

# **Governance Empirics on Africa: *New Dawn and Premature Exuberance?***

**Daniel Kaufmann, The Brookings Institution \***

***Presentation at Conference: 'Africa's New Era: Learning  
from the Past and Preparing for the Future'***

**Sponsored by The Bernard L. Schwartz Forum on  
Constructive Capitalism and The African Studies Program,  
JHU SAIS – at SAIS,**

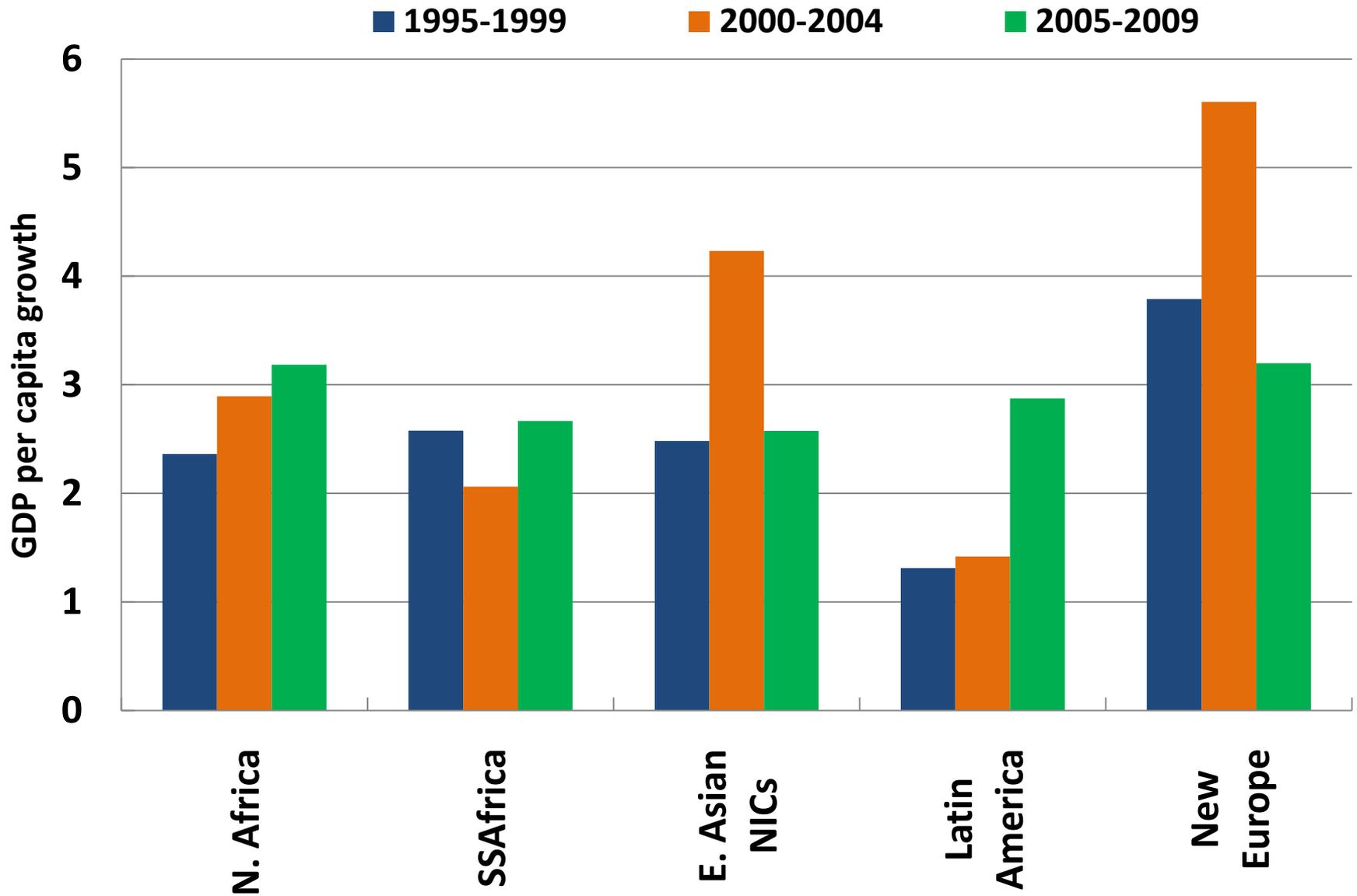
**Washington, DC, March 1<sup>st</sup> and 2<sup>nd</sup>, 2011**

***\* I benefitted from the valuable assistance of Veronika Penciakova. The data from the Worldwide Governance Indicators is at [www.govindicators.org](http://www.govindicators.org) and is part of a research project with A. Kraay and M. Mastruzzi***

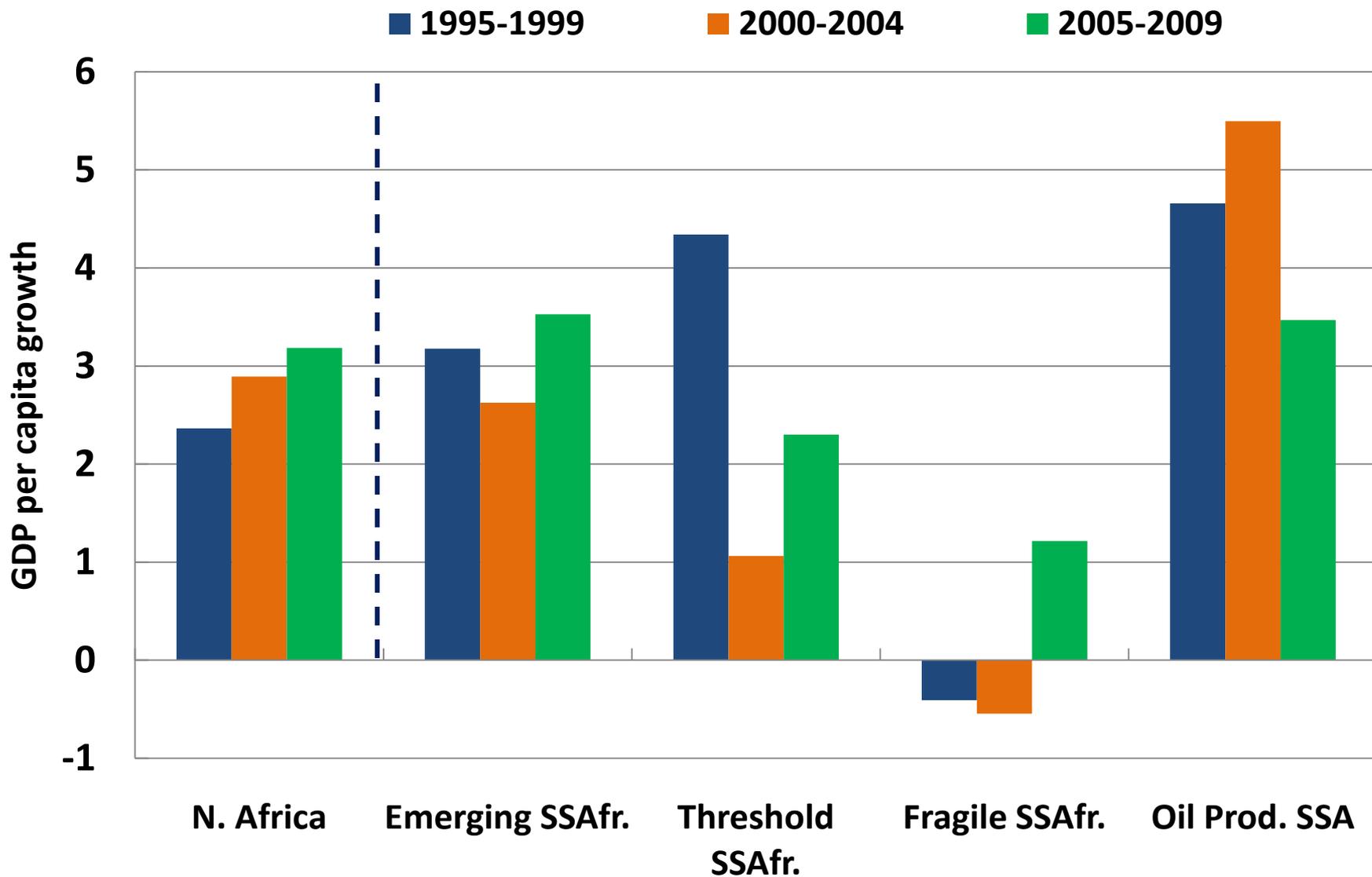
# **Africa: Recognizing Achievements**

- Afro-pessimism is debunked by evidence**
- Comparison w/ decades ago, & even past 5-8 years**
- The Political (elections), The Macro, some growing**
- Yet need to also recognize: variance, fragility, and the competitiveness challenge**
- Moving beyond 'elevator economics' (what stat went up or down compared w/ past few years in same country) to a longer term focus and to benchmarking against the rest of the world**
- For medium/longer term prospects, governance is key**

