

**Professor Jean - Philippe Platteau**  
**Interregional inequalities: the Challenge ahead**

Prof. Platteau argued that the MDG objectives are extremely encompassing, they include almost everything that is related to development. In the beginning, the focus was put on health and education issues where you can use quantitative indices, but precise data for poor countries are difficult to obtain. There are even basic demographic data missing in poor countries. Important is that the objectives of MDGs have been enlarged with climate change, human rights, security and governance. In a sense, these objectives are all extremely critical issues. The problem is how to deal with that as an international body? How to ensure that, after the deadline has passed for achieving the results, the processes become self-sustaining?

Looking at international inequalities, Africa is one of the regions of the world which should be of concern.

In Sub-Saharan Africa, there has been a completely disappointing growth performance during the period of the '70-'90s, a very slow growth has been seen in the late '90s and a small upsurging at the beginning of this century. Whether this is sustainable is not sure, nor do we know if it is due to the high prices of rough materials and natural resources.

Why has Africa a low growth?

There is a striking difference between Africa and Asia. In Africa, 1/3 of the population lives in countries that are geographically landlocked and poorly endowed with natural resources. The identical proportion in Asia is 3%, because in areas which are landlocked, the states didn't exist or collapsed. In Africa, this is not the case. The historical process of state formation is different. Another third of the African population lives in countries which are extremely well endowed with natural resources or are not landlocked, such as Congo, Sierra Leone, Liberia etc, but those countries do not perform better! Thus, the problem in Africa is not geographic isolation.

A recent study by a group of essential African economists together with American and European scientist- "The Africa Growth Project" - try to elucidate the problem of the growth strategy in Africa and the problem of the disappointing economic performance. They highlighted a number of anti-growth syndromes. They found that the measures of the institutional environment have shown very little tendency to improve in Sub-Saharan Africa during the '90s and the beginning of the 21<sup>st</sup> century. A number of indicators, such as the ICRG indices of government corruption, the rule of law, the quality of government bureaucracy suggest deterioration, both in absolute terms and relative to their developing nations. The reason why the institutional indicators are so bad is that they have their roots in governance problems which include:

- a) regulatory regimes that severely distort productive activity and reward rent seeking,
- b) regimes of ethno-regional redistribution that compromise efficiency through resource transfers to sub-national political interests,
- c) regimes of inter-temporary redistribution that transfer resources from the future to the present
- d) State-breakdown which refers to civil war or market political stability.

Concerning the governance problems and ethno-regionalism, if you make cross country econometric estimates trying to explain various growth performances and political

performance, you find that this ethnic fragmentation comes as a significant factor. But once you control properly from material determinacy, like the level of wealth, GDP, access to rough materials etc., this variable vanishes. Ethnicity is not the real problem, but material determinacy is important! In fact, these other problems are related to that.

The way of measuring this ethnic fragmentation does not fit the situation in countries like Africa. The main point is that the state is absent in the index. What is never measured in a country with ethnic groups is “who is occupying the state position and relative to whom”. Once this is done, the ethnic fragmentation index, so corrected, is an extremely robust factor for explaining political and growth performance in Africa. In a sense, looking back at the history of Africa, it is then easier to understand this situation. Africa first had state units before the colonial period, not everywhere, but in quite a number of areas. West-Africa for example had a lot of kingdoms. And since these areas are also not performing well, the question is still important.

The problem is not that there were no states. In the 16 /17<sup>th</sup> century, there was a crisis of the state units and really a resurgence of ethnic groups. This was a period of great insecurity which was enhanced by the slave trade. The state did not defend its people against the behaviour of slave traders. Ethnic groups had to strengthen themselves to protect the people or to create a big slave trading group which could collaborate with slave traders. Both situations could be found. When the colonial powers came, these tendencies of ethnicities have been accentuated because the colonial powers used an indirect rule system. They relied on local chiefs - whether they were true chiefs or not, that is another question – not only to impose law and order, but also to promote their economic agenda. That meant that local authorities received power that they had never got before, like the power to impose taxes or forced labour, to mobilise labour for colonial works etc., to receive and distribute the input or the credit that were provided by the colonial power. The local chief was in connection with the central power.

A lot of power was given to the local chiefs, appointed by the colonial power, but those local chiefs used that power in a discriminatory way. They could for instance impose forced labour to their personal enemies. This created a lot of antagonism and, what political scientists call, a “logic of political tribalism”. This logic has however been pursued. The problem got worse, because during the colonial period this was the single, undeniable, authority that was recognised by the people. Now, suddenly the floor was open to have access to power, economic advantages and other privileges. People then formed entities that were fabricated in order to get access to State power and to the economic advantages associated with it. These entities, like in the colonial period, were not necessarily genuinely ethnic. Sometimes they were loose which can be demonstrated by the case of Somalia.

Somalia is the most ethnically homogenous: there is a single ethnic group. But looking at the situation there, one can see it is completely fragmented. Yes. Politics do not arise at the level of an ethnic group, but at the level of subgroups and even clans and subclans. The battle around Mogadishu has much to do with the claims by the Hawiye clan, a subclan from Mogadishu who feels underrepresented in the transition government.

