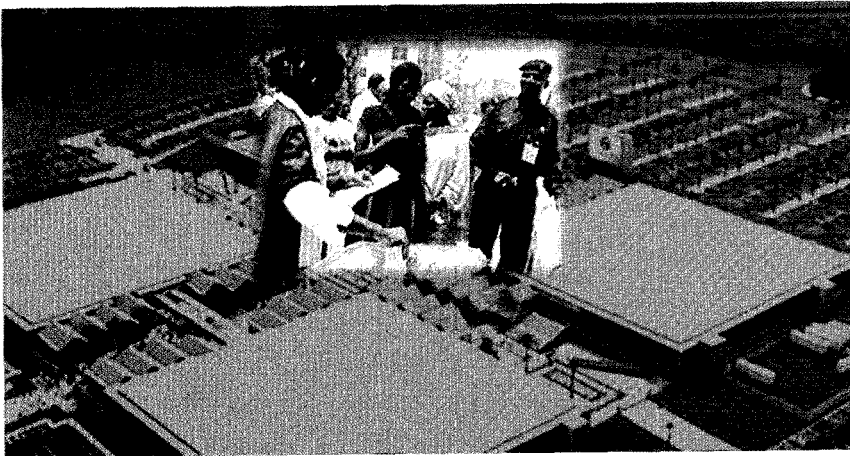


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## DEMOCRACY AND DEVELOPMENT

BY PROF P. ANYANG' NYONG'O\*

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In the late eighties and early nineties, a number of African scholars carried out an intense debate in the *CODESRIA Bulletin* as well as the *CODESRIA* journal, *Africa Development*, on the relationship between democracy and development in Africa<sup>1</sup>. This writer contended that democracy was good for development in Africa. And even went further to argue that countries which had been a little bit more democratic than others in terms of having civilian regimes, holding periodic elections and tolerant of some amount of press freedom had done much better than others. Instances were given of Botswana, Mauritius, Kenya, Cote d'Ivoire and Senegal as the more regimes in Africa which were open to some democratic accountability through semi competitive elections, then, as compared to Nigeria, Congo (Brazzaville), Ethiopia and a few others<sup>2</sup>. Part of the earlier argument then was that democracy was good for political stability<sup>3</sup>.

A fellow scholar Thandika Mkandawire strongly objected to both contentions that democracy was good for political stability as well as development<sup>4</sup>. First, he contended that democracy was good in and of itself, period; it did not need to be justified in terms of its developmental or other outcomes. Secondly, evidence available showed that authoritarian regimes had done much better at achieving high rates of economic growth, and even development, than democratic ones. He gave as examples the Asian Tigers. Thirdly, those regimes in Africa that this writer characterised as "democratic",

except for Mauritius and Botswana, were not democratic at all: they were authoritarian regimes which tolerated some degree of participation in the political arena either within the one-party framework or multi-party frameworks tightly controlled by the authoritarian president.

In retrospect Thandika Mkandawire was right in so far as we could not really have a neat correlation between democracy and development in Africa at that point in time when there was only one real democracy then: Mauritius. It was only Mauritius which had, by 1988, changed its government by a new political party taking over power through a free and fair competitive election in 1982<sup>5</sup>. Since our debate was held, many more countries have had competitive democratic elections with ruling parties giving way to opposition challengers in at least 15 countries. We can here mention such countries like Benin, Kenya, Senegal, South Africa and Ghana. Africa's much more stable democracies seem to score consistently higher on such economic growth indicators such as economic freedom (by the Cato Institute), property rights (Vancouver's Simon Fraser Institute) global competitiveness and

economic growth rates in terms of GDP per capita (World Bank, Africa Development Bank and Davos World Economic Forum)<sup>6</sup>. Botswana, Mauritius and South Africa are the only countries that seem to systematically correlate their democratic achievements with their economic growth and development performance. Plenty of literature has been written on this subject with the *American Journal of Democracy* claiming a fair share in this discourse. This essay will refer to this literature briefly and then move on to situate the discourse in its African context. It will begin by going back to the original problem: Is democracy good for development even if it is good in and of itself? What has been the experience of African countries in terms of development since "the democratic opening" of the early nineties? Is there any conscious efforts being made, at national and continental levels, to institutionalise democracy for purposes of accelerated development?