# GDP per capita growth 1990-2009: Select Regions



# GDP p.c. growth 1990-2009: Various Africa groupings



**A mixed picture on governance**  
***And it Matters***

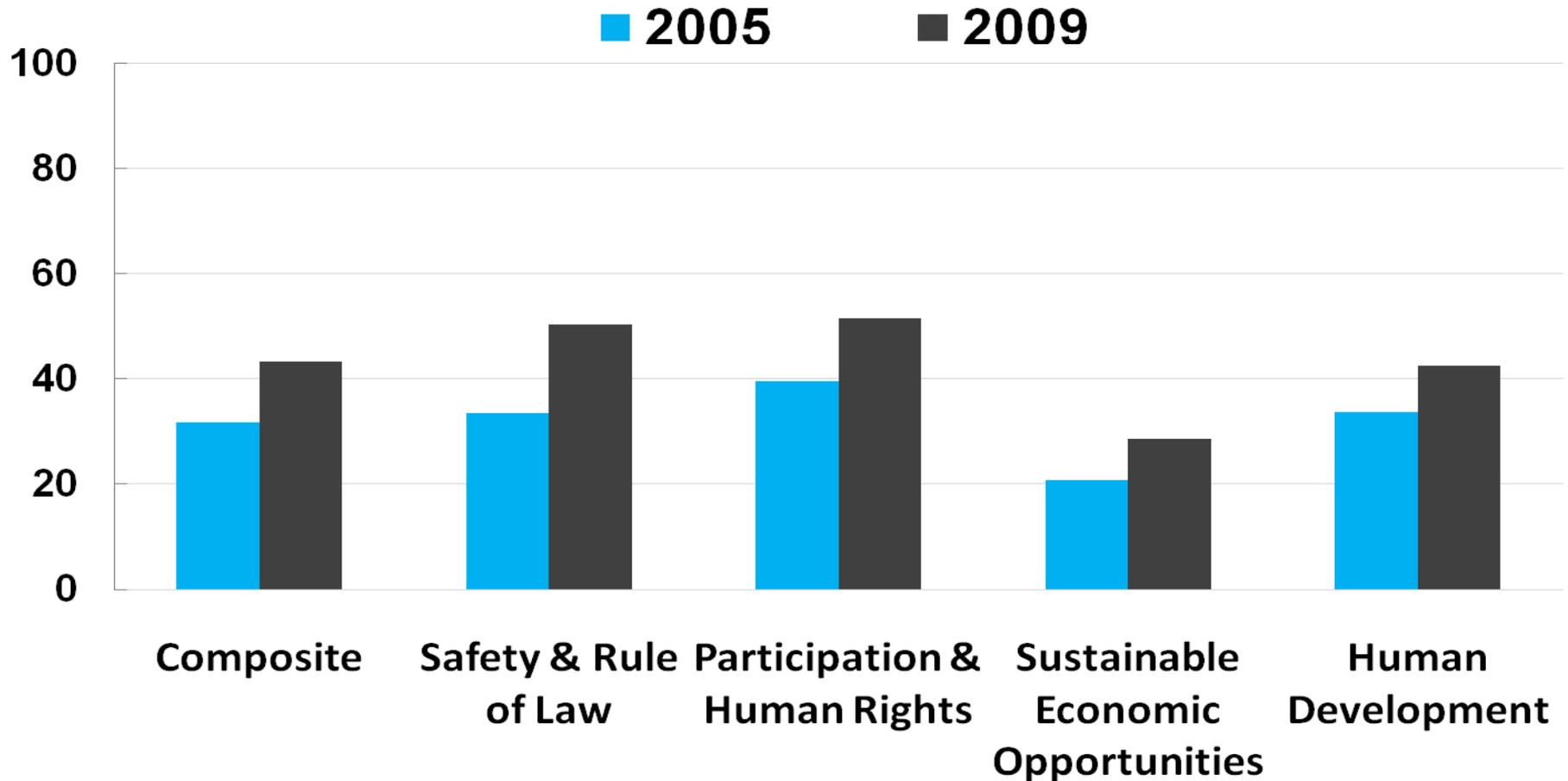
**Focus on Corruption Control and on  
Voice and Democratic Accountability**  
***(but challenges in Rule of Law,  
Regulatory Quality and Government  
Effectiveness are not very different)***

# **Changes can occur: the case of Liberia according to the Ibrahim Index of African Governance (IIAG)**

	2004/5	2008/9
<b>OVERALL IIAG Composite</b>	<b>31.8</b>	<b>43.2</b>
<b>SAFETY AND RULE OF LAW</b>	<b>33.5</b>	<b>50.3</b>
<b>PARTICIPATION AND HUMAN RIGHTS</b>	<b>39.5</b>	<b>51.5</b>
<b>SUSTAINABLE ECONOMIC OPPORTUNITY</b>	<b>20.7</b>	<b>28.6</b>
<b>HUMAN DEVELOPMENT</b>	<b>33.6</b>	<b>42.4</b>

***Score Scale: 0-100***

# Changes can take place: the case of Liberia according to the IIAG



Sources: [The Ibrahim Index of African Governance](#), Mo Ibrahim Foundation, 2010

***Liberia also shows marked improvement in the WGI..:***

# Worldwide Governance Indicators

[HOME](#)
[ACCESS GOVERNANCE INDICATORS](#)
[DOCUMENTATION](#)
[FAQ](#)

All Indicators for One Country

One Indicator for Selected Countries

Country Data Reports

World Map

1 Select Country

LIBERIA

2 Select Comparator

Year

3 Select Year(s)

- 1996
  1998
  2000  
 2002
  2003
  2004  
 2005
  2006
  2007  
 2008
  2009
  all

4 Select Confidence Level

90%

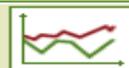
Explanatory Notes



Chart



Table



Time Series



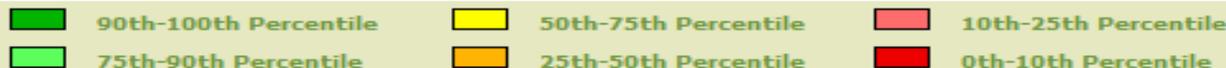
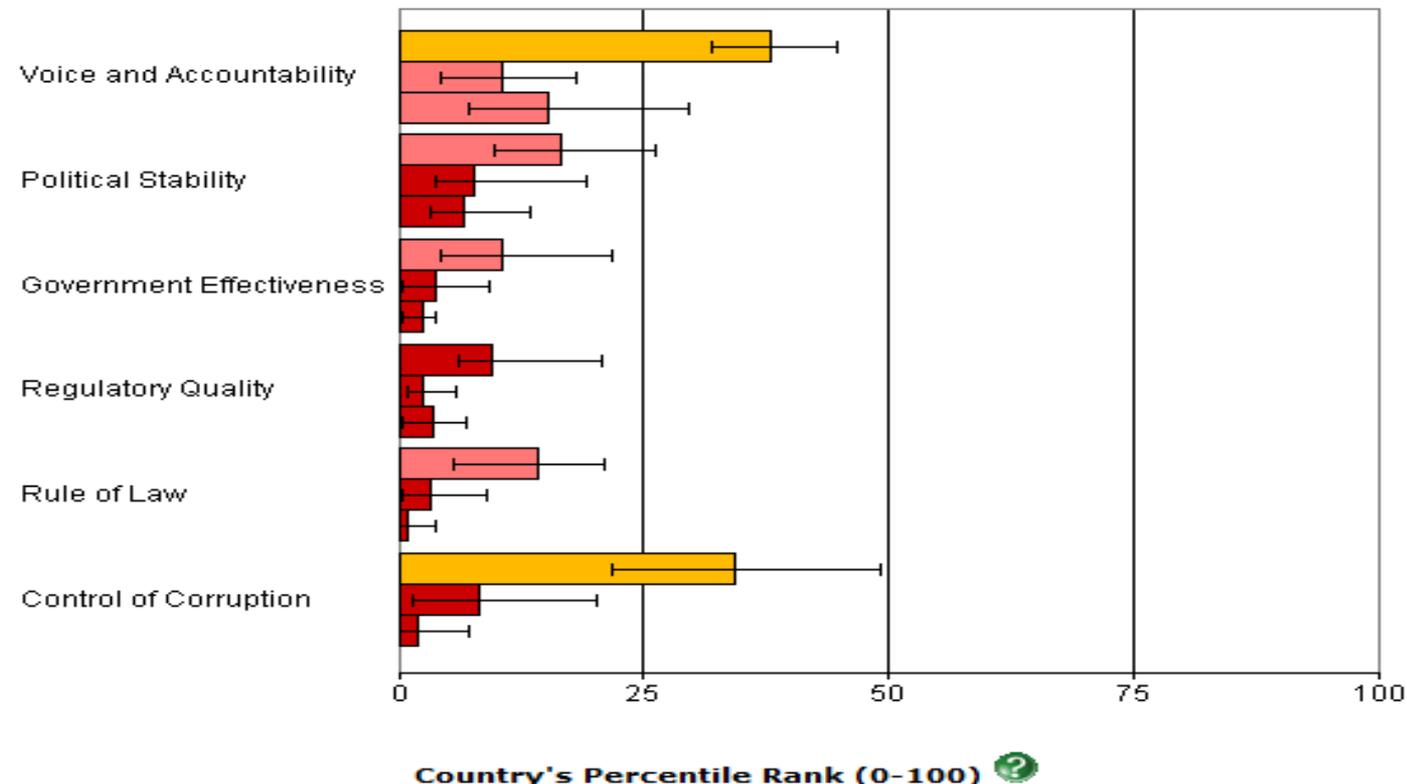
Download Chart



Show Print Version

## LIBERIA

Comparison between 2009,2004,1998 (top-bottom order)

