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Smart Aid for African Development

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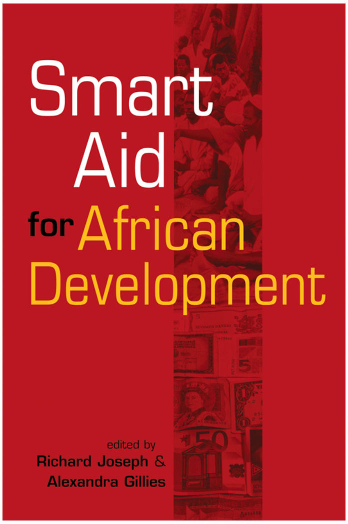

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Smart Aid: The Search for Transformative Strategies

Alexandra Gillies and Richard Joseph

IN 2005 UNPRECEDENTED ATTENTION focused on how the global community should address the persistent poverty that characterized sub-Saharan Africa and set it apart from much of the rest of the world. During that "Year of Africa," Prime Minister Tony Blair used the forum afforded him by the UK presidency of the European Union (EU) and G8 to rally a diverse set of constituents and advocates to this cause, who sought to make the year a historical turning point for Africa.

Alongside publicity events and fundraising campaigns, an international Commission for Africa of high-level experts was charged with devising a strategy to launch this transition. Two principal ideas from the resulting report reflect the prevailing wisdom about development assistance. First, much more aid and debt relief for Africa were needed to stimulate economic growth and reduce poverty. Second, the impact of these resources and economic progress generally depended on the emergence of effective and accountable governance.

These two arguments—more aid and better governance—are now at the center of policy debates and action regarding Africa. For instance, the US Millennium Challenge Corporation, created in 2004, has made large grants to countries that show evidence of being well-governed. Poverty Reduction Strategy Papers (PRSPs), which today set the framework for World Bank country assistance, tie the provision of financial resources to improvements in governance and the strengthening of institutions. Similarly, the African Union and the New Partnership for Africa's Development (NEPAD) have advocated a massive influx of external funds and mutual accountability for improved governance among African states.

Will the consensus on these two conclusions produce results that have evaded development assistance efforts for decades? At the peak of the enthusiasm in 2005, and with the pivotal Gleneagles G8 meeting just weeks away, the Program of African Studies of Northwestern University hosted a conference to address this question. Its participants, who included scholars and policymakers from the United States, Europe, and Africa, welcomed the increased attention being devoted to the continent. However, during the ensuing discussions, the need for much more critical thinking about aid and development became apparent. Speakers, drawing on wide experiences across Africa, examined the implications of the current thinking. In particular, they identified the challenges and hazards of massively increasing aid without paying corresponding attention to governance, institutions, and absorptive capacities.

Despite the daunting challenges, conference participants never strayed into the territory of aid-pessimism. They maintained that the donor community *can* play a key role in invigorating development processes in Africa and that some donor initiatives *do* make a difference. The wide-ranging analyses presented at the conference demonstrated that the positive impact of aid depends on the design and implementation of nuanced strategies, an appreciation of the limitations of external actors, and the adoption of a transformative (rather than palliative) mission. To this endeavor, we gave the name *Smart Aid.*

Two years later, although the euphoria of 2005 has subsided, the clear challenges facing Africa have not. Better understandings of what makes aid effective are still needed. Many of the once ubiquitous "make poverty history" bracelets now reside in bottom drawers and perhaps the Live 8 throngs are rocking at a new season of well-intentioned fests. More significantly, the lofty promises of increasing aid levels have fallen short, along with the inevitable slippage in popular attention. The G8 leaders pledged at Gleneagles to double aid to Africa by 2010. However, G8 assistance to the continent in 2006 increased by just 2 percent when the one-time debt relief for Nigeria is excluded (OECD 2007).

Although optimism has abated, 2005 showed that the international community is ready to engage with Africa in a more serious way. The new focus on governance and a willingness to increase aid flows must also be accompanied by realistic and results-oriented strategies. This book emerged from the desire to influence such thinking. In this introductory chapter, we identify several priority concerns, review the volume's contents, and suggest several distinguishing features of smart aid.