If you measure ethnic fragmentation at the national level with a broad group, you do not measure anything that is relevant to Africa. Things happen at a much more local, decentralised, level and we do not have any proper measure available to capture that either. This can be fabricated. In fact, ethnic groups have a logistic to be understood in a loose sense.

Sometimes, it is about people you have known from school or people who say to belong to a certain group, but in reality they do not.

Regarding the Hutu – Tutsi division in Rwanda, this division was made before the colonial period, in a kingdom in which the basic distinction between being a Hutu or a Tutsi was whether you had to pay a tax or not. That is really when a Hutu meant to be a servant who paid the highest tax to the central power and a Tutsi was the opposite. The Hutu were in fact farmers. Since the herders were not obliged to pay taxes, Tutsi meant “herders”. Thus, if you were a Tutsi farmer, you would be called a “Hutu”. The importance is not attached to blood, but it is the social configuration and the position of the group vis-à-vis the state that matters.

In Africa there was no pattern of state development or formation that has been predicted by the European experience and modernisation theories. What not happened was the fact that once you have a state, the ethnic groups would stay in the background, because the state would take over fringes that belonged to ethnic groups. The question is whether the state is responsible for that or is the strength of the ethnic groups at the time when African state was formed responsible for the inability of the state to pre-empt the ethnic groups from the advantages they have. We know from the Western European experience that clan politics disappeared when people start realising that economic prosperity increased violence, because wealth is being created and people want to appropriate this. People realised that ensuring privately your defence against violent act is not very effective. Feudalism was born when people felt that it was needed to surrender your freedom and that specialists in military defence had to take over the job. When feudalism was in competition with neighbouring countries to defend a whole territory, the most powerful became a king. Later representative governments appeared. The fact that the king needed money essentially to wage war forced a country, like England, to grant a representative government to its citizens in the 17<sup>th</sup> century. The money was available in the Parliament in which prosperous people seated. Thus, the king had to negotiate with them. This happened on conditions: people wanted to have property rights, a say in the fiscal decision in the state and the Parliament should be convened regularly.

A political scientist from the USA, said the drama of Africa is that it receives a lot of money from abroad. The whole patronage system which comes from the state down to these ethno-regional entities is continuously fed. If the donor countries become strict on the way they release funds and at least put conditions on the governance, the situation would improve, because the state apparatus would collapse.

This is what happened with the end of the Cold War. There was a reshuffling of the rethinking of the aid strategy, a completely stop of aid from countries like the Soviet Union which collapsed. The international donor community became much more focussed on governance condition.

It is a fact that China is absent in the donor coordination meeting for the poorest countries in Africa. And if they attend the meeting, they do not say anything. They just follow what they want to do. In fact, China is becoming in many poor African countries the major donor. Thus, the whole idea of donor coordination is in fact jeopardized by the emergence of China and other potential donors, like India and Brazil. A crucial problem is that if China is not in, one can forget about the effectiveness of coordination.

This is still living aside, but the whole array of private funds that has been mentioned by Françoise Morreau is extremely important. How to bring them into the donor coordination is the question.

What happened in Africa after this governance conditionality came to the forefront, even before China was a strong donor? It took place by liberalising the politics and introducing multiparty elections. The conclusion is that they did not fundamentally change the rules. Of course, the incumbents were in trouble, because they were deprived. This was the opportunity for intellectual and trade union movements etc. to demonstrate and claim access to power. At the level of power, a new leadership, which has been displaced in the previous regime, would now try to get into power. They did get access to power using the same methods as the previous presidents of governments used, because this is a way it works in Africa. Money is needed to have access to power. The best example is Mr. Chiluba in Zambia. He was very strong man and was co-opted by the ruling elite and the Kaunda. As a man from the counter-elite he reached power by following the method of Kaunda. He created a party with 43 members in the parliament. He took half of the party in the government and has used a lot of family and relatives and finally, he was accused of corruption. This demonstrates that the logic of “patronism” based on ethno-regionalism which is prevailing in Africa is still working. It is not by changing the rules of elections that you change ingenuity. The only result is that what was hidden before is now visible. When there was a single party, the struggle between different ethno-regional groups was taken place behind the screen and the president would try to solve it in an authoritarian way. Now it is in the open, because most of the political parties are identified with specified ethno-regional groups.

Concluding, Prof. Platteau referred to a book by Jack Snyder “From violence to voting”. Mr Snyder distinguished various types of nationalism among which one is civic nationalism which is using the nation as to promote the interests of your own ethnic group. Ethnic nationalism is likely to arise when you have a lot of pressure of mass participation while political institutions are still in their infancy. In this condition, since they lack an effective, administrative institution to mobilise the citizenry around the state, the political entrepreneurs attempt by default to create wealth through tribal attachments. Then they opt for a rigid definition of state interest, namely, it must favour my own ethnic group, and a nationalist ideology designed to protect and enhance the special position of the dominant ethnic group. This is a basic lesson: the idea that by bringing mass political participation we solve the problem is only true if there are already strong political institutions. This means that mass political participation doesn't change the rule of the game!