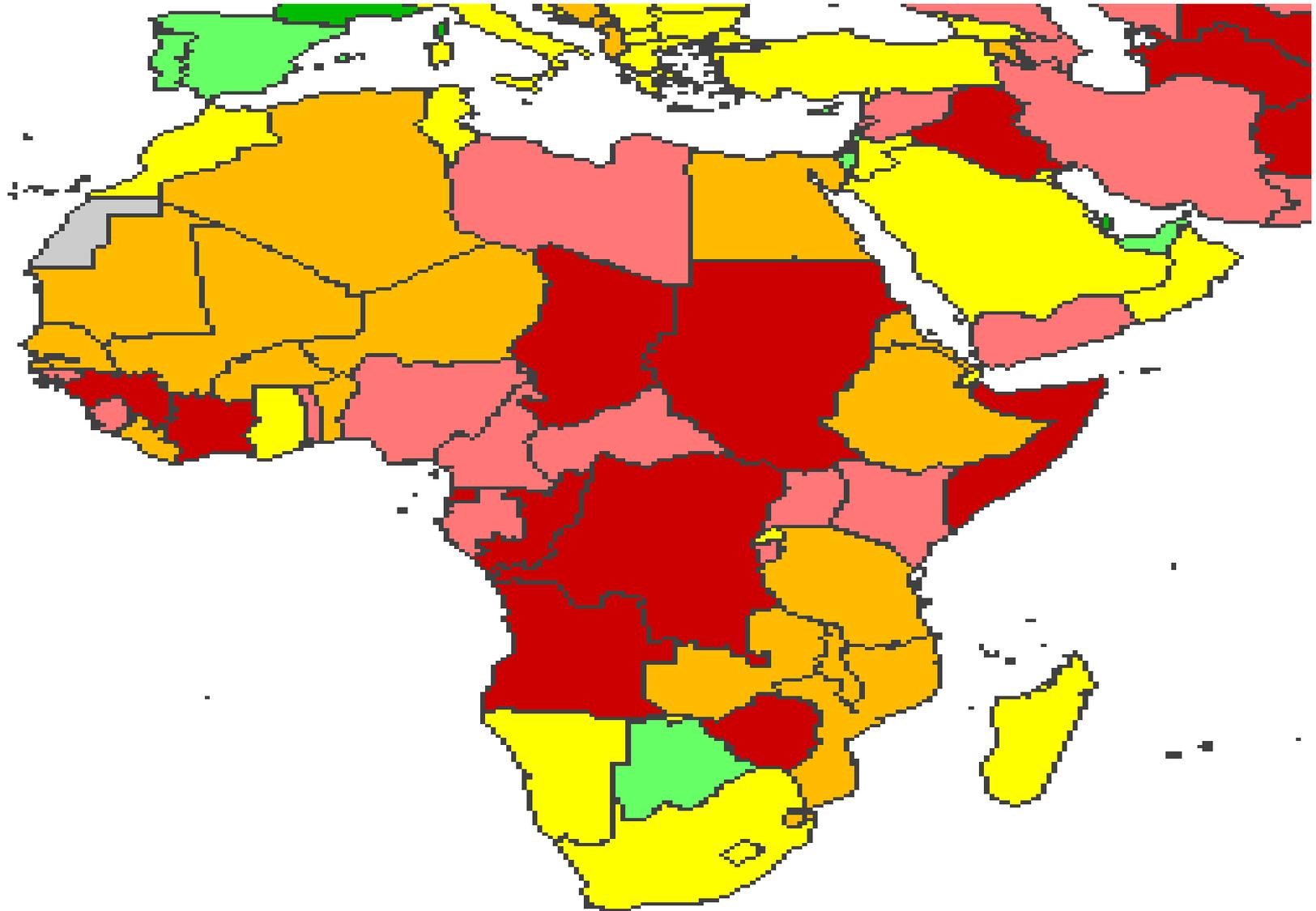


**Improvement possible in Short Term: LIBERIA as example**

Source: [Kaufmann D., A. Kraay, and M. Mastruzzi \(2010\). The Worldwide Governance Indicators: Methodology and Analytical Issues](#)

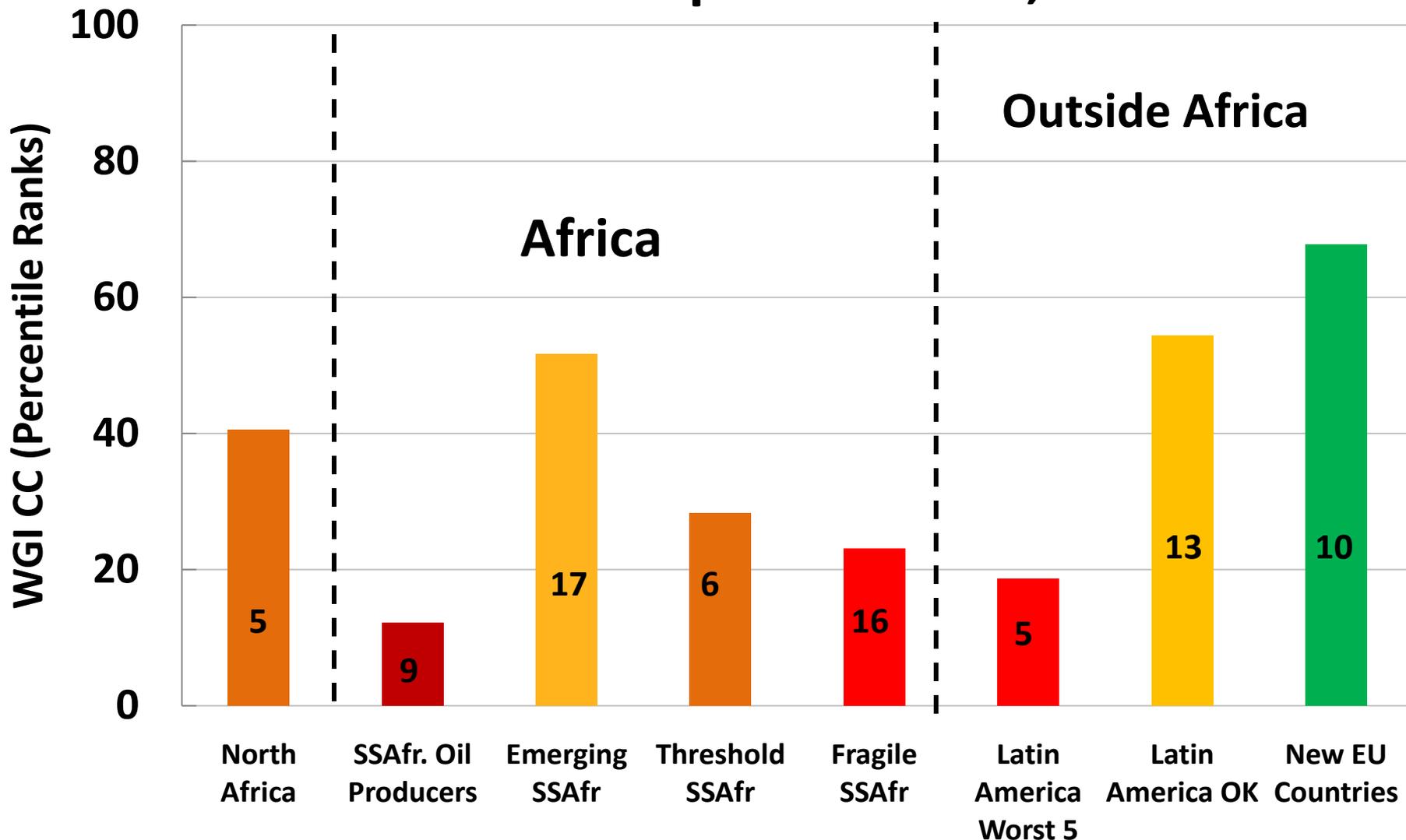
**Note:** The governance indicators presented here aggregate the views on the quality of governance provided by a large

# But there is Enormous Variance in Africa: Control of Corruption, 2009



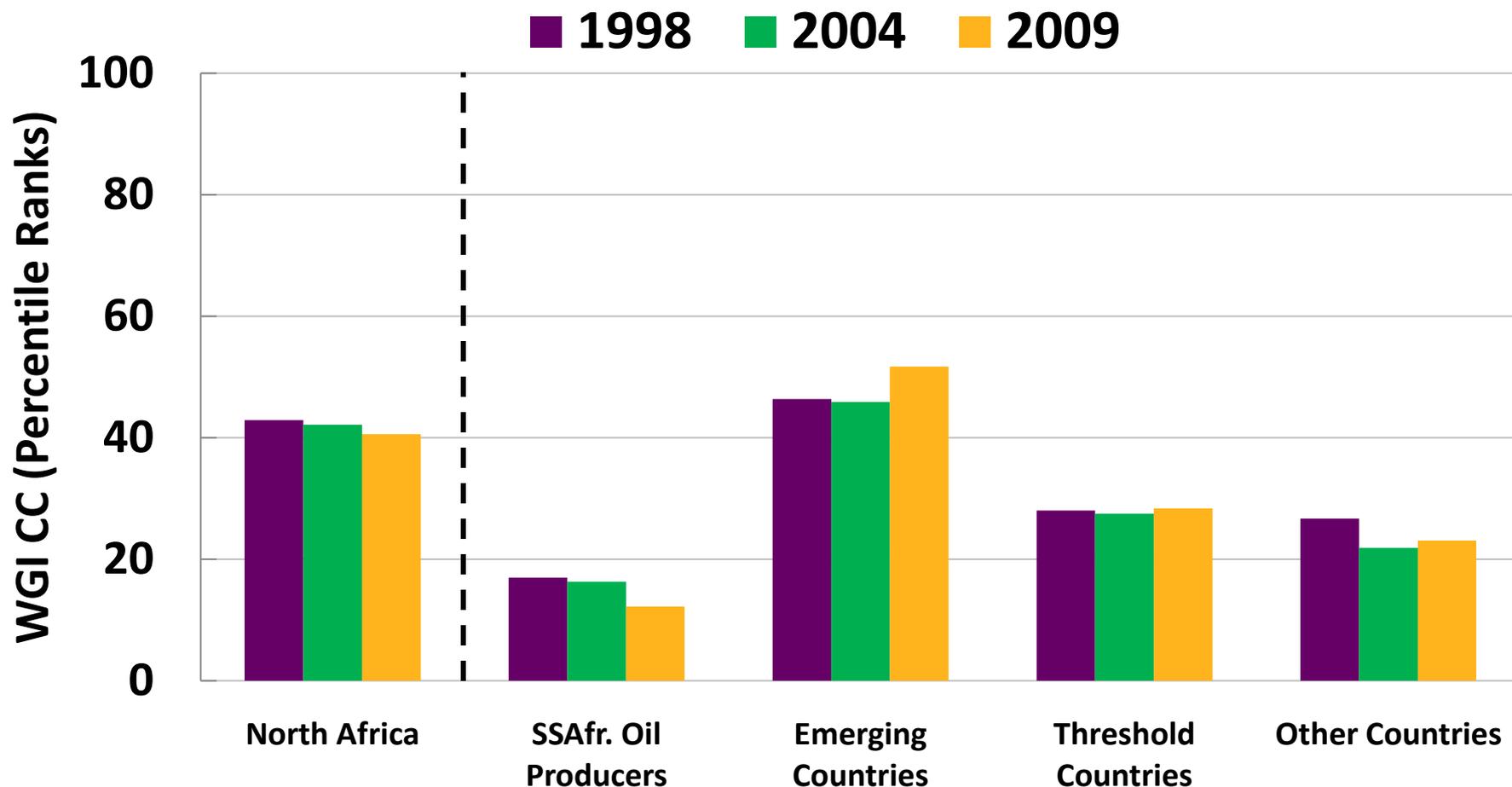
Source for data: : Kaufmann D., A. Kraay, M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues , September 2010 (<http://www.govindicators.org>); Colors are assigned according to the following criteria: Dark Red, bottom 10<sup>th</sup> percentile rank; Light Red between 10<sup>th</sup> and 25<sup>th</sup> ; Orange, between 25<sup>th</sup> and 50<sup>th</sup> ; Yellow, between 50<sup>th</sup> and 75<sup>th</sup> ; Light Green between 75<sup>th</sup> and 90<sup>th</sup> ; Dark Green above 90<sup>th</sup>.

