elites, and we know that liberalisation and democratisation has not eliminated these tendencies.

Now democratic theory and western history does suggest that the liberal reforms implemented in most of Africa over the past 20 years should have strengthened the propensity of governments to adopt redistributive policies. Similar reforms did indeed lead to pro-poor governance in the west, but only after an enfranchised working class created social democratic political movements that were able to threaten governments with electoral defeat unless they created welfare states financed by redistributive taxation. However these changes depended on the existence of very exacting political and economic conditions, notably on the strength of the organisational systems for political representation - political parties, trade unions and peasant associations, social movements, civic organisations, newspapers and educational programmes – that enabled poor people to turn their formal individual right to speak, organise and vote, into effective *collective* claims for better services.

Further, the struggle to build the representative organisations needed to consolidate social democracy in the west generated enormous costs and conflicts. Often violent struggles between agrarian and industrial elites, and between subordinated classes with conflicting interests constantly disrupted the liberal capitalist project, transformed Britain and Sweden into liberal social democracies, Germany and Spain into Fascist dictatorships, and Russia and Eastern Europe into authoritarian command economies. Dramatic shifts in structures and policies were not planned by consultants but depended on contingent local factors like the ability of a weak Bolshevik party to capture power in Russia by using military defeat, or the failure of German social democrats and communists to cooperate to block a Nazi victory. The relative strength of conservative, reformist and revolutionary movements also depended on contextually specific economic and social conditions – the ability of the American and British states to offer good wages and welfare nets, the repressiveness of the Tzarist state and weakness of its industrial working class; the unsustainable demands imposed on the Weimar republic by the Versailles treaty and the devastating impact of the great depression in Germany.¹

Westerners now take the existence of these movements for granted, but they only exist because of the ability of dedicated and theoretically informed activists to mobilise large numbers of people; to sustain them as cohesive structures by managing adversarial conflicts over leaderships, ideologies and policy agendas; and to overcome the even greater challenges they confronted when they won power and had to redistribute resources without compromising economic competitiveness. These conflicts overwhelmed movements in many weaker capitalist states and were used by fascist movements to justify the elimination of democratic processes, but adversarial conflicts are unavoidable in political life where the demand for services always exceeds the supply. The role of representative institutions is not to eliminate conflict but to manage it by helping to negotiate the compromises needed to maintain social cohesion.

Thus democratic consolidation and equitable economic change depends on the existence of autonomous representative organisations, but these hardly exist in fragile states where parties and civic organisations were suppressed or used to enforce state power during colonialism and under the authoritarian one-party or military regimes that replaced it. The parties that challenged colonialism and took power were nationalist coalitions between large numbers of poor and illiterate and semi-literate rural and urban peasants, informal producers and wage workers, and the tiny urban and rural elites generated by very inadequate higher education systems that had been excluded from senior positions in the bureaucracy and in the formal economy. They used socialist rhetoric and the promise of state-led redistributive strategies to mobilise mass support, but then used their political power to transfer rents to public sector elites in 'left' wing states like Ghana and Tanzania, and to a weak African capitalist class in 'right wing' ones like the Ivory Coast and Kenya. (Austen, 1967; Brett, 2008)

In some states nationalism created the basis for cross-class and inter-ethnic coalitions, in others ethnic or sectarian hostilities produced competing movements and often violent conflicts. These parties were created by westernised elites that mobilised mass support through patronage in societies characterised by intense scarcity and unfulfillable expectations. Democratic elec-

¹ The Iraq war would probably not have taken place if 300 more Democrat voters had turned out in Florida in 2000.

tions produced winner-take-all outcomes, giving power to new regimes that used the economic rents generated by structuralist programmes to maintain political support, intensifying factional conflicts between ethnic or sectarian groups. The failure of the new programmes to generate jobs and improve welfare services threatened regimes with electoral defeat so they suspended elections and created authoritarian civilian or military regimes that could engage in predatory practices with apparent impunity, and suppressed or incorporated most autonomous representative organisations.

The shift from authoritarianism to democracy over the past 20 years was not, in most cases, the result of organised political resistance, but of fiscal and balance of payments crises that made it impossible for them to maintain state apparatuses and armies; pay off political cronies and provide even rudimentary services for the mass of their citizens. This had dramatic political consequences since it created donor dependence and obliged rulers to adopt the liberal political and economic programmes discussed earlier. Yet donors gave little thought to the problems associated with the introduction of competitive elections in contexts characterised by extraordinarily weak parties and civic agencies that lacked the resources required to build a genuinely reciprocal relationship between supporters and their leaderships, except in more developed societies like South Africa and pre-crisis Zimbabwe. The organisations that did emerge to fill this political vacuum, as we have seen, represented elites rather than subordinated classes, made extravagant promises at elections, but rarely delivered comprehensive institutional reforms.

The prevalence of pro-rich and even corrupt and predatory political regimes in weak states is thus a function of the inability of economically vulnerable subordinated classes who live in urban or rural slums to solve the organisational problems that confronted the western working class at the end of the 19th century. They are socially and politically atomised and lack the educational and financial resources that they need to understand their own problems and develop the leaderships and collective structures needed to enable them to play an autonomous role in formal political processes. This marginalises but does not totally disempower them, since they can use what Scott (1997) calls the 'weapons of the weak' - foot-dragging, smuggling, evading rules, and criminality - to reduce economic productivity, steal from the rich, and undermine state capacity by making it impossible to control borders, raise taxes, eliminate criminality or oblige officials to perform their roles. In extreme cases, exclusion and impoverishment has enabled activists to mobilise mass support for armed resistance that has challenged the authority of the state itself. Further, state and economic failures have strengthened or revived informal and traditional and community based organisations that provide critical services and representing political interests. (Jones, 2009; Meagher, 2006)