The Heart of the Issue: Incentives and Accountability in Recipient Countries

Several themes from the conference presentations are prominent in the chapters that follow. All participants recognized an essential link between governance and development: without capable and well-led states, sustainable economic advances would remain elusive. They identified a paradox of sequencing. Higher levels of aid would precede the governance environment that is supposedly required to make them effective. Increasing the flow of aid without developing ways to improve probity, transparency, and accountability can reinforce dysfunctional systems. It was also emphasized that African governments encompass a wide range of systems—from failed entities, lacking in legitimacy and capacity, to increasingly consolidated democracies committed to reducing poverty. International engagement must therefore be calibrated to the real nature of African governance and provide incentives to build state capacity, strengthen systems of accountability and inclusion, and facilitate the emergence of robust civil societies.

The shortcomings of aid administration and delivery featured prominently in our deliberations. Aid agencies were seen by conference participants as slow to change their practices. Issues such as the over-reliance on external experts, the creation of parallel structures in recipient countries, the lack of coordination and tied aid were identified as problems many years ago. Yet they persist.

In the conference discussions and in the chapters of this book, issues of incentives and accountability have come to the forefront. Observers of African politics have long noted the concentration of power and resources in the hands of a small elite (Ake 2000; van de Walle 2001; Clapham 1996; Olukoshi 1999). In many countries, such actors benefit greatly from the status quo. To promote positive change, widespread popular demand for development is crucial. Equally challenging, however, is the motivation and behavior of elites since they can accelerate, constrain, or reverse progress.

Incentives can determine whether individuals and collectives find it in their best interests to act in ways that facilitate rather than undermine national development. Economic incentives can influence whether a successful businessperson invests her profits in domestic industry, thereby creating jobs, or instead sequesters them away in foreign accounts. Political incentives can encourage a minister to push for civil service reform, thereby cutting costs and improving performance, rather than just allocating positions among cronies. Mick Moore suggests that governments that rely heavily on domestic tax revenues have a strong interest in boosting the prosperity of their population (Moore 2004). Governments largely dependent on aid or resource rents, however, may lack such motivation (Leonard and Straus 2003; Collier 2007). Institutions and the overall policy environment must therefore be designed to reward pro-development behaviors.

If incentives encourage good behavior, it is also the case that accountability can constrain the bad. When vertical accountability mechanisms exist, such as honest elections, citizens can demand that their government act in ways that advance their interests. In such contexts, the failure to maximize the benefits from a country's resources would not be allowed to continue. Leaders who advance their own interests at the expense of societies would not remain in power long. Institutions such as legislatures, the judiciary, opposition parties, and auditors can enforce horizontal accountability. Parliament can reject ill-conceived budgets, and superior courts can block executive attempts to manipulate public institutions. These mechanisms, and their capacity to elicit responses from those in power, comprise the ingredients of strong domestic accountability. In most of Africa, however, such mechanisms are still weak or absent.

Identifying and building the incentives and accountability systems that underpin development are difficult and complex tasks. Systems that demand and protect good governance depend on myriad relations that tie a society together, particularly between those who enjoy power and those who do not. And these objectives cannot be separated from the wider development context: a healthy and well-educated population is better able to make demands of its government. Moreover, there is much skepticism about how much external actors can meaningfully affect these dynamics (Easterly 2001a, 2006). Consequently, donors have tended to focus their attention and resources on supply-side issues, that is, specific external inputs in the form of loans, grants, equipment, food, medicine, expertise, and policies.

In recent years, external donors, African governments, and citizens worldwide have engaged in multiple assessments of the generally disappointing results of these transfers. There is a growing recognition that externally constructed and supplied "solutions" usually do not work. The weak record of conditionality provides a compelling example (see, for instance, Easterly 2001a; van de Walle 2005), as do the fleeting impact of decades of training programs for public sector personnel.

In recognition of these shortcomings, donors are devoting greater attention to issues of governance and ownership in the hope of influencing the accountability and incentive landscape in recipient countries. The first section of the book focuses on the activities of the donors themselves and how they shape the impact of aid. In the second section, recent donor strategies are evaluated through the prism of pursuit of accountability and incentives. Finally, the third section addresses democracy and governance, international efforts to improve them, and the generally middling outcomes achieved so far.