# Africa Governance in Comparative Perspective: Control of Corruption in WGI, 2009



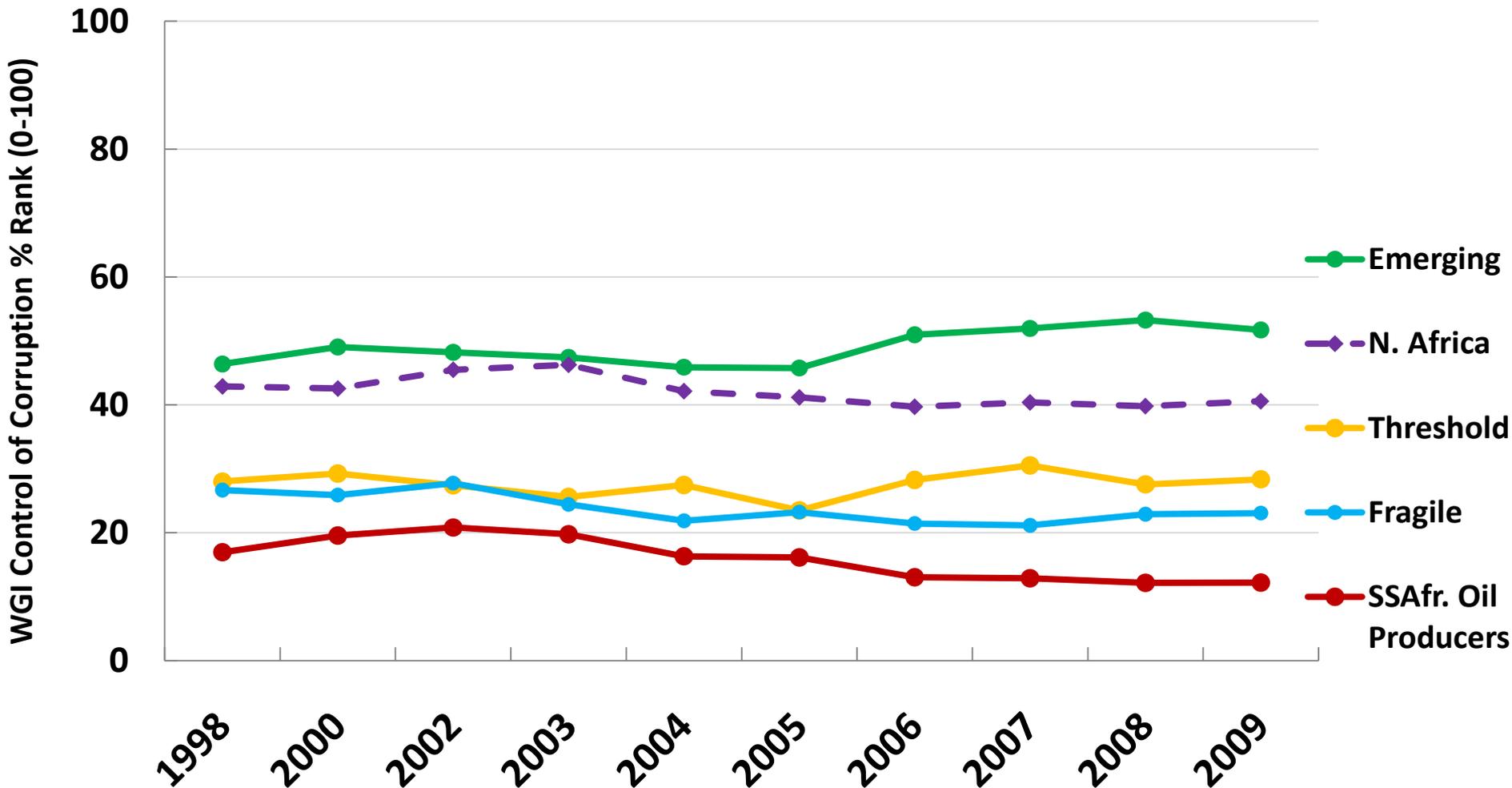
*Note that the # of countries in each grouping is inserted in each column. Sources: Kaufmann, Kraay & Mastruzzi, "Governance Matters Series," 2010; Note: Latin America OK category excludes the five lowest ranking (in WGI-GE ) LatAm countries – Venezuela, Ecuador, Honduras, Paraguay and Nicaragua Africa Country groupings based on Radelet, "Emerging Africa: How 17 Countries are Leading the Way," June 2010; N. Africa consists of 5 countries, SSAfr Oil Producers of 9 countries; Emerging countries of 17; Threshold countries of 6 and other of the 16 remaining countries.*

# Africa Governance in Comparative Perspective: (WGI) Control of Corruption, 1998-2009



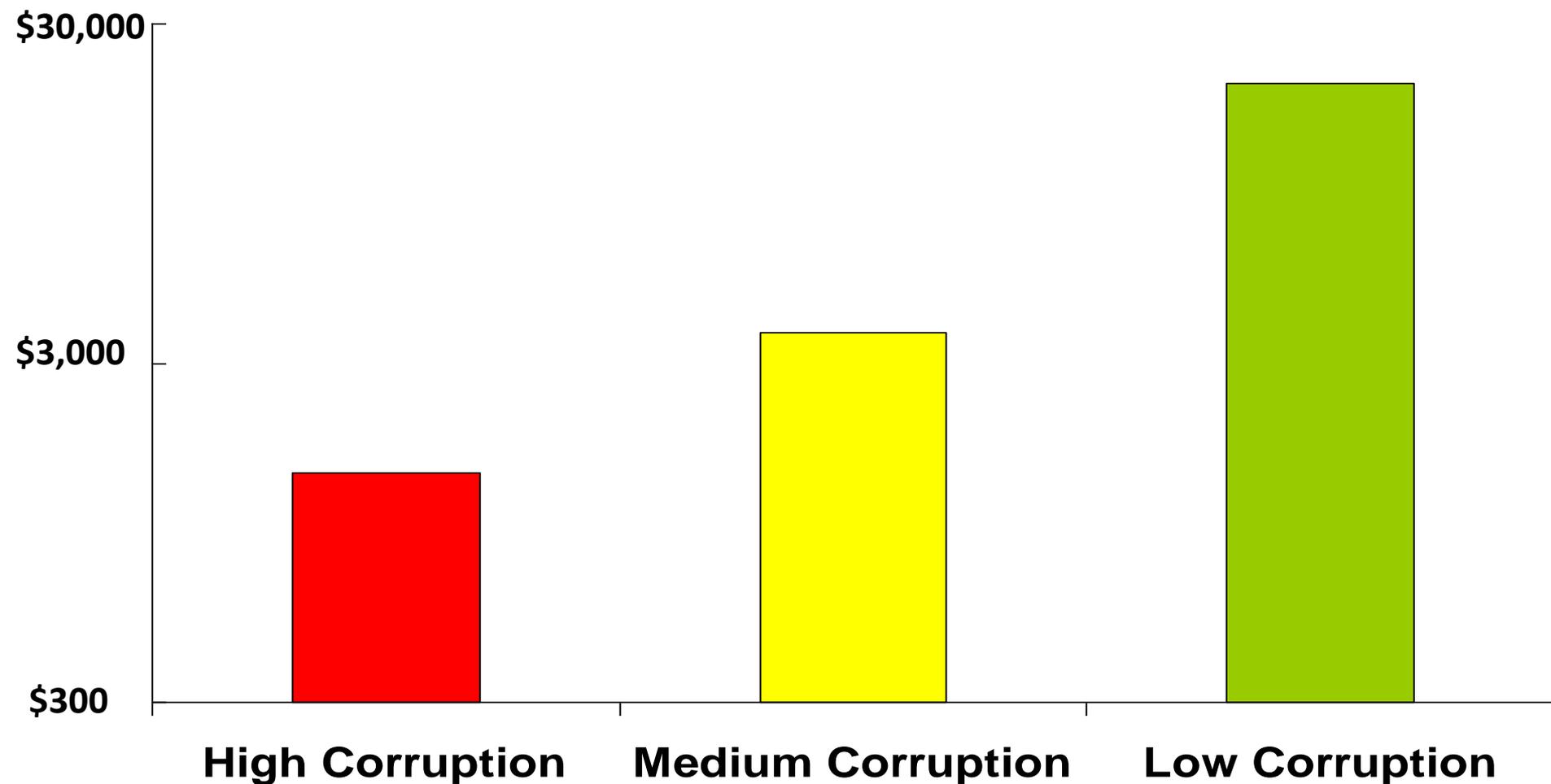
Sources: Kaufmann, Kraay & Mastruzzi, "Governance Matters Series," 2010; Note: Africa Country groupings based on Radelet, "Emerging Africa: How 17 Countries are Leading the Way," June 2010; N. Africa consists of 5 countries, SSAfr Oil Producers of 9 countries; Emerging countries of 17; Threshold countries of 6 and other of the 16 remaining countries.

