

Foreign aid: This kind of 'help' is just no help at all

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The multi-billion dollar aid industry has largely failed in Africa. Not only have they failed along with others in the aid industry, most nongovernmental organizations (NGOs) have become part of the problem. Not that they will admit their failure. They refuse to share the blame for the grim record. Instead they have closed ranks - along with UN development agencies and bilateral agencies - and all sing from the same hymn sheet: 'Aid works', they claim. 'Give us even more money and we will complete the job...'

They would say that, wouldn't they? The alternative is far too uncomfortable. The rapid growth of NGOs dealing with Africa has given them enormous power, but they have been slow to adapt to their responsibilities.

Increasingly, NGOs are becoming the spending agents of government development agencies, and are losing their independence. One consequence of their increasing role in Africa has been the atrophy of the muscles of the State in Africa, which in turn erodes loyalty to the State - and I think this goes to the heart of the problems that beset Africa, from corruption to low domestic savings.

The growth of the foreign NGO movement (as distinct from local NGOs) began in the 1970s, and has expanded from a few hundred to tens of thousands today.

It was a response to Africa's deepening crisis - debt, disease, war and disaster. Initially it was a humanitarian response, literally 'first aid'. It soon widened to broad development assistance: from helping to run railways to supplying health clinics, and staffing policy-making teams in government.

But the type of NGO aid, and the attitudes attached to it, reflected ideological battles - socialism versus capitalism, to put it crudely - that NGOs had lost at home and instead fought abroad in states such as Tanzania and Zambia.

Today they still fight these battles over water privatization, for example. NGOs are outraged that water should be sold for a profit, overlooking the fact that from Lagos to Luanda, the poor already pay for their water.

The NGOs' role in telecommunications and deregulation - which led to the growth in mobile phones, independent radio stations, and the Internet - has been negative. Yet these three developments have done more to democratise Africa than anything else.

Meanwhile, NGOs have tapped into a huge reservoir of support and compassion for Africa, and persuaded the public to put its money where the NGO mouth is.

Their domestic public relations strategy is outstanding: look at the professional NGO lobby behind the pop stars at Gleneagles G8 meeting last year. The aid agencies were there in strength, promoting their solutions for Africa's ills, rallying their troops and rattling collection boxes. There is a lot of new aid money to rattle for: billions and billions of dollars, if Britain's Tony Blair and Gordon Brown get their well-intentioned way.

Since 1971 Africa has received more than \$350bn in aid; in 2004 it was \$15bn, and the Gleneagles' intention is to double this. Nobody knows what proportion of aid passes through NGO hands but it is substantial and getting bigger.

While Africa's crisis has deepened and its problems have multiplied, so the number of foreign NGOs has risen. The more NGOs around, the steeper a country's economic decline. And the NGO staff don't come cheap.

An estimated \$4bn is spent annually on recruiting some 100,000 expatriates in Africa, many of them for jobs with NGOs. The result is that there are more foreigners working in Africa than there were at independence five decades ago. They are helping to run everything from ministries to mines, working as policy-makers and performing heroics on the front line against poverty.

Yet Africa's management capacity is weaker today, according to the World Bank, than in the 1960s. The greatest danger to Africa is that it lacks the skills that are needed to manage its own recovery.

As foreigners arrive to take up short-term contracts, each year about 70,000 skilled Africans - doctors, engineers, nurses - leave to work abroad. Western governments should ask whether the growth of NGOs is not only a symptom of Africa's crisis, but perhaps part of the cause. Why are there so many NGOs? How do they coordinate? Where do they get their money? Do they train their staff? What proportions of funds comes from official aid agencies, which increasingly use the NGOs as a conduit?

How effectively do the NGOs spend it? Who monitors the spending? Are they adept at spinning the aid story at home, while lacking professionalism in the field? In short, do the NGOs have power and influence without responsibility?

Of course, no one can feel anything but admiration for emergency humanitarian missions, such as the International Red Cross or Oxfam's front-line troops. Today the NGO role usually goes well beyond first aid assistance to people in dire distress. They are important to the development of the region where they are based. However, neither the NGOs nor the official agencies are prepared to accept a share of the blame for Africa's development disaster.

Kenya is a case in point. Forty years after independence and billions of dollars of aid and countless hours of NGO work, the country is miserably worse off. The government itself acknowledges that nearly six in every ten people subsist on less than two dollars a day, and the figure is rising.

It is easy to forget that Kenya is a poor country: it has no mineral resources; two-thirds of the land is arid or semi arid. In a good year of rain, it can feed itself. But good years are the exception and that is not going to change.

Meanwhile the population has doubled in 25 years. There are more mouths to feed and the shambas (farms) are becoming smaller and less viable as they get sub-divided. North-east Kenya is worst hit, and much of the food aid is going there.

Have the donors, by providing food over the past four decades, effectively subsidized the people living there, or encouraged families to move there from other parts of Kenya and so helped create the very problem they now seek funds to alleviate? We all know what food aid can do to local agriculture.