Donor Limitations: Accountability Dilemmas, Politics, and the International Context

The book begins with chapters on the policies and behaviors of countries and international organizations that provide development assistance. Many of these actors have been involved in Africa for decades and have gained valuable lessons. Examples of learning include the shift of World Bank and International Monetary Fund (IMF) policy away from insisting on the drastic reduction of public sector employment and the imposition of similar conditionalities. However, as will be argued throughout the book, donors still engage in many behaviors that inhibit the effectiveness of aid. Furthermore, donor reform strategies, such as sharp increases in aid and the shift to budget support, can introduce new challenges and risks.

In Chapter 2, Paolo de Renzio reviews challenges that arise from the development community's key priorities of increasing aid and promoting good governance. He shows the interrelationship of these two concerns: donors regard improvements in governance as helping safeguard their increased investments. As aid flows increase, international actors seek to improve local administrative systems, especially by strengthening public finance management. Budget support is another aid modality adopted by donors. It provides donors a way in which aid can be increased without requiring an enlargement of their own administrative operations. Recipient governments enjoy greater latitude in deciding how aid is used. Yet, according to de Renzio, budget support poses macroeconomic and institutional risks that its proponents have not adequately addressed.

De Renzio discusses issues of accountability and the impact of recipient country politics on how aid is actually utilized, themes that feature prominently throughout the book. In aid-dependent countries, donors can hurt domestic accountability if they become the main audience to which governments respond. In a related argument, de Renzio and other authors identify local politics as a frequent donor blind spot. Development partners often focus on formalized statements and rhetorical commitments made by governments, usually crafted to please them. This emphasis on the official comes at the expense of recognizing the political realities of decisionmaking and government behavior.

The issues of accountability, budget support, and aid absorption discussed by de Renzio are prompted by the contemporary emphasis on simultaneously increasing aid and improving governance. Other obstacles that impair donor effectiveness have been around longer and continue to influence outcomes. Carol Lancaster's chapter on US policy identifies factors that have limited the developmental impact of US aid over many years (see Chapter 3). She also suggests why they are likely to endure in the future. Drawing on her extensive research and direct experiences as a USAID administrator, Lancaster suggests three characteristics of smart aid: flexibility, coherence, and coordination. She also identifies factors that inhibit their achievement, such as the congressional earmarking system and the overlapping development mandates of various government agencies. Lancaster discusses the motivations used to justify overseas aid, especially national security interests and humanitarian concerns. She further shows how aspects of the US political system, such as the division of powers, often mitigate against the formulation of clear and consistent policies.

Despite, or perhaps in light of, these shortcomings, donors have tried to enhance the quality of their assistance to Africa and improve relationships with African governments. In Chapter 4 Vivian Lowery Derryck examines the creation of international commissions as a mechanism by which donors can incorporate lessons learned and improve future practices. She gives a generally positive assessment of the UK Commission for Africa and praises its multisectoral approach, its consonance with other initiatives such as the Millennium Development Goals and NEPAD, the raising of public awareness, and its encouragement of partnerships with African governments. Yet Derryck believes the commission was constrained by factors that have traditionally hampered development assistance: competing international priorities, the tendency for Africa to recede from the foreign policy radar, lack of donor coordination, and the difficulty of nurturing long-term public constituencies for international development. While noting the commission's achievements, she also identifies key topics that deserved greater attention: education, gender, and food security.

Evaluating and Learning from Donor Strategies to Improve Aid

The Commission for Africa's activities reflect the upsurge in attention to economic development and poverty alleviation following the decline in aid flows in the 1990s. Along with the mounting frustration with weak development outcomes, this rise can be attributed to several factors.

