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Good Governance: The Challenge of Leadership in Africa

by

Dr Pikay Richardson,
Director, NIM Top Executive
Leadership Program,
Manchester Business School, UK.

1. Good Governance: the Vital Ingredient of economic Development

The 2007 presidential election brought into sharp focus the numerous challenges that Nigeria faces in her quest to achieve sustained growth and development. According to expert observers, the low turnout at polling stations attested to the fact that most Nigerians have over the years become disenchanted with the performance of past administrations in economic development and empowerment. As elsewhere in Africa, people are beginning to realize that the dramatic words and phrases that politicians dole around only provides a platform for temporary crowd pleasing and ego satisfaction, and that they cannot solve any fundamental problems nor satisfy their aspirations for a better life. Some of these pronouncements are, at best sheer demagoguery, and at worst, criminal hypocrisy. There are many like Adebayo Adedeji, who believes that the solution to Nigeria's problems may remain unresolved, if the country does not get its leadership right.

Many national and international experts, and indeed true friends of Nigeria, say that the real impediment to sustained economic growth and development in the country has more to do with her leadership and the absence of good governance than with economic plans or reforms. Research has established a relationship between leadership and governance and economic growth. For instance, the World Bank has made it clear in its studies that good governance is a significant determinant of economic progress. Two economists, Prof. Benno Ndulu and Prof. Stephen O'Connell, in a study on governance and growth in sub-Saharan Africa, noted that Africa's under-development could be linked primarily to the governance models practiced in most parts of the continent.

In the same vein, the Governor of the Central Bank of Nigeria, Prof. Charles Soludo, quoting from a study conducted by two researchers, Daniel Kaufmann and Aart Kraa, in a paper titled, "Creating effective governance and leadership for sustained national prosperity," said that per capita incomes and the quality of governance were strongly positively correlated across countries. Two other scholars, Benjamin F. Jones and Benjamin A. Olken, writing on growth, leadership and political institutions, also revealed that countries experienced persistent changes in growth rates across leadership transitions. They noted that leaders had a large causative influence on the economic outcomes of their nations.

According to Dr. Adewoyin Olaoti, a development economist and Director of Adatey Konsult, Lagos, Nigeria's failure to achieve sustained growth should be linked to the lapses on the part of past and present leaders as well as the political institutions. He said, "Every plan that has been designed by successive administrations has had its good and bad sides. But on the whole, there was no plan that was incapable of moving the country forward considerably. Rather, it was poor implementation, selfishness, gross misconduct and corruption on the part of those entrusted with the powers of state, so-called leaders, who have always spoilt the chances of such plans to make any big difference. As is well noted, it is not the name of the plan that matters; neither can the plan in itself transform the country. It is the leaders into whose hands the plan falls that are required and expected to keep the ball rolling for the plan to succeed. Economic plans, foreign investment and overseas development aid, for instance, will only succeed in boosting economic development if they are orchestrated and directed by competent leadership underpinned by good governance in recipient economies."

To showcase the importance of good governance to economic development, the United Nations Development Programme has been at the forefront of the growing international consensus that good governance and sustainable human development are indivisible, and that the development of the capacity for good governance is the primary way to eliminate poverty. If good governance, through good leadership, is so important for sustained economic development and prosperity, then Nigerians and other sub-Sahara African countries have no choice but to make good governance the cornerstone of development.

2. What is Good Governance?

Governance is being increasingly recognized as an essential component of sustainable and equitable development. There are many ways in which good governance contributes to economic development. Governments make decisions on macroeconomic and social policy that have a direct impact on the long-term health of the economy. Governments provide critical goods and services, such as infrastructure, health and education that determine the competitiveness of the economy. Governments foster an enabling environment for private sector growth and regulatory structures that balance objectives of growth and equity. The experience of East Asia shows that good governance is an essential component of dynamic private sector growth.

So what is Governance? Governance is defined as "the manner in which power is exercised in the management of a country's social and economic resources for development". Governance can be seen, therefore, as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.

Good governance is, among other things, participatory, transparent and accountable. It is also effective and equitable. And it promotes the rule of law. Good governance ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources.

Governance has three legs: economic, political and administrative. Economic governance includes decision-making processes that affect a country's economic activities and its relationships with other economies. It clearly has major implications for equity, poverty and quality of life. Political governance is the process of decision-making to formulate policy. Administrative governance is the system of policy implementation. Encompassing all three, good governance defines the processes and structures that guide political and socio-economic relationships.

Governance encompasses the state, but it transcends the state by including the private sector and civil society organizations. What constitutes the state is widely debated. Here, the state is defined to include political and public sector institutions. The private sector covers private enterprises (manufacturing, trade, banking, cooperatives and so on) and the informal sector in the marketplace. Some say that the private sector is part of civil society. But the private sector is separate to the extent that private sector players influence social, economic and political policies in ways that create a more conducive environment for the marketplace and enterprises.