# WGI Control of Corruption 1998-2009



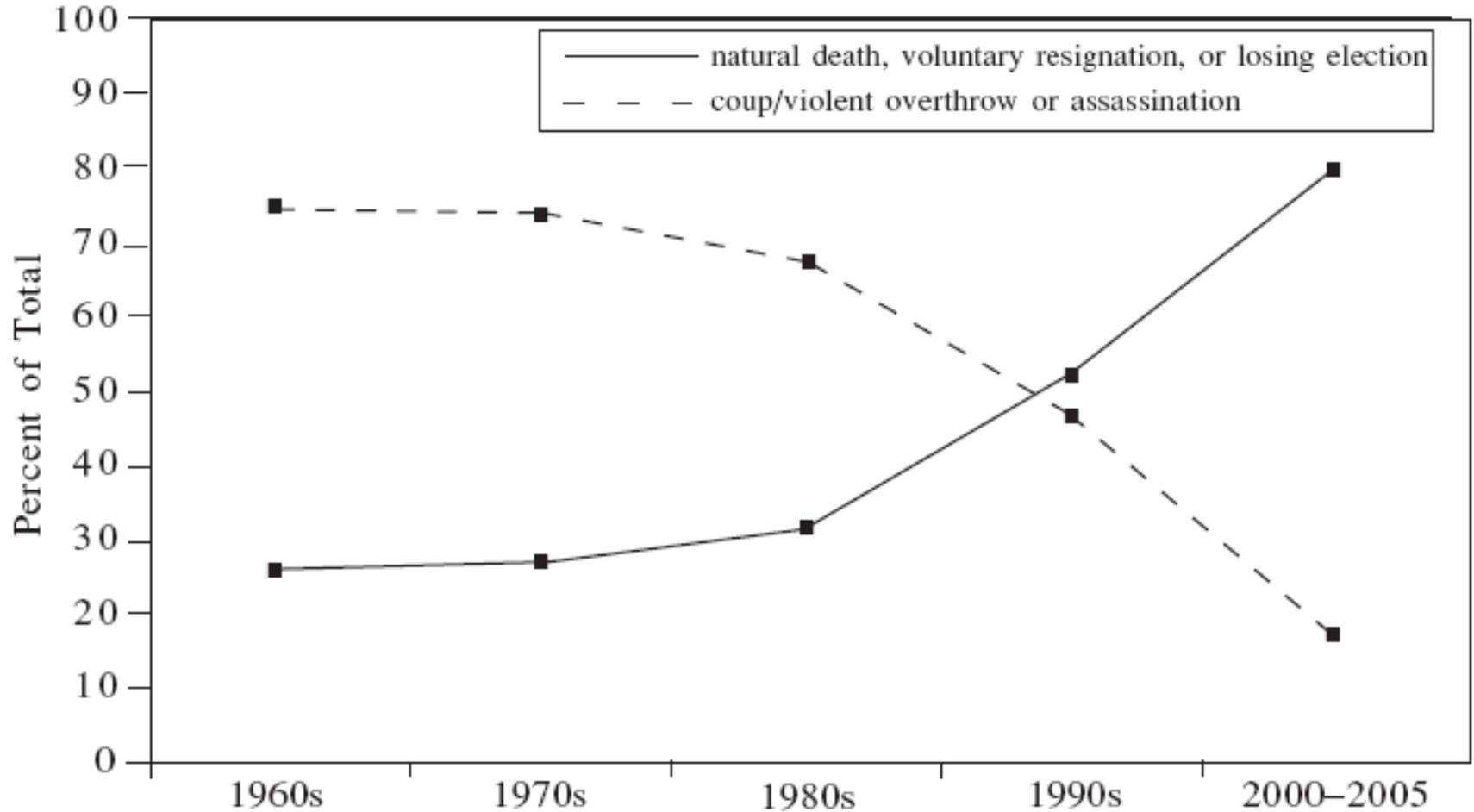
Sources: Kaufmann, Kraay & Mastruzzi, "Governance Matters Series," 2010; Sample of all Sub-Saharan African Countries; Note: Country groupings based on Radelet, "Emerging Africa: How 17 Countries are Leading the Way," June 2010; N. Africa consists of 5 countries, SSAfr Oil Producers of 9 countries; Emerging countries of 17; Threshold countries of 6 and other of the 16 remaining countries.

# The 300% Development Dividend From Improving Governance & Controlling Corruption



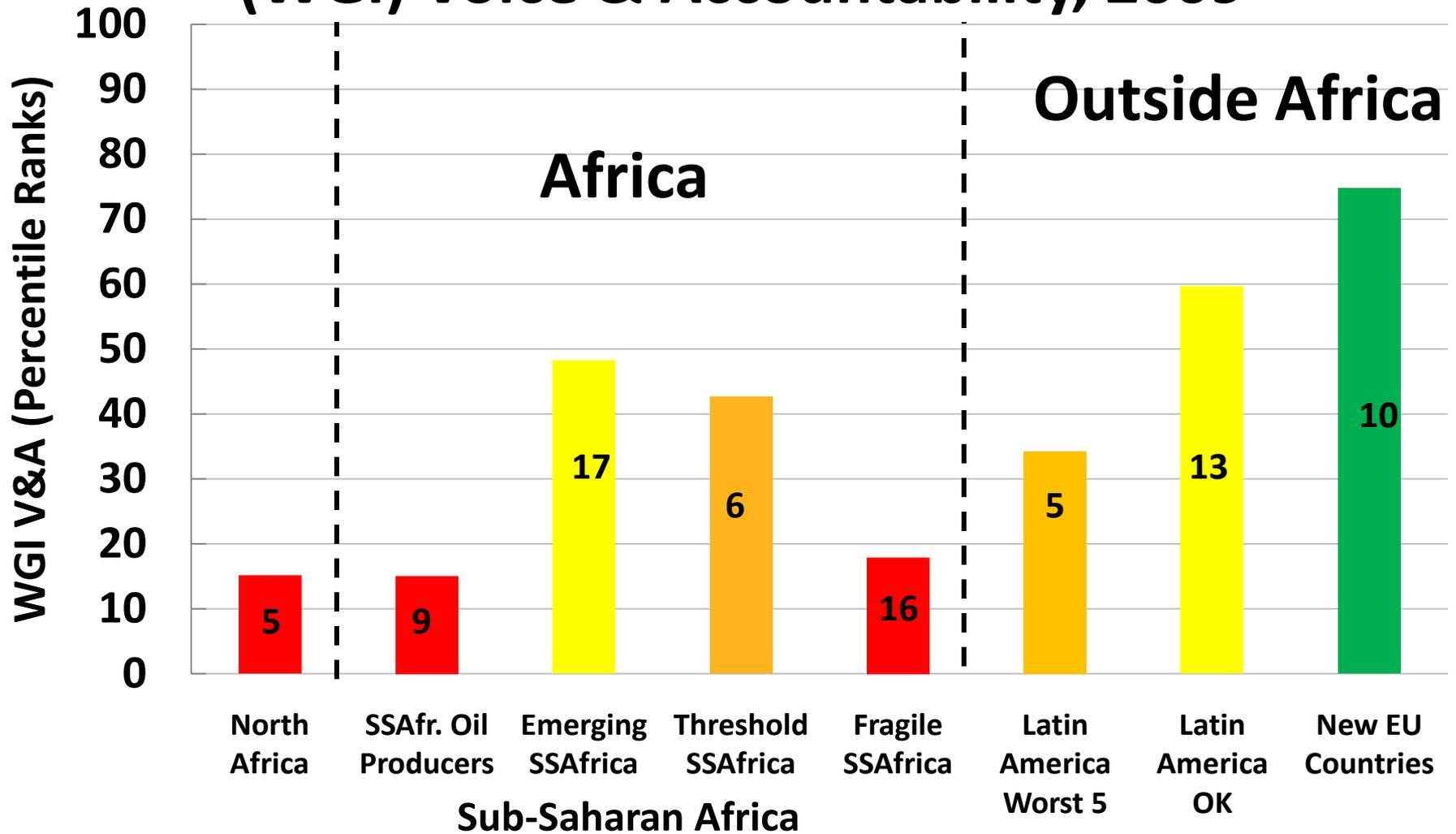
Data Source for calculations: KK 2004. Y-axis measures predicted GDP per capita on the basis of Instrumental Variable (IV) results for each of the 3 categories. Estimations based on various authors' studies, including Kaufmann and Kraay.

# African Leaders Departure From Power



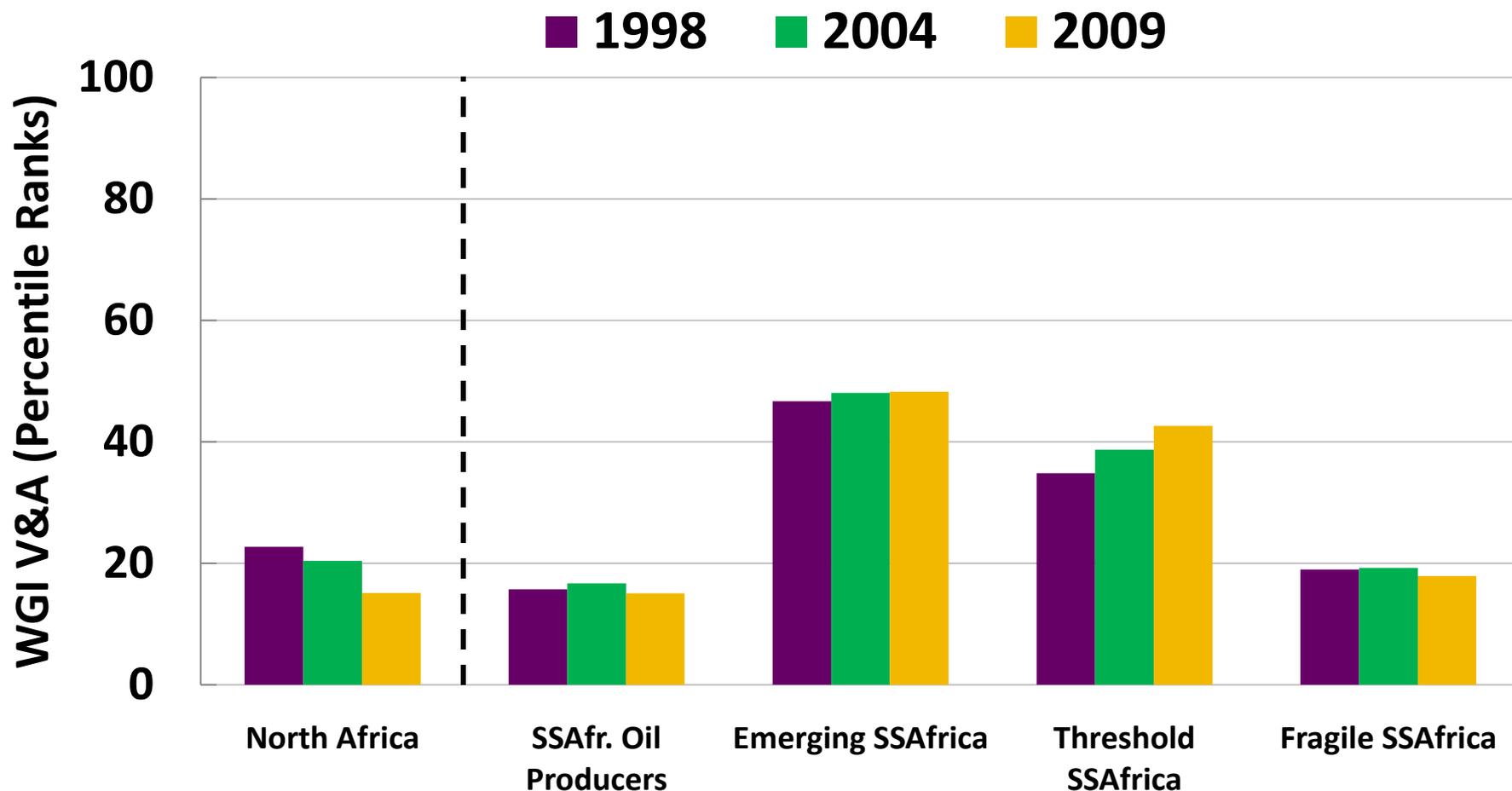
Original Source: Daniel N. Posner and Daniel J. Young, 2007, "The Institutionalization of Political Power in Africa," *Journal of Democracy* 18-3 (July), pp. 128. This slide was provided by S. Radelet.