- The major powers began to perceive failed and lawless states as potential national security threats and liabilities in the escalating war on terror. Frequently citing the example of Taliban-era Afghanistan, several high-level US policy documents place development assistance within this security context, therefore affording it more priority (White House 2002; USAID 2002).
- The widespread optimism that surrounded the end of the Cold War, and the accompanying spread of the third wave of democracy to Africa, abated because of the uneven record of democracy on the continent. Clearly, the sailing was not as easy as anticipated during the heady days of the early 1990s.
- New challenges provoked new responses. Chief among these developments was the HIV/AIDS crisis, which has taken a huge toll on Africa. Its rapid spread prompted new actors to take notice and the donor community to mobilize in new ways. Wars also provoked more urgent responses, such as those in Liberia, Sierra Leone, and southern Sudan, and the rush of

donors to assist postconflict Mozambique. More powerfully, the Rwandan genocide illustrated the high cost of noninvolvement.

• The issues outlined above attracted new constituencies that have bolstered the ranks of persons seriously concerned about African development and eager to become directly involved. Prominent among them is the Christian Right in the United States, a newly important advocate for Africa that enjoyed significant political influence during the Bush administration.

• In the 1990s, the contrast between Africa and the rest of the developing world grew more dramatic. As several Asian countries graduated to middle-income status or even higher, the marginalization of Africa within the global economy became more starkly apparent. At the same time, the language and stated aims of African leaders, civil society, and donors converged, creating more common ground. African leaders were more willing to discuss internal political and governance issues and increasingly embraced neoliberal economic strategies. Donors stepped away from the draconian structural adjustment programs of the 1980s and early 1990s, began to recognize the need to "bring the state back in," and prioritized "partnerships" with aid-recipient countries. This commonality of purpose has engendered a less adversarial context than in previous eras.

• A wave of new engagements has drawn greater attention to Africa. The involvement of China, India, and other fast-growing countries has increased, driven in part by efforts to secure access to African energy resources and other mineral wealth. These developments accompany a US effort to diversify its oil import portfolio while a major boom is taking place in commodity prices. New dynamics of foreign involvement in Africa's economies have thus ensued, with potentially significant consequences for governance and development.

In this changing terrain, the donor community has introduced new priorities and strategies. In particular, it has sought to integrate governance and ownership concerns into politically feasible programs that also produce measurable results. In the second section of this book, "Evaluating Strategies for Aid and Debt Relief," several of the more prominent efforts are discussed, including budget support, debt relief, Poverty Reduction Strategy Papers (PRSPs), the Paris Declaration on Aid Effectiveness, and special programs to assist fragile and postconflict states.

Joel Barkan takes up the issue of budget support in Chapter 5. He traces the emergence of this approach within aid policy circles and the motivations driving its application. As part of the current "search for partnership," budget support provides ways of increasing country ownership and reducing transaction costs. Country politics, however, are often poorly incorporated into donor decisions on budget support. The latter's effectiveness is also hampered by the insufficient assessment of noneconomic risks. Echoing another central theme of smart aid, Barkan finds the application of budget support too "supply-side oriented" and not reflecting the "totality of the relationship between the rulers and the ruled." Using the examples of Tanzania and Uganda, he argues that the real incentives driving political behavior in these two countries can undermine the effectiveness of budget support in ways unanticipated by donors. In some contexts, Barkan contends, the prospect of receiving budget support will not, by itself, create sufficient incentives for better governance.

The influence of another kind of external incentive, namely debt relief, is the focus of Chapter 6 by Thomas M. Callaghy. He traces the path of the debt relief movement, from the highly indebted poor country initiatives to Iraqi debt relief, and then details the successful campaign by Nigeria to reduce its large external debt. In 2005, this campaign led to a historic deal in which Nigeria paid off $30 billion of its Paris Club debt for only $12 billion, essentially a 60 percent write-off. Callaghy's account of the negotiations and networking that led to this decision provides a fascinating glimpse of the multiplicity of actors who influence aid and debt policies, such as technocrats, think-tank experts, and development agency officials.

Like Barkan, Callaghy argues that whether debt relief is effective depends on the structure of incentives and recipient country politics. He is concerned that the potentially positive effects of debt relief on policymaking in Nigeria may have already worn off and the reform movement may have lost momentum and direction. Debt relief and budget support can result in sharp increases in the financial resources available to country governments to tackle their development needs. Whether these aims are achieved, however, depends on domestic political and incentive issues that donors often do not have the time or training to understand well.

