

# Prerequisite to Prosperity

## Why Africa's Future Depends on Better Governance

Once, while flying over Kenya, I looked out over the countryside and asked myself why the inhabitants of a continent filled with resources could ever go hungry. Africa is a place rich with talent and possibility. As a businessman who has had success building a company in Africa, I have seen for myself how Africa can succeed when it is unhindered. When I founded Celtel International in 1998, there were only two million mobile handsets on the continent. A decade later, Africa is the fastest-growing mobile phone market in the world. Over 200 million people in Africa now use mobile phones. Such enormous growth did not come from nowhere. More probably, the success of a technology-based business suggests that Africa possesses the vitality and the elemental requirements for lasting prosperity. How is it, then, that Africa still remains mired in poverty and conflict?

Africa and its citizens will never take advantage of the opportunities presented by its own boundless potential without good governance. The most pressing issues hinge on proper rule: without the effective administration of a state's resources, there can be no environmental sustainability; without the rule of law, no human rights; without a thriving private sector and a robust civil society, we cannot develop economically. Nothing will happen without good governance, and the success of mobile telecom companies will be instrumental in bringing about changes in governance, just as they have been instrumental in attracting foreign investment. Mobile telecom companies are truly mobilizing markets.

As CEO of Celtel, I enforced a corporate policy that rejected bribery as a way of doing business. In some countries we lost markets because of this policy, but without regrets. I was determined to ensure accountable and transparent business practices by Celtel in every country in which we operated. Five times I went to court to enforce contracts, and five times I won. Over time, Celtel has helped to change the way business is done in Africa.

As a Sudanese Nubian, and one who has traveled throughout Africa and had the opportunity to become acquainted with thousands of Celtel customers, hun-

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dreds of our business partners, and scores of government officials and national leaders, I know firsthand that Celtel was not alone in this quest. Despite critical shortcomings in some countries, many African leaders, at all levels, effectively perform the duties of their office every day. Africa is no lost cause if we nurture and accelerate the spread of this competent leadership.

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Even if we agree about the primacy of good governance, the concept frequently seems too opaque to be of practical use. In 2006, I created the Mo Ibrahim Foundation to take on the task of expressing government effectiveness in quantifiable terms, and celebrate excellence in leadership as a means of advancing Africa's progress even further. Every year, the Foundation compiles statistical data measuring how well African governments perform and rates them in an annual index. This quantitative data, available for all sub-Saharan African nations, is a valuable tool for citizens and civil

society to gauge how their government is performing over time and in relation to the rest of the continent.

In creating the Foundation, I also recognized that there was a gap in people's perceptions of the African continent and the reality. We do have great leadership in Africa today, and not just in Nelson Mandela. But the people's sense of Africa is limited to crisis areas and I wanted the Foundation to challenge these presumptions. So we award the Ibrahim Prize for Excellence in African Leadership. We are looking for leaders who enter and leave office as they should and who really achieve something for their countries. The winner receives \$5 million dollars in recognition of their effective stewardship of their country. The Ibrahim Index is one of many sources that are used to assess sub-Saharan African leaders.

By rating each of Africa's 48 countries every year and providing opportunities for those countries' leaders after they leave office, the Foundation seeks to encourage great leadership and continued engagement in the welfare of Africa's citizens. The Foundation intends most of all to open the dialogue on the role that governance plays in the development of effective states, and provide tools for citizens to hold their leaders to account.

#### THE IBRAHIM INDEX

While the proceeds given to the recipient of the leadership prize grab most inter-

national headlines, it is the production of the Ibrahim Index of African Governance that is the cornerstone on which all of the Mo Ibrahim Foundation's other endeavors rest. In the past, the absence of a widely accepted and detailed definition of what constitutes good governance has impeded assessment of performance. The Foundation, though, does not consider this such a mystery. If we consider governance as a set of political goods that governments need to deliver to their people, then we only need to define those goods and measure their delivery. For the Ibrahim Index, we use quantifiable measures of a governments' success in providing services like schools and health care. The index then assigns ratings to each country in five broad categories—safety and security; the rule of law, transparency and corruption; human development; participation and human rights; and sustainable economic opportunity. These calculations provide us with the basis by which we can effectively compare states with one another, as well as track progress over time by analyzing changes from year to year.

By its nature, the Ibrahim Index and the databases it utilizes rely on hundreds of pages of data and methodological explanation. Each year, the index improves based on the availability of more accurate and timely data. We aim to build on the most outstanding work done so far in standardizing the measurement of government effectiveness. The Foundation is partnering with African institutions, and over time will transfer the compilation of the Ibrahim Index to African organizations in order to raise the baseline of statistical accuracy and entrench African ownership of the project. Fundamentally, the Ibrahim Index breaks the dominance of speculative analysis as the primary form of assessment, in favor of a standard metric by which observers can compare countries using quantitative data. As a result, the index is one of the most comprehensive indices ever created, and the first of its kind to focus solely on Africa.

However, this is no academic exercise though; building on the information that the Ibrahim Index brings to light, the Foundation seeks to change the face of leadership in Africa by starting a discussion about the role of government. By comparing states with one another, our hope is that the index will encourage countries to look to their neighbors to learn lessons. As leaders pinpoint those areas requiring the greatest attention, they can focus their efforts and efficiently tackle a country's most critical problems. Governments will have an increased incentive to improve once everyone has access to this information. As stakeholders, citizens can hold their leaders accountable for their efforts, in a grand conversation about a state's future.

#### THE IBRAHIM PRIZE

Africa has entered a new era—one that could, if the necessary conditions are put in place, deliver lasting change in the fortunes of the continent's people. A new breed of African leaders who try to do the right thing in and out of office deserve the credit for this shift. Yet the world pays little attention to these strides forward, and few avenues exist for these leaders to continue to make an impact after leaving

office.