Civil society, lying between the individual and the state, comprises individuals and groups (organised or unorganised) interacting socially, politically and economically - regulated by formal and informal rules and laws. Civil society organisations are the host of associations around which society voluntarily organises. They include trade unions; non-governmental organisations; gender, language, cultural and religious groups; charities; business associations; social and sports clubs; cooperatives and community development organisations; environmental groups; professional associations; academic and policy institutions; and media outlets. Political parties are also included, although they straddle civil society and the state if they are represented in parliament.

The institutions of governance in the three domains (state, civil society and the private sector) must be designed to contribute to sustainable human development by establishing the political, legal, economic and social circumstances for poverty reduction, job creation, environmental protection and the advancement of women. The challenge for all societies is to create a system of governance

that promotes, supports and sustains human development - especially for the poorest and most marginal

3. Characteristics of a Good Governance Regime

Much has been written about the characteristics of efficient government, successful businesses and effective civil society organisations, but the characteristics of good governance defined in societal terms remain elusive. The following are the main characteristics:

- Participation - All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.
- Rule of law - Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.
- Transparency - Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.
- Responsiveness - Institutions and processes try to serve all stakeholders.
- Consensus orientation - Good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group and, where possible, on policies and procedures.
- Equity - All men and women have opportunities to improve or maintain their well-being.
- Effectiveness and efficiency - Processes and institutions produce results that meet needs while making the best use of resources.
- Accountability - Decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organisation and whether the decision is internal or external to an organisation.
- Strategic vision - Leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.

The global context

The transformation from command to market-oriented economies, the emergence of democratic political regimes in the former Soviet Union, the rapid development and global proliferation of new technologies, the pervasive spread of telecommunications systems, the growing importance of knowledge-based industries and skills and the continuing integration of the world economy through trade and investment have created the foundation for a new age of sustainable human development, in which a nation is able to create and sustain equitable opportunities for all of its people.

If a government does not function efficiently and effectively, scarce resources will be wasted. If it does not have legitimacy in the eyes of the people, it will not be able to achieve its goals or theirs. If it is unable to build national consensus around these objectives, no external assistance can help bring them about. If it is unable to foster a strong social fabric, the society risks disintegration and chaos. Equally important, if people are not empowered to take responsibility for their own development within an enabling framework provided by government, development will not be sustainable.

Developing countries must ensure that everyone can participate in economic and social development and take advantage of globalisation. They must build a political system that encourages government, political, business and civic leaders to articulate and pursue objectives that are centred around people and a system that promotes public consensus on these objectives.

4. Governance and Capacity Building

Governance and capacity building is guided by a number of key principles which reflect the essential attributes of a well-functioning public sector, and the creation of a conducive environment for the private sector to function efficiently in the creation of wealth.

. These principles of governance include accountability, strategic focus, transparency and predictability, responsiveness, and participation. The rationale behind these principles is as follows:

Accountability is a fundamental tenant of good management and for our purpose it implies that public employees, whether working individually or collectively, need to be placed within a framework that clearly sets out the goals, establishes incentives for the achievement of the desired outcomes, and monitors progress towards these ends. This is also applicable to the judiciary and other components of the legal system.

Strategic Focus is essential in an environment where needs are vast and resources are limited. Consequently, organizations in the public sector must have a clear sense of purpose; otherwise, they are likely to dissipate energy and resources over a range of activities that may not be directly related to their fundamental objectives.

Transparency and Predictability are important as more rapid economic development is possible when the private sector can operate within a set of stable, predictable "rules of the game" that facilitate investment decision-making and promote investor confidence. It is in this area that the need for an efficient legal system is most apparent. Well-developed laws, which are not subject to arbitrary change, an independent judiciary, and a minimum level of technical competence within the judiciary, are essential for ensuring predictability in business relations. Without such predictability, transaction costs may be so high that economic activity is stifled.

Responsiveness helps public organizations to be client-centered and to focus their efforts upon providing services that are in greatest demand. This in turn fosters higher customer satisfaction and reduces the diversion of resources into unnecessary or lower priority goods and services.

Participation is important since governments are more effective when they operate within a robust civil society. The relevance of participation is most apparent in the law making process since laws which do not enjoy a wide societal consensus are difficult to enforce.

Public sector

To effectively lead the process of tackling the development challenge, the public sector must be strengthened to perform the key functions of poverty reduction, equitable development and participatory governance. It needs enhanced capacity to

- successfully design and implement development policies and programmes
- provide efficient and cost-effective and responsive public service
- promote a sustained environment that will facilitate the emergence of a strong and vibrant private sector and civil society
- establish and manage an effective and transparent regulatory and legal framework to guide the growth and development of the private sector.
- address the issue of transparency and accountability in public service
- enhance institutions that promote and enforce the rule of law for legitimacy, social stability and the promotion of property rights.
- manage the changing role of the public sector in the context of globalization, market economy, multi-party democracy and information technology, which have significant implications for openness in public sector management.