Drawing on his extensive experiences as a development practitioner, Ian Hopwood offers an evaluation of Senegal's experience with two major donor initiatives in Chapter 7. Like budget support, Poverty Reduction Strategy Papers resulted from a desire to increase country ownership over development planning and to improve donor coordination. Hopwood praises their more explicit focus on reducing poverty, their participatory approach, and the attention paid to harmonization. However, he believes that the gains in practice are still modest. Hopwood's critiques coincide with the concerns about accountability and incentives raised throughout the book and also consider technical obstacles in budgeting and donor staffing. The PRSPs still do not rely sufficiently, he argues, on the "users" of government services and other demand-side groups. Instead, they are conducted in parallel with the country's political process. And they are not well integrated with other national agendas and the work of key ministries.

Hopwood also reviews the mixed record in Senegal of the Paris Declaration on Aid Effectiveness. In 2005, donor community representatives came together in a high-level forum in Paris to discuss issues of ownership, alignment, and harmonization. The resulting declaration spells out the steps they would take to achieve these goals and a monitoring system to track their progress. Even though it is too early to judge the impact of these commitments, Hopwood identifies challenges to be overcome. Such international pronouncements often do not take account of serious obstacles on the ground. Organizational practice and individual incentive issues within donor agencies could produce resistance to harmonization and alignment. These practical concerns reflect one of Hopwood's cardinal points: the effectiveness of aid policies depends not just on their design but also on their implementation by imperfect institutions operating in diverse country contexts.

Recent years have seen the design of new strategies to deal with weak, failing and postconflict states, such as the Organization for Economic Cooperation and Development Fragile States Group, the Commission on Weak States and US National Security, the United Nations Peace Building Commission, and an effort by the European Union to devise a common policy on fragile states. Motivations for this increase include the link between failing states and national security mentioned above, and the persistence of violent conflicts in such countries as Democratic Republic of Congo, Uganda, and Somalia. These environments present daunting challenges for international actors as well as for country governments as they must contend with staggering short-term and long-term needs. In Liberia, for example, the Ellen Johnson-Sirleaf administration inherited a country in which GDP per capita had fallen by as much as 80 percent; where publicly supplied water and electricity had stopped for fifteen years; where, from 2000 to 2005, government spending averaged a paltry $85 million annually for a population of 2.5 million; and where an entire generation of children grew up largely uneducated (Sayeh 2007).

In Chapter 8, John Ohiorhenuan identifies the areas in Liberia that deserve priority attention in order to rebuild an environment that has been thoroughly destroyed. Enhancing security requires programs such as disarmament, demobilization and rehabilitation; civil service reform; and the rapid creation of more jobs. Macroeconomic policy must balance the urgent need to scale up services and connect them to longer-term policies on inflation and debt sustainability. Not to be overlooked are the reasons that prompted the outbreak of violent conflict in the first place. Their elimination may require decentralizing the government, strengthening the rule of law, and initiating truth and reconciliation proceedings. In addition, oversight mechanisms are needed to facilitate the emergence of responsible and accountable economic management.

Ohiorhenuan devotes significant space to the last point, which also is relevant to other chapters in the book. How can transitional or new peacetime governments that often contain former combatants be motivated to act in the long-term interests of their countries? In Liberia, donors introduced a new strategy, the Governance and Economic Management Assistance Programme (GEMAP), to encourage good economic governance. Yet this mechanism also constrains the sovereign autonomy of the Liberian government. Ohiorhenuan raises concerns about GEMAP's strategy of embedding donor representatives in the decisionmaking processes in key ministries. How does such a practice conform to public sector capacity building? Does it create an unsustainable form of external intervention? Do such arrangements improve the short-term political horizons and reduce the systemic corruption that plagued previous government? Arriving at an appropriate mix of political incentives is at the heart of ensuring that postconflict governments have a stake in economic reform.