The Foundation puts a spotlight on leadership excellence in Africa, highlighting this with the Ibrahim Prize for Achievement in African Leadership. Given annually, the prize recognizes a former executive head of state or government on their exercise of leadership and the performance of their country during their time

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in office. The Ibrahim Prize draws attention to those little known African leaders who, in tough circumstances, are lifting their people out of poverty, ending conflicts, providing jobs, etc. World leaders such as Kofi Annan, Mohammed ElBaradei, and Mary Robinson are members of the committee that judges potential winners and awards the prize. Looking at the Ibrahim Index and a range of other sources this committee of experts judges every eligible leader on every aspect of their tenure in office. Hopefully, this endeavor will bring attention to the great progress that Africa is making, thereby sparking further dialogue about

African governance.

The prize money that comes with the recognition of achievement will enable African leaders to have a life after office in service to civil society. First and foremost, the leaders get the honor of being a recipient, knowing that all of Africa and the world will become aware of their achievements. Second, and perhaps more provocatively, \$5 million plus comes with the prize. This is not an arbitrary amount, but a way to encourage leaders to stay active after leaving office and providing them with \$500,000 a year for ten years in recognition of their continued contribution to Africa. In addition, we provide \$200,000 toward public interest activities espoused by the winner. After ten years, we provide \$200,000 annually for the rest of the leader's life.

We are not awarding this prize as a type of pension, but rather as a reward for the leaders who really managed to deliver to their people. It actively encourages discussion of the positive aspects of a leader's work, one that would not have

occurred at such high levels if it were not for the prize. Additionally, we do not seek to enable presidents to sit in obscurity and early retirement by the swimming pool. In Africa, often the capacity of a leader to play an important role in their society diminishes as soon as their term of office ends. Whereas in the rest of the world, leaders have financial institutions to run or lucrative speaking engagements to help sustain them and keep them active in the civil sphere, there are few opportunities available for former African presidents. We hope to change this reality in order to further the progress already made.

#### AFRICANS TAKING CONTROL OF THEIR PROGRESS

Positive news about African leadership, coupled with the economic advances made throughout African markets, mark a watershed in Africa's history and further dispel the view of the continent as a region of only undifferentiated hardship and despair. Times have changed, and civil society strengthens with the passage of time. Africa will change in the coming years as Africans begin to take responsibility for their own success. Formerly marginalized demographic groups, most prevalent among them women, will come to play a greater role in society. With the spread of fairness and equality under the rule of law, women working 11 to 12 hours a day will see a stake in society commensurate with the work they do.

Technology has contributed to these advances in the strength of African civil society. Increased access to information via mobile phones, as well as TV, newspapers, and radio, offers the promise of an African continent in which every individual can learn about the issues confronting their social sphere and can share their views freely with others. When accurate and timely information is accessible, it exposes bad practice and allows citizens to reject poor governance. Such a change brings us out of the era of Africans hanging their hopes on a nationalist leader or supposedly benign dictator. Kenya and Zimbabwe tell us that this is so; when people in these countries felt that their votes were not respected, they did not take it lying down and they did not accept it. This is a very strong message: that the wishes of African people can no longer be taken for granted. All Africans have a right to live in freedom and prosperity and to select their leaders through fair and democratic elections, and the time has come when Africans are no longer willing to accept lower standards of governance than those in the rest of the world.

Africans themselves must harness the forward momentum the continent currently enjoys in order to move it to the next stage. Africans have to build that future, but it can only happen if they govern themselves properly. Although aid from other nations can help as a quick fix, we cannot allow our children to also live in a world in which they sit and wait for assistance. In order for this to happen, though, Africans must take a critical look at their own practices. Partnerships with African institutions to generate the Ibrahim Index help to serve this purpose; in addition to providing more accurate and timely data, it will put the responsibility for making honest assessments in the hands of an ever-strengthening African civil society. Africans will take ownership of their future and develop their own forms

of accountability and own ways of delivering change. Ultimately, we will begin to set benchmarks that the whole world can emulate.

This will mean that the world will no longer be able to sustain a reduced picture of Africa that consists of Zimbabwe, Congo, Somalia, and Darfur. When we sought to notify Joachim Chissano, the former leader of Mozambique, that our committee had selected him as the winner of the first Ibrahim Prize, we were

unable to locate him. We learned that he had spent his birthday in the borderland between Uganda, Sudan, and Congo mediating between the government of Uganda and the Lord's Resistance Army. And yet, when we announced the prize, everyone said, "Chissano who?" This reality is troubling, showing how great acts go unreported every day. But over time, a new generation of African leaders will develop to the point where the international community can no longer ignore them. The Mo Ibrahim Foundation will help to elevate the leaders' accomplishments to those great heights. Our hope is that someday, the

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committee will have so many great candidates to choose from that they have a problem choosing a winner. But getting to that point will not happen on its own—although the fundamentals for success exist all around us in Africa, critical barriers still abound.

Africa's ability to change and adapt to new communications technologies is both a key driver of future change and evidence of its possibility. Similarly, the continent's ability to adopt and refine Western methods of free enterprise and investment signal a new openness to markets that are more inclusive. If Africa can leapfrog ahead in technology and private enterprise, then why not in governance? This breakthrough will only happen in the hands of Africans, and African civil society in general. Just as an African had to spearhead an effort like that which we have built in the Mo Ibrahim Foundation, Africans will bear the responsibility for demanding change from their governments and making it happen. With the presence of the proper tools necessary for this effort, I have every confidence we will realize this lofty goal.