

New Approaches to Development in Africa

Strengthening Institutional Capacity
in Resource Dependent African
countries

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Elements of a New Approach to Development in Africa

- Perpetual quest for the holy grail of development assistance – session title confirms “we ain’t there yet”
- Are we asking the right questions? Over time, approaches based on:
 - Capital transfers
 - Policy reform
 - Building Institutions
 - Nascent approach based on political economy/governance
- Begs the question: what is essential for development?
 - Visionary Leadership
 - Capable public administration
 - Engaged civil society
- Country experience suggests successful development is an internally generated process
- A key role of leadership is to resolve collective action problems
- Does the approach to current development assistance help or hinder this process? Does aid distort development?

On leadership and state building

- “The fundamental mistake of our approach to state building has been to forget that well-functioning states are built not just on shared interests but on shared identity ... (which must be) politically constructed. It is the task of political leadership to forge it. ...Nation building ..takes more visionary leadership than has been forthcoming in most of these societies.” (Collier 2009)
- He proposes international intervention to safeguard democratic processes in countries where political violence is a threat to the emergence of developmental leadership.

On NRM and political regimes

- Recent insights on conditional political impact of natural resource wealth (Dunning 2008)
 - Resource dependence may contribute to authoritarian outcomes but resource abundance may not
 - Inequality of non-resource income may contribute to democratic outcomes in countries with natural wealth
- Explains why outcome in some natural resource rich countries (Venezuela, Chile, Botswana) differs from others (Gulf states, Eq. Guinea)

Bank experience with public sector reform

- Recent IEG review identified variable impact of WB programs across thematic areas – more effective in PEM reform than CSR and decentralization
- Country leadership is a key and often weak element that affects reform implementation and program success
- Bank also needs to learn lessons and simplify reform design and strengthen implementation support
- Fragile states, many of which are resource rich, pose a difficult challenge with insecurity and unstable politics compounding weak capacity
- Our model of development assistance requires to be strengthened in approach and instrumentality
- Understanding the underlying political drivers may help identify better approaches

Discussion