These processes and organisations play a critical, but limited role. Informal resistance can reduce oppression, and have played a key role in generating the fiscal and balance of payments crises that have produced donor dependence, and subjected governments to external demands, but they cannot impose effective pressures on the formal political and economic structures that ultimately determine developmental outcomes. Informal organisations – ethnic or religious associations, vigilante groups, rotating credit associations, traditional healers, Koranic schools, Sharia courts – do provide essential services, but often operate on illiberal principles and ignore the findings of modern science. (Putzel, 1997) Donors have attempted to address these weaknesses by incorporating participatory processes in their projects, while many radicals are attempting to build formal social movements that to represent marginalised groups. These programmes are important and deserve support, but they are far more effective in more advanced countries like South Africa and pre-crisis Zimbabwe, and still heavily dependent on international support in weaker ones where their constituents lack the resources to run them effectively.

The inability of the poor to exercise their formal democratic rights then forces donors to negotiate with governments that are still dominated by political, bureaucratic and emergent capitalist elites who look to them for the rents they need to maintain the state, provide services and build new businesses in a highly competitive environment. Donors themselves have had to shift from the conservative structural adjustment policies of the 1980s and 1990s to the poverty-focussed programmes introduced over the past decade in response to demands from their own constituencies, but then have to rely on these regimes to implement them. The result is an adversarial relationship that often delivers poor results. Governments have to agree to implement poverty reduction programmes, but donors cannot force them to meet their conditions so resources are misused or diverted and rents distributed to local elites as well as the well paid officials in the donor agencies. Donors are expected to spend aid budgets, and therefore have a vested interest in allowing the system to continue.

Conclusions

This pessimistic analysis is not intended to justify an end to aid, or to deny the value of donor attempts to facilitate redistributive policies since these negative outcomes are not universal or unchangeable. Some societies have always done far better than others, and significant advances have been made in even highly disrupted African societies over the past 20 years, in response to donor pressures and the activities of local movements and activists. Popular disaffection has driven revolutions, civil wars, and civil disobedience that have disrupted old systems and produced new ones, and supported political movements that have taken power and begun to implement progressive reforms. Both progressive and predatory regimes would have to impose far

harsher demands on their citizens without external support, so we should not assume that withdrawing aid would strengthen the hand of progressive opposition movements.

What this analysis does suggest, however, is the need for far more realistic understanding of the political implications of donor attempts to use conditionality to introduce policies and programmes that combine redistribution with growth. Their programmes can be criticised, but they are a significant advance on the neo-liberal paradigms that dominated policy in the 1980s. Old-style structuralism did not produce equitable growth in Africa, nor did uncontrolled markets, so even fully autonomous local regimes would have to adopt some variant of the poverty focused strategies that donors now insist on. (Brett, 2009) Indeed, we can claim that the donor community does partially act as surrogate representatives of the interests of the local poor. Their governments can ignore or silence the voices of their own poor, but are forced to listen to those of the donors who provide them with the funds needed to provide state services and facilitate the growth of their capitalist economies.

However, our analysis also suggests that donors find it very hard to acknowledge the intrinsically political nature of the aid relationship and the role that they play in it. The aid relationship involves exchanges between *governments* that represent particular interests and have the sovereign right to implement policies of their choice. Donor attempts to use conditionality to implement their policy agendas necessarily challenge the sovereignty of particular regimes, so aid dependence does indeed generate a form of neo-colonialism that produces local resentment, and can also be used to transfer blame for poor outcomes from governments to the donor community. The latter, of course, can legitimately claim that these failures are not a function of the viability of the policies and programmes, but of their inability to oblige local governments to implement them.

Donors attempt to overcome these political problems by assuming that host governments do wish to adopt progressive policies and treating their programmes as though they were no more than technical interventions rather than radical interventions that necessarily challenged the power, wealth and security of many local interests. This attempt to assert their political neutrality is intrinsically flawed, as we have seen, but it does represent an 'institutionally organized and guaranteed misrecognition that is the basis of the gift exchange' that conceals relationships of structural inequality. (Bourdieu, 1980/1992: 112) However, the apparent asymmetry of the aid relationship is heavily moderated by the ability of regimes to evade donor demands and exploit their need to spend their funds, so they can only really achieve their goals when they operate in contexts where they can rely on local political movements to mobilise the support needed to oblige their governments to use their resources effectively.

Donors therefore have to make immensely difficult choices in weak states with low levels of organisational capacity. In the worst cases, like Zimbabwe, they withdraw support to the state to avoid reinforcing the power of a predatory regime. Where regimes have demonstrated some degree of commitment and competence, like Uganda in the 1990s, they can offer conditional support and use it to strengthen the more progressive elements in the government. In all cases they will attempt to use international and national NGOs to bypass regimes and deliver services, but limit their ability to improve state capacity by doing so.

Any of these short-term choices have strong political implications, but this cannot be avoided, since conditionality is inevitable in all aid relationships. This analysis does not deny the need for these stratagems, but it does suggest that donors need to strengthen their understanding of the political processes that actually determine developmental outcomes, and place far more emphasis on the need to strengthen the organisational systems that drive them. It is difficult for them to give direct support to opposition political parties like the MDC in Zimbabwe without being accused of imperialism, yet the MDC is the only organisation capable of bringing the crisis there to an end.² Donors are, to their credit, attempting to strengthen civic organisations and build social and political capital by doing so.

However, the tensions and difficulties involved in finding ways of overcoming the political conflicts that these processes must generate need to be taken far more seriously not only by practitioners, but also by political scientists who did produce a great deal of work on nationalism, party systems, bureaucratic failures, and class and ethnic conflicts in the 1960s and 1970s, but have neglected these issues for many years.

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² The German political foundations are an important exception to this rule.

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