# Africa Governance in Comparative Perspective: (WGI) Voice & Accountability, 2009



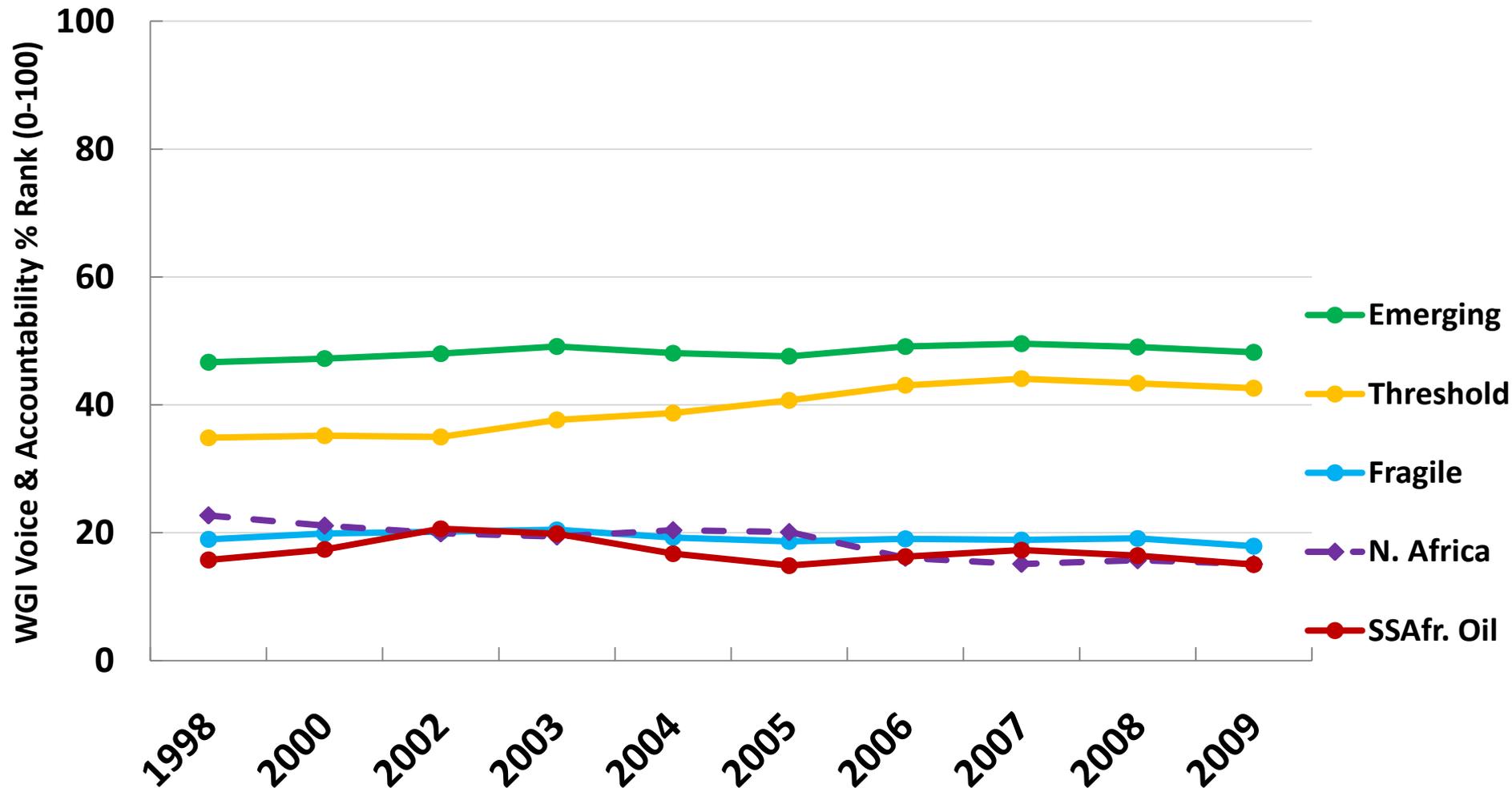
Sources: Kaufmann, Kraay & Mastruzzi, "Governance Matters Series," 2010; Note: Latin America OK category excludes the five lowest ranking (in WGI-VA) LatAm countries – Venezuela, Nicaragua, Honduras, Guatemala and Ecuador. Africa Country groupings based on Radelet, "Emerging Africa: How 17 Countries are Leading the Way," June 2010; N. Africa consists of 5 countries, SSAfr Oil Producers of 9 countries; Emerging countries of 17; Threshold countries of 6 and other of the 16 remaining countries.

# Africa Governance in Comparative Perspective: (WGI) Voice & Accountability, 1998-2009



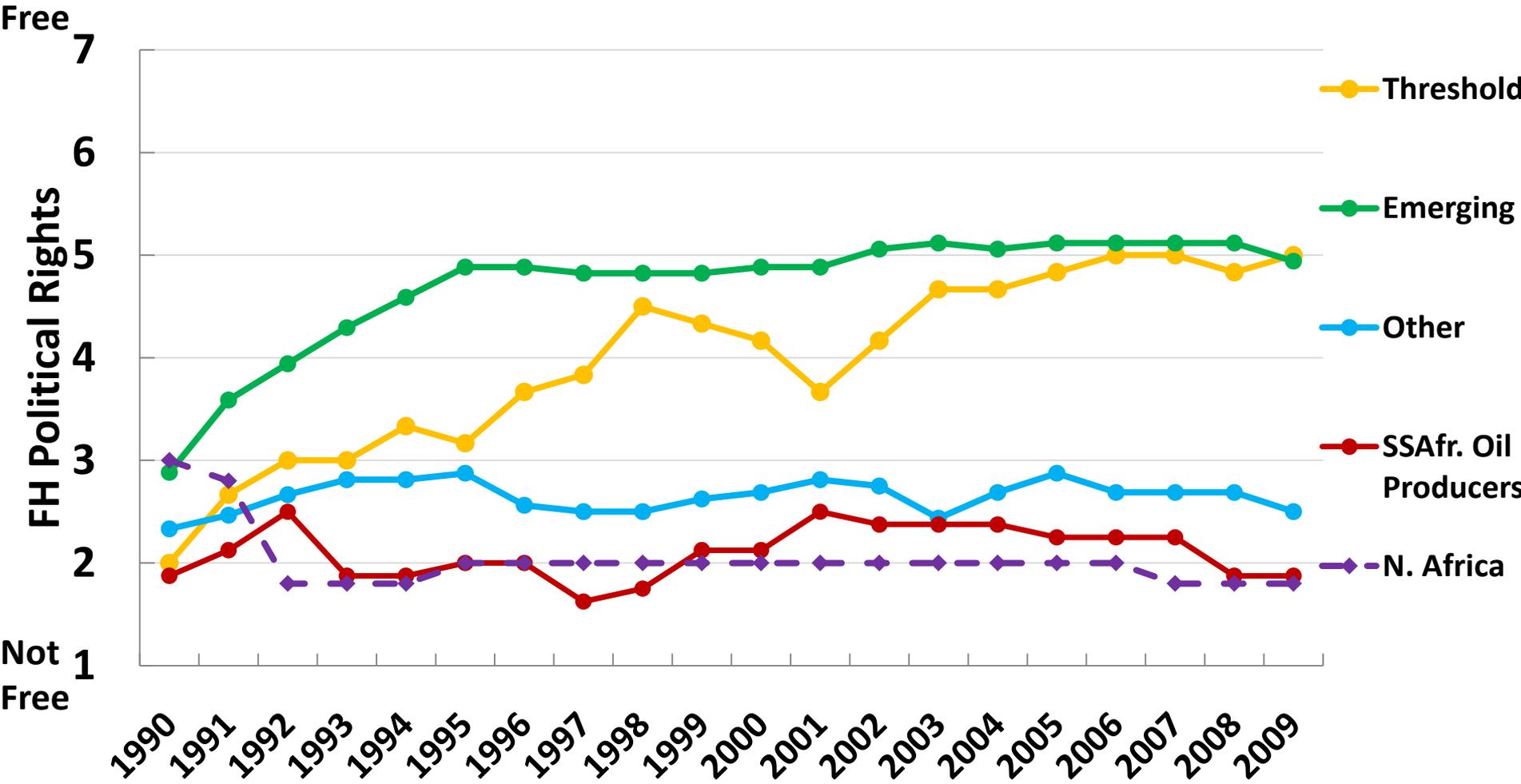
Sources: Kaufmann, Kraay & Mastruzzi, "Governance Matters Series," 2010; Note: Africa Country groupings based on Radelet, "Emerging Africa: How 17 Countries are Leading the Way," June 2010; N. Africa consists of 5 countries, SSAfr Oil Producers of 9 countries; Emerging countries of 17; Threshold countries of 6 and other of the 16 remaining countries.