Good Governance, Democracy, and the Influence of Donors

Along with the measures described above, a significant portion of recent donor activity in Africa has been directed toward advancing democracy and good governance. Since the political openings that followed the end of the Cold War, international and African actors have gained wide experience in promoting such transitions. So far, most African countries have shown highly uneven progress, with states superficially acting in ways that encourage development, and a number of political systems that remain staunchly authoritarian or fall into the category of virtual or pseudo-democracies (Zakaria 1997; Young 1996; Ottaway 2003; Joseph 1998; Diamond 1996). Since the emergence of good governance and democracy depends fundamentally on the evolving relationship between government and the governed, a persistent question concerns how external actors can have a positive impact in this arena.

The chapters in the section on governance and democracy examine donor activities from different perspectives. Taken as a whole, the authors emphasize the importance of effective incentive and accountability systems. They demonstrate that even though external actors can play a positive role, they can also have a negative impact on local governance and democratic dynamics.

Chapters 9 and 10 address corruption, a problem that has spawned much criticism of African governments and their external sponsors. Prominent contributions to the literature on African politics emphasize the embedded nature of corrupt practices in the clientelistic logic that dominates the politics of many African countries (Joseph 1987; Bayart 1993; Olivier de Sardan 1999; Clapham 1996). The chapters by Will Reno and Anyang' Nyong'o follow, to differing degrees, this line of thought as they emphasize the country-specific organization of corruption, its historical roots, and the need for locally driven responses. The variation between their cases, war-torn Liberia (Chapter 9 by Will Reno) and the relatively stable Kenya (Chapter 10 by Peter Anyang' Nyong'o), illustrates how pervasive corruption continues to complicate donor-recipient country relations.

Reno's chapter complements Ohiorhenuan's on Liberia. In this beleaguered country, criminality has triumphed over the rule of law for many years. He reviews how the relationship between corruption and the exercise of political power has evolved during Liberia's postcolonial history. Drawing on comparative examples from East Asia, he offers a provocative analysis of how corruption can sometimes *contribute* to the coherence and effectiveness of the state. Reno's analysis poses challenging options for international actors. He contends that since corruption is an integral part of the political economy of many African countries, overcoming the former will require reinventing the latter. Such a task exceeds what most donors are willing to undertake or could accomplish. This paradox obliges them to consider alternative strategies, such as GEMAP. Reno advances alternatives for how donor involvement might be made more effective. Donors are confronted by difficult choices between promoting reform and advancing national security, as reforms can destabilize local arrangements of power and social relations. One policy option is for the government to work with, rather than dismantle, wartime networks such as youth associations. These networks, unlike donors or even politicians, have links to communities that have disengaged from the formal structures of the state. Some readers are likely to inquire whether such practices would enhance integrity and trust in state operations. Nevertheless, Reno's arguments suggest that corruption cannot be tackled with formal and centralized institutional safeguards like GEMAP alone.

Anyang' Nyong'o's chapter provides a forthright examination of corruption in postcolonial Kenya. The author, a parliamentarian and prominent academic, delivered an earlier version of the chapter to a large audience at the University of Nairobi. It therefore reflects the original aim of reaching a domestic audience. Nyong'o emphasizes the limited effectiveness of international actors in combating corruption as well as their minimal interest in doing so in the past. His contextualized discussion of corruption sheds light on why this problem has been resistant to externally driven counterstrategies.

Despite its close focus on the Kenyan setting, Anyang' Nyong'o's analysis holds instructive lessons for donors: (1) the critical importance of democracy in fighting corruption, (2) the striking gap between government rhetoric and practice, and (3) the urgent need for local answers and local champions to combat corruption. The crafting of domestic political incentives to weaken corruption features prominently in his chapter. By demonstrating the persistence of elite-driven corrupt practices in Kenya, the chapter provides insights that should inform donor strategies and expectations. His recommendations echo Bratton and Logan's insistence on democracy and access to information as key to improving governance and reducing corruption.

In Chapter 11, Michael Bratton and Carolyn Logan use multicountry Afrobarometer survey data to challenge the assumption that voting in elections necessarily endows individuals with ownership of their political systems and the will to control their leaders. Accountable governance, they argue, requires more than just votes. In Africa, the demand for governmental accountability from the electorate remains low, and elected leaders and the various arms of government often enjoy wide latitude to do as they wish. The authors then identify country characteristics, such as political history and elapsed time since decolonization, that influence whether populations *effectively* claim their democratic rights.