### **What is good for Development: Democracy or Good Governance?**

When one-party rule was in vogue in Africa in the sixties and seventies, the debate was centered on whether Africa needed multi-party political systems in order to be democratic and to develop. Julius Nyerere seems to have won the argument with the powerful contention that party systems are historical, time-bound and dependent on specific political cultures; democracy, however, is

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universal and can be practiced under any form of party politics, including the one-party political system<sup>7</sup>. That was before decades of political and economic decay in Tanzania, largely as a result of very weak accountability by the one-party regime to its citizenry<sup>8</sup>. Nyerere eventually accepted that greater political participation, engendered no doubt by a more pluralist political system, would help rejuvenate democracy, accountability and, hence, development.

There was no better form of political organisation to-date, accepted Nyerere, than the multiparty political system whose time had also come in Tanzania by 1991 when the Arusha conference on *Popular Participation* was held, followed by the publication of the *African Charter on Popular Participation*<sup>9</sup>. It was fully recognised that authoritarian and military dictatorships of all sorts had not only demobilised African people out of the political arena, but their balance sheet in terms of economic growth

and development were largely negative<sup>10</sup>. Unlike in Asia where Presidential Authoritarianism had paid dividends in terms of development, in Africa the opposite was the case.

The World Bank had reacted to the phenomenon of economic backwardness and oppressive non-democratic politics by calling for economic liberalisation (structural adjustment) and political *good governance* as early as 1981<sup>11</sup>. It was argued that good governance, defined essentially as managing public affairs *accountably and transparently*, was good for delivering services to the people, keeping corruption at bay in the public sphere and ensuring that the state creates an *enabling environment* for the private sector to create wealth as well as employment opportunities. With good governance came the call for the state to get out of *meddling in the economy*, hence fast-tracking privatisation and massive retrenchment in the public service.

A lean and keen bureaucracy running a prosperous economy in which the private sector was in the driving seat of economic growth and development was expected as the outcome in such places as Ghana, Uganda, Kenya, Zambia and Tanzania - some of the early "structural adjusters". But as the latest UNDP report on *Inequality*<sup>12</sup> shows, this model of growth may create wealth for a few but it will not create jobs for the army of the unemployed nor will it drastically reduce poverty for the majority. Although there has been growth in

GDP per capita among the successful "structural adjusters", this growth does not translate into *sustainable development*; hence, we are once more being haunted by the age old dichotomy between *growth and development* that the *Dependencia School* warned us about in the sixties and seventies<sup>13</sup>.

Arguments have therefore been advanced that neither the vote nor good governance by themselves are enough; people need more. People need to be governed and yet to control their governors: that is what democracy is all about. But people also need to eat well, live in good houses, be treated when they are sick, wear good and warm clothes, travel safely in means they can afford and which get them to their destinations in time, take their kids to school and live in environments where they feel at home: this is what development is all about. When people vote periodically but the president, a member of parliament or councillor still acts beyond the control of the voter and life remains the same, such "democracy" will be met with cynicism from the voter. It is what an American political scientist once called "democracy for the few"<sup>14</sup>.

In a draft manuscript prepared for the World Public Sector Report, Adam Przeworski, referring to H.W. Singer's work in 1965, notes that while democracy may encourage economic growth, economic growth itself is not inconsistent with rising unemployment, increasing inequality and increasing poverty: growth can be "immiserating"<sup>15</sup>. The debate has therefore been to go beyond *mere*

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*growth* and to embrace *wider aspects of life* when we talk about *development*. Thus development involves a *multifaceted process of structural transformations of the economy, of the society and of politics*. By examining only three aspects of *human development - income, education and infant mortality* - Przeworski seeks to find out how developmental "democracies" and "non-democracies" are in various continents. His conclusions are worth noting.