# WGI Voice and Accountability, 1998-2009



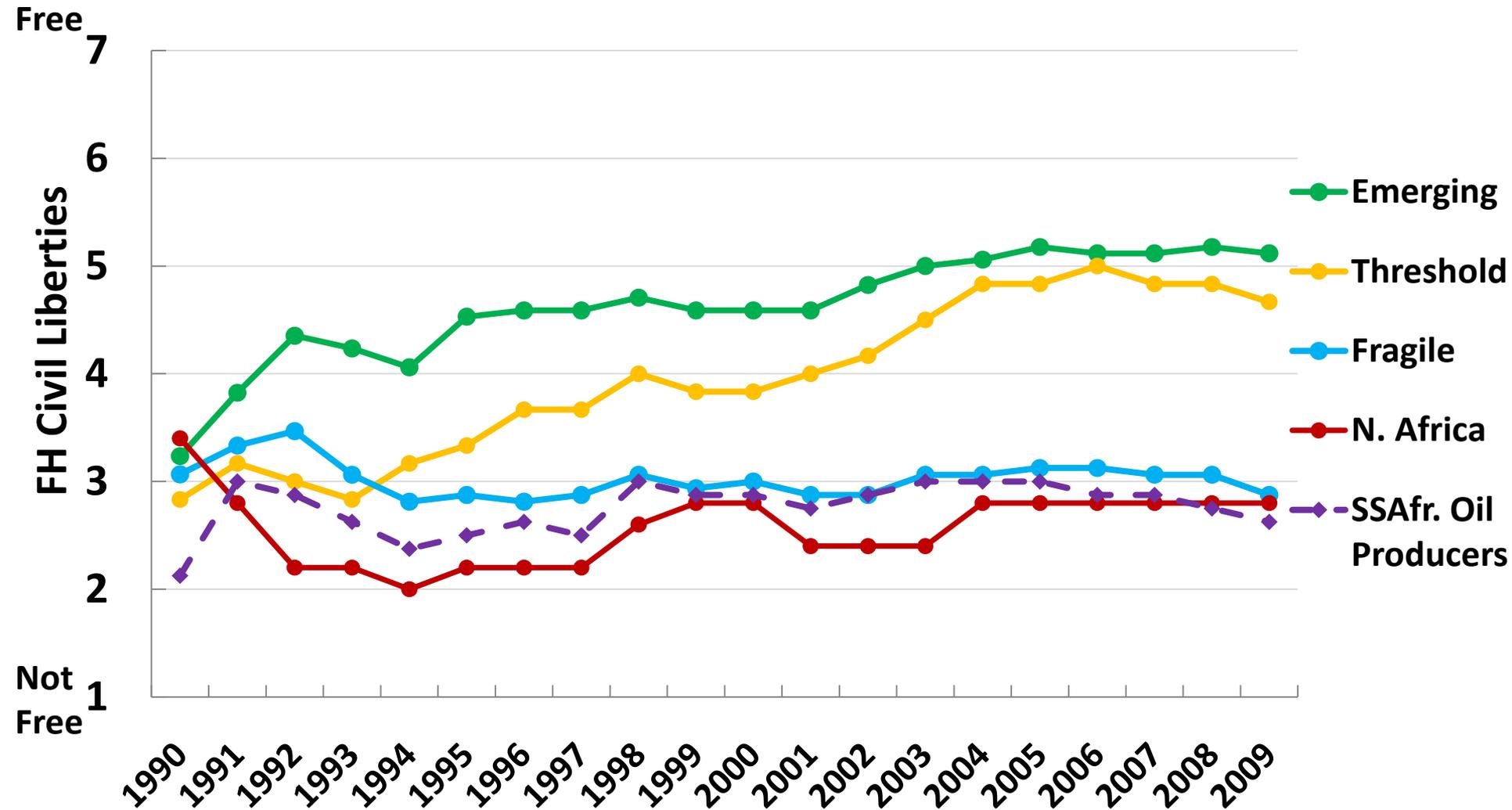
Sources: Kaufmann, Kraay & Mastruzzi, "Governance Matters Series," 2010; Sample of all Sub-Saharan African Countries; Note: Country groupings based on Radelet, "Emerging Africa: How 17 Countries are Leading the Way," June 2010; N. Africa consists of 5 countries, SSAfr Oil Producers of 9 countries; Emerging countries of 17; Threshold countries of 6 and other of the 16 remaining countries.

# (Freedom House) Political Rights in Africa: 1990-2009



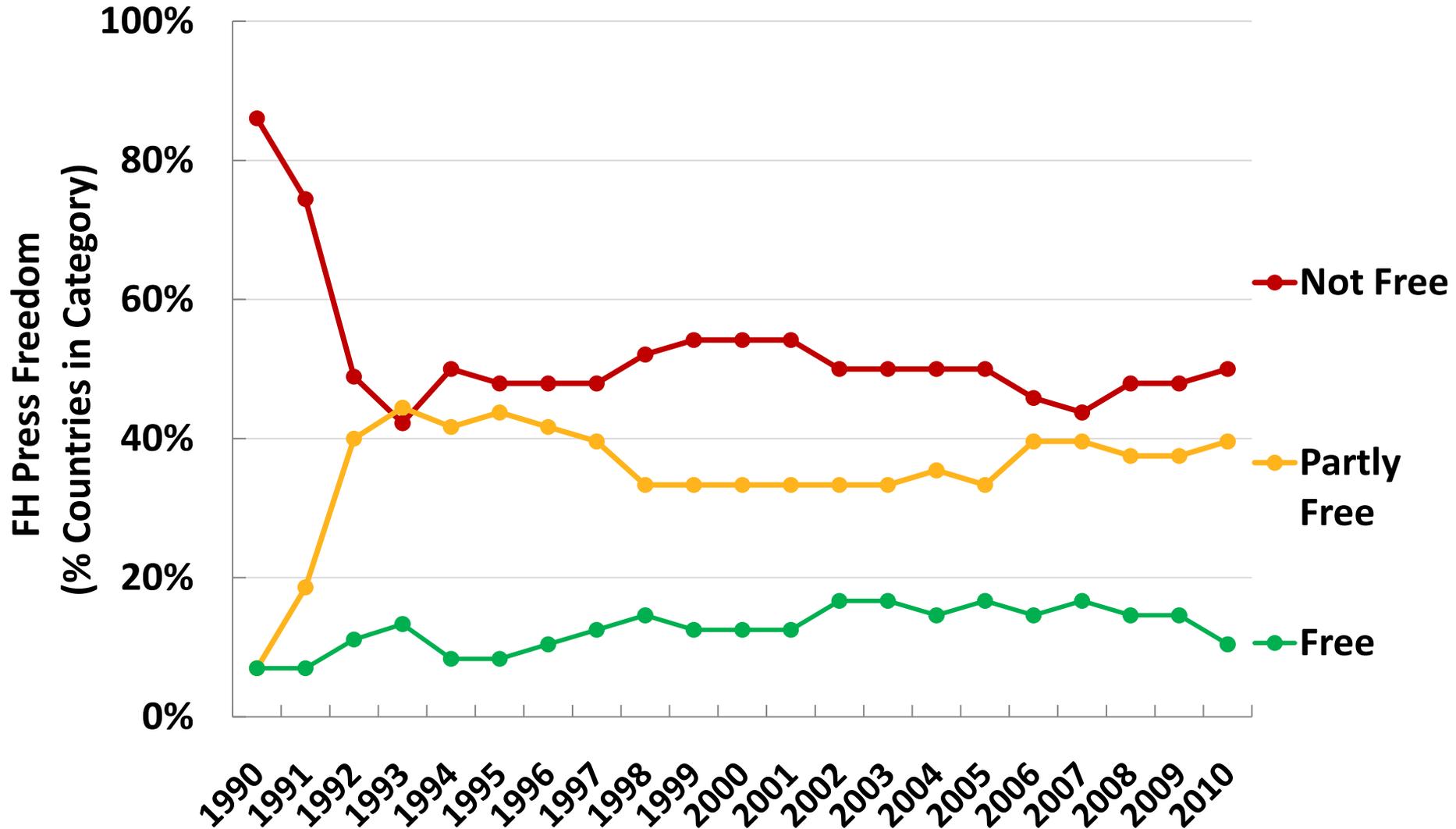
Sources: Freedom House, "Freedom in the World," 2010; Note: Country groupings based on Radelet, "Emerging Africa: How 17 Countries are Leading the Way," June 2010; N. Africa consists of 5 countries, SSAfr Oil Producers of 9 countries; Emerging countries of 17; Threshold countries of 6 and other of the 16 remaining countries; FH PR inverted to range from 1 (low) to 7 (high) PR by taking 8-original score.

# (Freedom House) Civil Liberties in Africa: 1990-2009

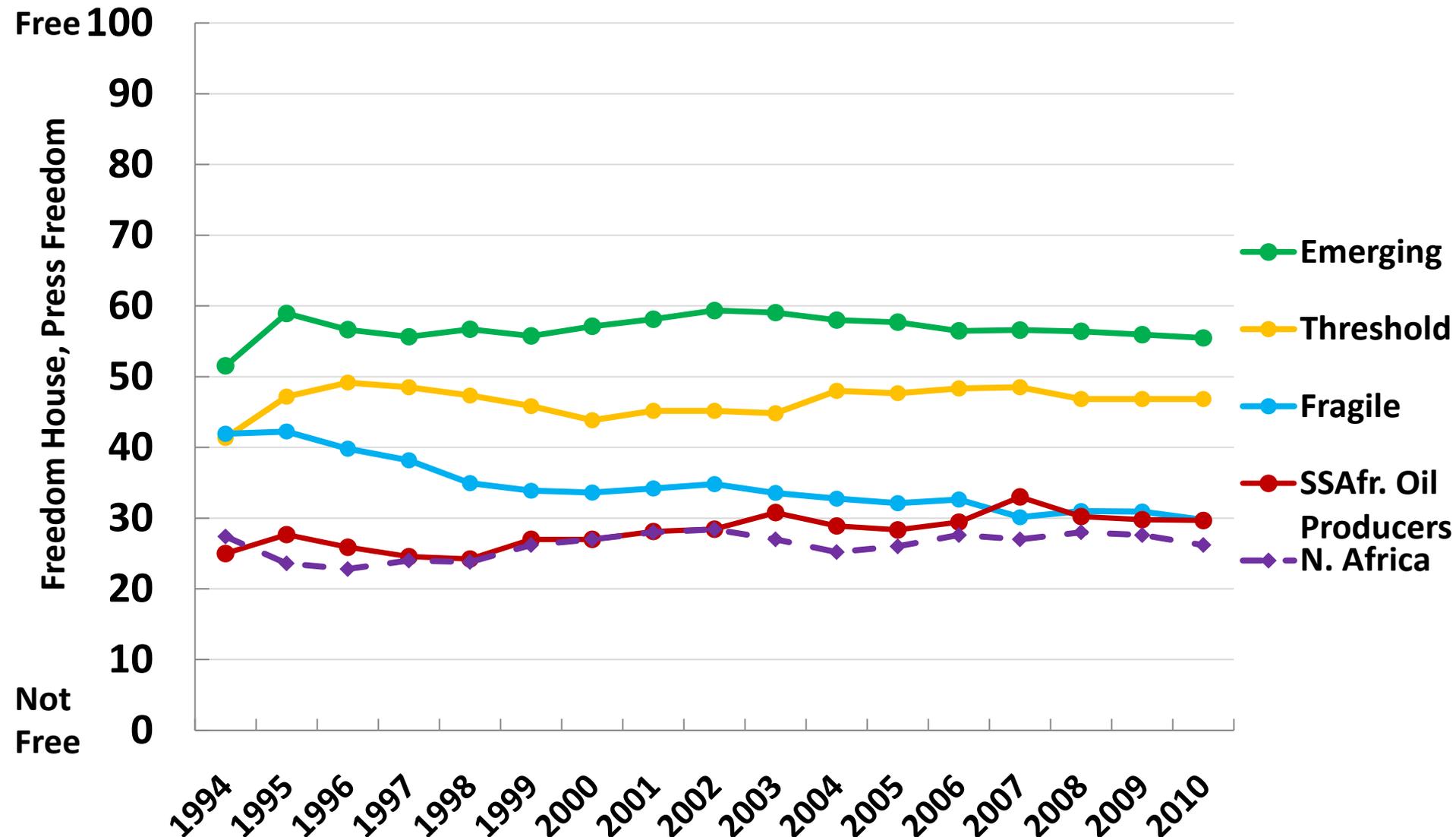


Sources: Freedom House, "Freedom in the World," 2010; Note: Country groupings based on Radelet, "Emerging Africa: How 17 Countries are Leading the Way," June 2010; N. Africa consists of 5 countries, SSAfr Oil Producers of 9 countries; Emerging countries of 17; Threshold countries of 6 and other of the 16 remaining countries; ; FH CL inverted to range from 1 (low) to 7 (high) CL by taking 8-original score.