Also, by providing food, medicine and shelter, the NGOs may be ensuring that the government of Kenya doesn't have to bear the consequences of its incompetent, corrupt mismanagement. This undermines the relationship between the State and the citizen, with profound consequences.

There is an unwritten contract between the State and the citizen. The State should provide security, the rule of law, and basic services - in return, the citizen has a loyalty to the State and pays taxes. But if the State does not deliver, why should citizens be loyal? Instead the loyalty goes to the clan, the tribe, the region.

What is the role of aid workers in all this? By going beyond first aid and taking over services (the World Food Programme, for example, assists in the management of Kenya railways) the NGOs ensure that the State is cushioned from the consequences of its incompetence. The

NGOs also assist in weakening the State, and contribute to its decline under a system of tribal barons who call themselves cabinet ministers. Yet the belief that NGOs can circumvent corrupt governments, which they helped create, is at the heart of the argument of those who defend increases in British aid to Kenya.

Britain's Development Minister Hilary Benn argues: "Just because poor people live in a country where corruption is a serious problem, does that mean they do not deserve our assistance if it can be effective? ...Our support to Kenya will mean textbooks in its primary schools and 11m treated bed-nets, saving lives." Minister Benn not only fails to understand the root causes of corruption but he also fails to understand how corruption works, day after day, in Kenya. Textbooks or bed-nets, they cannot avoid being tainted.

The process begins when the consignments arrive at Kenyatta airport and the first pay-off comes when they have to be cleared through customs. It continues when they pass through the numerous police road-blocks en route to their destination. And when they arrive, they are used as patronage or leverage.

Far from challenging conventional wisdom, many NGOs have become little more than an arm of official donor policy.

One of Africa's most encouraging developments in recent years has been the growth in civil society, but foreign NGOs have played only a modest part.

Two policy shifts, reluctantly made by African governments, have boosted local democracy: state-controlled television and radio was deregulated, and the telecommunications sector is being privatized. More information became available, mobile phone ownership soared, and the Internet took off.

But many NGOs are still rooted in an ideological past, fighting battles on African soil which have been long lost at home, in which privatization, profit and the private sector are all treated with deep suspicion.

Aid isn't working, but the aid lobby pretends it is. They do so by treating Africa as one vast Potemkin village. The term goes back to Catherine the Great. One of her generals, Gregori Potemkin, had elaborate fake villages constructed in advance of her tours of the Ukraine and the Crimea.

The term - Potemkin village - today means something that appears elaborate to impressive but in fact lacks substance. In Africa, realities on the continent are concealed by a Potemkin like structure.

Africa's Potemkin village has been erected by well meaning outsiders. Reality is either distorted or hidden behind false assumptions, phoney statistics, and misleading language.

So when we read about the post-independence developments in Africa - in health, or education, or the damage wrought by war or famine - we use and read words involving concepts that seem familiar. But these words have a substance, a meaning, or an implication that is inappropriate in Africa, however suitable they are in Europe. So we'll read or send reports that refer to villages, clinics, schools, universities, and airports and we will refer to rises or falls in GDP, or the number of Africans subsisting on a dollar or less a day. Yet all too often we are talking about non-villages or un-schools or ex-airports.

What we don't have are words for an airport without a runway, or schools without classrooms, universities without books. Or prime ministers without power, or presidents without a civil service. Or central bank governors without banking systems, and finance ministers without finance.

Yet the assumption is that in Africa these institutions exist and function, roughly in accordance with their counterparts in Europe. We might acknowledge that the "hospital" may be short of medicine. But we assume that it is there, just as we assume that the finance minister has powers he can exercise.

We erect fantastical superstructures, for example, called development plans, using statistics that are no more than extrapolations, built on assumptions, which in turn are based on information from the colonial era. Reality across Africa is different.

We should be worried by the accuracy and quality of reporting on Africa.

When reality is not an objective appraisal, when it becomes what we, who work in or on Africa - journalists, diplomats, aid workers - think it is, or think it should be, we are doomed to make mistakes.

Sometimes, through ignorance, or because the agents of Western policy are out of their depth, a dangerous new reality is created. The NGOs did this in Congo in the mid-1990s, when their warnings of refugees heading for the eastern border became a self-fulfilling prophecy. Refugees gathered by the scores of thousands on the eastern border, having walked there because they knew from their radios that food from donors awaited them.

Although most governments and commentators accept the importance of the private sector in development, NGOs remain suspicious if not downright hostile. A functional partnership between business and the NGOs seems far away.

It's not just that Africa has gone backwards, it is the way the rest of the world has gone forwards which is not understood. The international flow of goods, services, capital and labour dwarfs our imaginings. There's a good reason why Britain is no longer a manufacturer (more efficient producers in Asia), why services are becoming tradable (more productive workers in India), why the huge US current account deficit doesn't matter (inward capital flows), and why developed countries want Malawian doctors and nurses (losing their own elsewhere, or not producing them in the first place).

These developments - like corruption and capital flight - have big implications for Africa. NGO people still don't get this. Not many people do.

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