To begin with there are good reasons to expect that democracies should promote economic growth much better than non-democracies<sup>16</sup>. Although economic growth may engender problems such as enhanced inequality in the short run, in the long run democracy stands a better chance of addressing these than non-democracy.

Secondly, democracies withstand political changes in terms

of chief executives (presidents, prime ministers) much better than autocracies; hence, they are more prone to political stability and predictability which are both good for business as well as development. Compare, for example, the breakdown in Cote d'Ivoire in 1990 as compared to the less traumatic democratic change of chief executives in South Africa in 1994.

Thirdly, while it is difficult to determine the extent to which political participation (democratic elections) by the poor affect income distribution (poverty reduction) as well as economic growth rates, it can be well argued that politicians who expect votes from the poor will most likely pay attention to the economic plight of the poor in order to be re-elected to office. The more open and competitive the electoral process is the more likely that the search for office through this process will lead to politics of inclusion and economic redistribution. Both, however, are double-edged: they can also slow down the process of accumulation and economic growth, especially where the revenue base of the state is very narrow and/or bureaucratic corruption is difficult to contain.

### **NEPAD and the African Peer Review Mechanism (APRM)**

For the first time since independence African governments - at least those which have acceded to the APRM process - have accepted to assess themselves on the basis of democratic and developmental

performance based on a carefully worked out instrument of peer review, which provides ample opportunities for horizontal learning experiences within the nation and across national boundaries. Political governance, economic governance, corporate governance and socio-economic development indicators have been identified in this instrument such that in-country self assessment as well as audit by panels of qualified reviewers can assess the extent reforms and development initiatives are being institutionalised and their depth of effect on the life chances of citizens being felt.

Governments may thereby be able to discern more accurately how growth translates into development and what challenges and opportunities arise out of certain demands for reforms. For example, when the National Rainbow Coalition Government (NARC) was elected to power in Kenya in December 2002 - with an overwhelming mandate on the ground that it would overhaul the presidential authoritarian regime and enact a new democratic constitution within the first 100 days of being in power - it raised tremendous expectation on the part of the electorate. This, however, did not happen.

When the APRM exercise was carried out in Kenya in 2004-2005, citizens expressed great concern regarding the stalling of the constitutional review process. They also disapproved of corruption in the public service, bureaucratic

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bottlenecks for doing business, growing inequalities, pervasive poverty in urban and rural areas, violence and insecurity and little protection of the property rights of hawkers and women. They appreciated government initiatives for free primary school education and devolution of funds to local communities, through Constituency Development Funds (CDF) and bursaries for few students in secondary schools and middle level institutions, but decried lack of accountability in disbursing these funds. They made further

recommendations for improvement in performance.

If government improves its performance, delivers services better and improves on the investment climate as a result of listening to these voices emerging from the APRM process, it will have gone a long way to demonstrate that democracy helps development. Adam Przeworski has put it more poignantly:

*"Democracy allows individuals to be public persons, to make their claims and their views known to others, to participate in the making of collective decisions. Even if these decisions are not what a person would want, they are a result of everyone's views being considered. There is a difference between one's views being counted, if only to be found in a minority, and not being counted at all. As Sen<sup>1</sup> argued, 'If freedom is of some intrinsic value in a person's life, then the valuation of a capability set need not coincide with the evaluation of the chosen element of it...One reason is that choosing may itself be an important functioning'"<sup>2</sup>.*

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business and so on - is generally accepted in the APRM process, as elsewhere, as a necessary condition for development in Africa. While

democracy cannot be reduced to good governance, the latter is an important ingredient of democracy. Beyond good governance democracy

raises larger questions of justice, equity, equality and fairness. With democracy development is complete. ■

## Notes

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<sup>1</sup> P. Anyang' Nyong'o, Thandika Mkandawire and Shadrack Ghutto were the main contributors to this debate. See bibliography at the end of this paper.

<sup>2</sup> Anyang' Nyong'o (1988) "Democracy and Political Instability: A Rejoinder to the Comments by Thandika Mkandawire," *Africa Development*, Vol. XIII, No. 3, pp. 83-87.