# Press Freedom (FH) in Sub-Saharan Africa: 1990-2010



# Press Freedom (FH) in Africa, various groups: 1994-2010

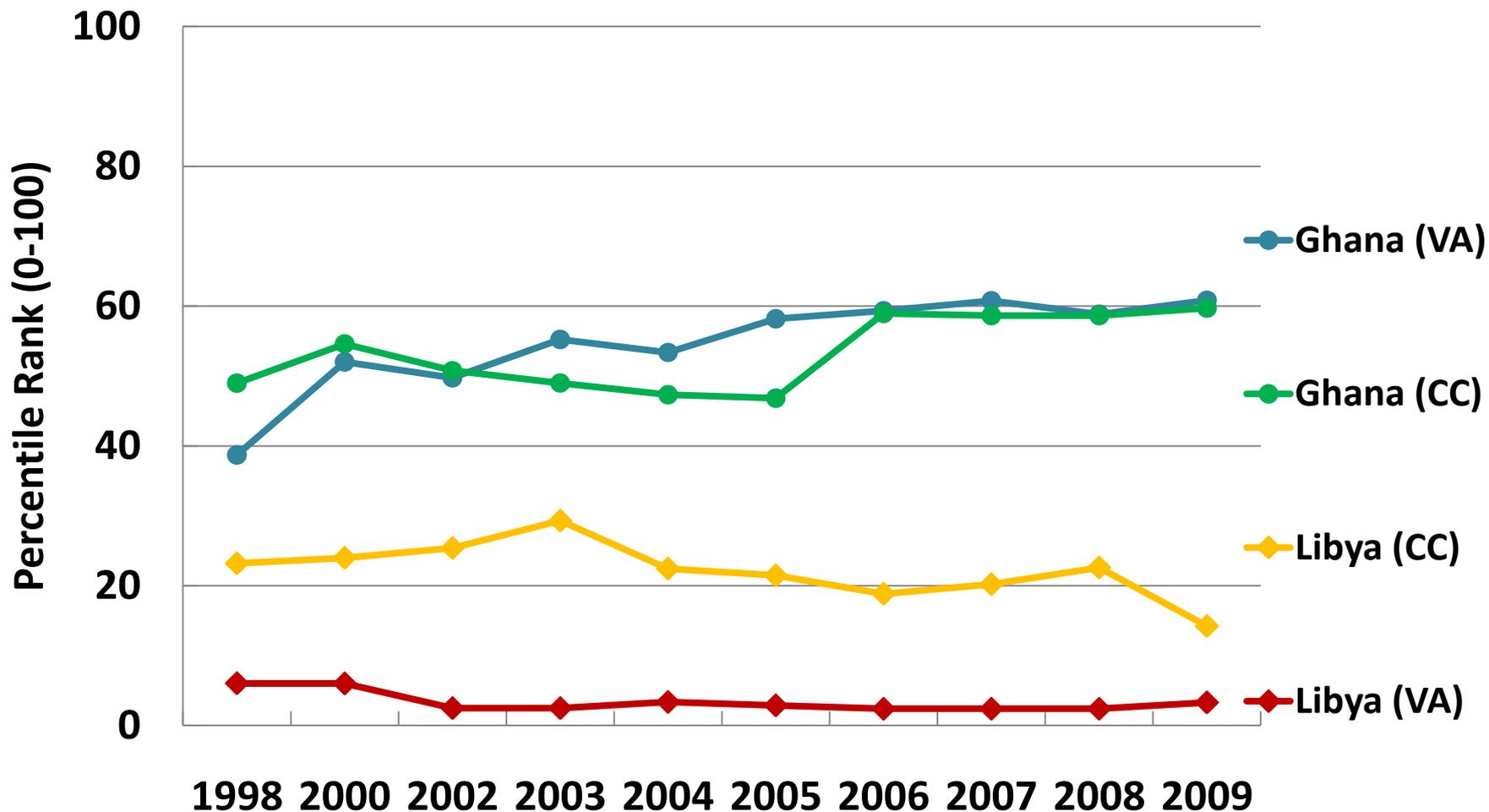


Sources: Freedom House, "Freedom in the World," 2010; Note: Country groupings based on Radelet, "Emerging Africa: How 17 Countries are Leading the Way," June 2010; N. Africa consists of 5 countries, SSAfr Oil Producers of 9 countries; Emerging countries of 17; Threshold countries of 6 and other of the 16 remaining countries; FH Press inverted to range from 0 (low) to 100 (high) PR by taking 100-original score.

# Some Implications

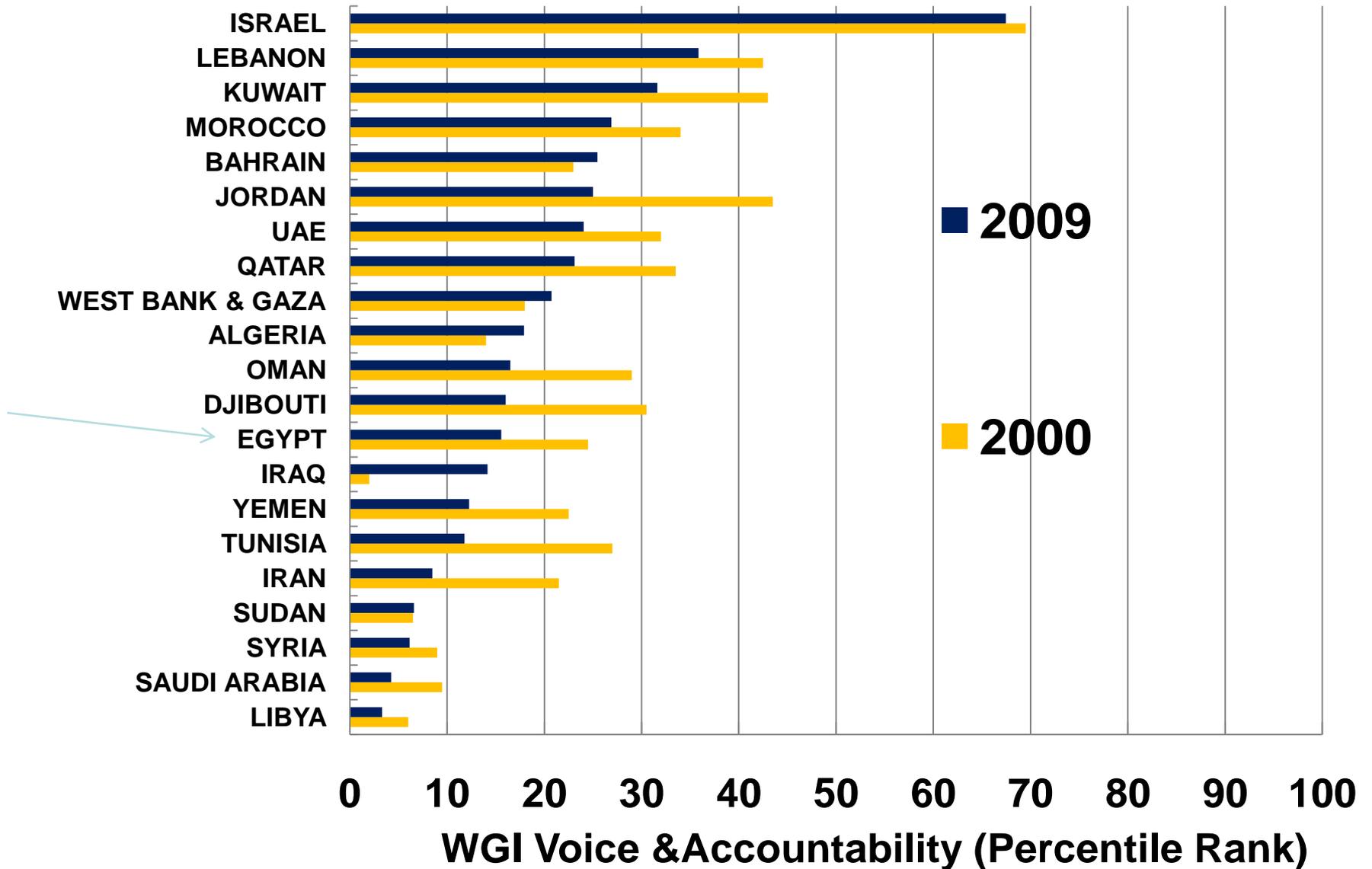
- **Moving away from generalizations**
- **Debunking afro-pessimism: *there are emerging countries pointing the way, & improvement possible***
- ***...Yet:* Guarding against premature exuberance**
- **Enormous variance across *countries in governance***
- **Challenge in the political (and institutional respect) dimensions of governance (*including free press*)**
- **‘Frontier African Economies’: benchmark against world**
- **Aid: more selectivity and focus on improved governance**
- **North African wake-up call: ‘governance deficits’ matter; particularly for SSAfrica: corruption, youth UE; some VA**
- **Where ‘governance deficit’ (& - trend), more instability?**

# Fig. 2: WGI Voice & Accountability (VA) & Control of Corruption (CC) in Libya vs. Ghana, 1998-2009



Source: Data from the Worldwide Governance Indicators (WGI), and "WGI: A Summary of Data, Methodology and Analytical Issues," by D. Kaufmann, A. Kraay and M. Mastruzzi, September 2010 – [www.govindicators.org](http://www.govindicators.org). The y-axis depicts the % rank (0 being the worst and 100 being the best). Libya's % rank, at 3.3, is close to the bottom, and comparable to Uzbekistan's (2.8) and Saudi Arabia's (4.2). The country with the highest VA score (100) is Norway.

# WGI Voice & Accountability: Middle East (& N. Afr.), 2000-2009



Source: Kaufmann, D., A. Kraay, M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues, <http://www.govindicators.org>. For each country, the top bar (in blue) displays 2009 data, while the bottom bar (orange) displays 2000 data. Margins of error are not shown here (they can be found in the WGI website), yet they remain relevant, thus small differences in ratings are not statistically significant.