The arguments of Bratton and Logan hold important lessons for donor policymaking. The fundamental challenge is to help make government more accountable to citizens rather than donors. The authors propose strategies that can be used to strengthen vertical accountability, such as administrative decentralization, budget transparency, the involvement of electoral representatives in their constituencies, civic education, and others. The Afrobarometer data presented in their chapter and online enable policymakers to learn more about how Africans view their governments. Afrobarometer findings can increase understanding of local contexts upon which aid decisions are made.

Bratton and Logan contend that donors can, inadvertently, weaken domestic accountability through the overuse of conditionalities. Darren Kew takes up similar issues in Chapter 12, on donor–civil society relations in Nigeria. Donors are often drawn to civil society actors as an alternative or supplement to their relations with country governments. Kew describes the evolution of this practice and the patterns that often characterize these interactions. Problematic elements include donor ambivalence about capacity building and the forming of partnerships, and the growth of civil society opportunism as reflected in the emergence of myriad nongovernmental organizations.

Kew's chapter contributes important insights on the role of civil society in fostering a democratic culture. He suggests that civil society groups can advance democracy in two important ways. First, they can provide relevant analysis, oversight, and advocacy. Second, they can serve as "classrooms of democracy" in which individuals learn to engage in citizenship behaviors shown by Bratton and Logan to be deficient. Drawing on two Nigerian case studies, Kew argues that the nature of the relationship between donors and civil society has an impact on the effectiveness of this learning process. Democratically structured relationships bolster democratic learning, but undemocratic interactions can reinforce neopatrimonial tendencies. Kew's case studies demonstrate how administrative decisions that may appear expedient in Western capitals can have negative consequences in Africa.

In Chapter 13, Richard Joseph takes up the link between misrule and underdevelopment and brainstorms about how international actors can contribute to its reversal. The donor community, and actors within Africa, have neither significantly improved governance systems nor created the kinds of agile and predictable institutional environments required for progress in a globalized economy. In response to these shortcomings, Joseph advocates forms of international cooperation that increase institutional capacities and foster norms and behaviors of good governance. The constant drain of skilled workers and professionals from the continent adds urgency to this agenda.

Capacity-building bridges include collaborative programs to improve higher education, innovative international incentives for good governance, greater engagement of the new African diasporas, and creative public-private partnerships. Such interactions should facilitate learning, involve new actors, and provide alternatives to the usually cyclical and unsustainable practices of donors seeking to replenish the drain of African financial and human capital with their own.

The Delivery of Smart Aid

The debate on the future of international development assistance has tended to become oversimplified into two warring camps: aid-optimists, who believe that drastic increases must be made in international development assistance to fill the investment gaps that inhibit growth in Africa; and aid-pessimists, who contend that such massive increases will exacerbate economic underperformance and weak and autocratic governance on the continent. This edited volume is not intended to speak for either camp. Rather, its authors recognize the critical and strategic role that aid can play in strengthening public and private institutions so they can better serve the interests of Africa's people. Assuming a more modest perspective, the authors acknowledge the limited but real potential benefits of foreign assistance to accelerate growth and development. They offer no easy and glib solutions. Instead, the chapters detail the nuanced local understandings and clarity of purpose that are required if smarter use is to be made of aid resources.

Understandably, there are points of disagreement and differences in emphasis among the authors. What is remarkable is the wide area of consensus achieved despite the complexity of the issues discussed and the diverse experiences on which the authors draw. There are certain recurring themes. The achievement of locally determined development goals, and their sustainability, depends ultimately on the nature and interplay of domestic forces, especially local sociopolitical dynamics. These can neither be created nor replaced by foreign actors. If aid is to foster sustainable development, it must facilitate the emergence of enterprising private and public sectors as well as stronger systems of accountability to protect them. Appropriate incentives and transparency are central to the achievement of this mission. Operationalizing these ideas, we recognize, is difficult. However, the tone of this volume remains constructive throughout. Although we recognize the necessity of high levels of aid, we believe more attention should be paid to how it can be a transformative rather than permanent aspect of African governance.