<sup>3</sup> Anyang' Nyong'o (1988) "Political Instability and the Prospects for Democracy in Africa" *Africa Development*, Vol. XIII, No.1, pp. 71-85.

<sup>4</sup> Thandika Mkandawire (1988) "Comments on Democracy and Political Instability", *Africa Development*, Vol. XIII, No. 3, pp. 77-82.

<sup>5</sup> David Hale (2006) "Who Wants Africa?" *African Analyst Quarterly*, No. 1, pp. 1-9.

<sup>6</sup> David Hale, *ibid.* See also Africa Development Bank (2005) African Development Report 2005: Public Sector Management in Africa; World Bank and IMF (2005) *Doing Business in 2005: removing Obstacles to Growth*.

<sup>7</sup> Julius Nyerere, "Democracy and the Party System," in *Democracy and Development*, Dar as Salaam: Oxford University Press, 1967.

<sup>8</sup> For further analysis of this kind of crisis of democracy and development in many one-party states in Africa during this time, see T.R. Odhiambo, A. Nyong'o, et al (1988), *Hope Born out of Despair: Managing the African Crisis* (Nairobi: Heinemann Kenya). See also Chapter 5, "Public Accountability and Political and Economic Governance," African Development Report 2005, *op. cit.*, pp. 184-224.

<sup>9</sup> Endorsed by both the African Union and the UN Economic Commission for Africa.

<sup>10</sup> See my "rejoinder to Thandika Mkandawire" on the issue of "political demobilization, loss of accountability, increase in corruption and poor economic performance."

<sup>11</sup> World Bank, 1981 *Accelerated Development in Sub-Saharan Africa: An Agenda for Action*. Washington: World Bank.

<sup>12</sup> UNDP (2007) *Inequality*

<sup>13</sup> This school had many masters and followers, and its volumes of literature may re-emerge as the phenomenon of *jobless growth* begins to assert *revolutionary pressures* in developing countries. See bibliography for the works of such authors as Andre Gunder Frank, Samir Amin, and Walter Rodney et al.

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<sup>15</sup> Adam Przeworski (2007), "Democracy, Social Inclusion and Development," *mimeo* Singer, H.W. (1965) "Social Development: Key Growth Sector", *International Development Review* 7: 3-8.

<sup>16</sup> Such reasons include: **1.** By facing the test of periodic elections, rulers are induced to pursue policies that enhance economic welfare and to abstain from extracting excessive rents—and engage less in corruption (P. Keefer-2005—"From settler mortality to patrimonialism: weaving the dynamics of political competition into the political economy of development," *The Political Economist* 12). **2.** Democracies foster the accumulation of human capital, which in turn accelerates growth (Jose Tavares and Roman Wacziarg—2001—"How Democracy affects growth," *European Economic Review* 45:1341-78). **3.** Democracies admit more information into the public sphere, which allow governments as well as private investors to choose better projects and faster correct their mistakes (Amartya Sen—1981—*Poverty and Famines: An Essay on Entitlements and Deprivation*. Oxford: Oxford University Press). **4.** Democracies pay higher wages which induces a more efficient use of labor (Adam Przeworski et al.—2000—*Democracy and Development: Political Institutions and Well-being in the World, 1950-1990*. New York: Cambridge University Press). **5.** As far as emerging democracies in Africa are concerned, the democratic opening provides the first real opportunity, after "the lost decades" after independence (P. Anyang' Nyong'o—1992—*Thirty Years of Independence in Africa: The Lost Decades*, Nairobi: Academy Science Publishers) to reduce the "elite mass

nexus" which banished the rural areas to perpetual poverty and mortgaged the state to expend national resources in support of the consumptive life style of this elite.

<sup>17</sup> Sen, A. (1988) "Freedom of Choice: Concept and Content," *European Economic Review* 32: 269-94.

<sup>18</sup> Przeworski, A. (2007), "Democracy, Social Inclusion and Development", *op. cit.*; (2003) "Freedom to Choose and Democracy", *Economics and Philosophy* 19: 265-81.