- cultivate and nurture an environment that will accelerate poverty reduction and sustainable development.

The Private Sector

With regard to the private sector, there is need to build the capacity to

- provide efficient and competitive services.
- compete effectively in the global economy.
- improve productivity and output.
- undertake research and development
- dialogue effectively with other stakeholders in development, especially the public sector, and civil society in order influence the policy agenda.
- establish codes of practice.
- enhance corporate governance and social responsibility.

Public/Private Interface

It is now generally accepted that governments should concentrate upon fostering an "enabling environment" for private sector growth. The elements of an enabling environment include a stable macroeconomic policy; transparent and predictable commercial and investment codes; labour codes that enhance management efficiency and protect basic labor right; and a legal system that supports the timely and fair adjudication of disputes. They also include government bureaucracies that operate in a reasonably efficient and transparent fashion in providing access to critical goods and services, such as import permits, customs clearance, title for land, and access to utilities.

There is need for the establishment of business-government councils and other mechanisms for fostering dialogue between the public and private sectors, and support for the commercialization and privatization of certain public sector activities. It, of course, also includes creating enabling legal frameworks for private sector development.

5. The Ultimate Goal of Good Governance – Sustainable Development

The goal of governance initiatives is to achieve national sustainable development through the development of capacities that alleviate poverty, advances women, sustains the environment and creates needed opportunities for employment and other livelihoods.

So, what is sustainable human development? The UNDP defines human development as expanding the choices for all people in society, ie the creation of an enabling environment in which all can enjoy long, healthy and creative lives. It also means the protection of the natural systems on which all life depends and in consequence the protection of life opportunities for future generations.

There are five aspects to sustainable human development - all affecting the lives of the poor and vulnerable:

- Empowerment - The expansion of men and women's capabilities and choices increases their ability to exercise those choices free of hunger, want and deprivation. It also increases their opportunity to participate in, or endorse, decision-making affecting their lives.
- Co-operation - With a sense of belonging important for personal fulfillment, well-being and a sense of purpose and meaning, human development is concerned with the ways in which people work together and interact.
- Equity - The expansion of capabilities and opportunities means more than income - it also means equity, such as an educational system to which everybody should have access.
- Sustainability - The needs of this generation must be met without compromising the right of future generations to be free of poverty and deprivation and to exercise their basic capabilities.

Security - Particularly the security of livelihood. People need to be freed from threats, such as disease or repression and from sudden harmful disruptions in their lives.

6. Good Governance and Leadership

The main ingredient of good governance is principled-centered leadership

“Governance” derives from the word “govern”, which means; to rule a country, to control or direct the public affair of a city, control, influence something or somebody and to determine something. Governance is the activity or manner of governing.

In a similar vein, “leadership” derives from the word “leader”, which means, someone who shows people or something, the way to follow, especially by going in the front, to hold and guiding someone or a group of people to a particular direction.

From these meanings, it is obvious that governance and leadership point to the same thing and that is direction and leading. While there can be no progress without good governance, leadership is the pivot around which good governance revolves. Leaders are people who develop visions of future progress, develop strategies and align people behind them to achieve the visions. A good leader must be able to render selfless service and desist from selfishness; he must make provision for training and empowering his people and encourage self employment; he must be serious with issues that concerns the youths as they are the future leaders and should treat the adults with respect.

Good governance and leadership are concerned with once thing: the good and prosperity of society as a whole. Unfortunately, the model of leadership and governance in Africa has, in the main, disappointed and betrayed peoples’ trust. The attitude of selfishness, desire for power for power sake and a drive for money has been very pervasive. With this kind of governance and leadership, there is little wonder that economic progress has eluded most of sub-Sahara Africa in much of the post-independence era.

7. Challenges Facing African Leadership

From the above, it is clear that the creation of a good governance regime on which human development depends poses serious challenges to all who hold leadership positions. This is more so in Africa, where the challenges are more pronounced. The governance challenges facing African leaders are numerous, and the following are not exhaustive: the challenge of

- governance, public service reform and bureaucracy.
- consolidating democracy and promoting sustainable human development and poverty alleviation.
- conflict prevention and management
- the development crisis posed by HIV/AIDS pandemic.
- human capital drain.
- private sector development.
- regional cooperation and integration.
- Globalization and international multi-lateral issue.
- Resource flow to Africa.

In a world where efficiency and effectiveness is a condition sine qua non for economic and social progress, the need for effective and ethical leadership in Africa has never been more urgent. It is my sincere hope that for our generation that is drifting on the ocean of uncertainty some anchor may take hold upon the bottom of eternal progress.