

APJ

AFRICA POLICY JOURNAL

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Defining Excellence

*Modifying the Rules that
Govern the Mo Ibrahim
Prize for African Leaders*

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THE AFRICA POLICY JOURNAL

The *Harvard Africa Policy Journal (APJ)* is a student-run publication dedicated to promoting dialogue about African policy and current affairs in the realms of governance, law, education, business, health, design, and culture. The Journal was initially started in 2006 by students at the John F. Kennedy School of Government but has recently expanded to encompass all the schools of Harvard University. With its online platform (africa.harvard.edu/apj) and annual print publications, the APJ acts as a hub for timely debate, opinion, research, and analysis.

All views expressed in the *Africa Policy Journal* are those of the authors or interviewees only and do not represent the views of Harvard University, the John F. Kennedy School of Government, the staff of the *Africa Policy Journal*, the Faculty Advisory Board of the *Africa Policy Journal*, or any associates of the journal.

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ABOUT THE ARTWORK IN THIS ISSUE

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Each image is of a brass weight, used until the 19th Century as a measurement of gold dust, a primary currency in regions of Ghana and the Ivory Coast. As such, the artists are unidentified. We include them both for their aesthetic beauty and as a subtle nod to the economic growth and prosperity of Africa over the last century.

Stylized Bovid Head, Brass on lost-wax casting
Photo by Didier Descouens

2013 has been a successful year for the Africa Policy Journal (APJ), and I am grateful to those who helped make it a success.

Bakary Seckan, the former Editor-in-Chief made the transition seamless. Timothy Cheston, Tomoo Okubu, and Sarah Glavey helped publicize the Journal to the greater Harvard community and recruit new editors at the 2013 Student Club Fair sponsored by the Kennedy School Student Government (KSSG). We worked closely with both KSSG and Student Services to publicize and finance our activities. A particularly important member of our team was Joyce Hahn, APJ's Managing Editor, whose fundraising skills and management prowess made this edition a reality. I thank the following editors for their commitment to APJ throughout the year: Elizabeth Bennett, Aubrey Merpi, Ngozika Amalu, Kimberly Fernandes, Tim Cheston, Sarah Glavey, Tomoo Okubu, Ding Xu, and Bhekinkosi Sibanda.

We launched our 2014 Call for Submissions on 15 October 2013. We reached a diverse audience through our Web site (africa.harvard.edu/apj) and Facebook page. We received a total of fifteen submissions including three book reviews, five op-eds, and seven academic articles. We successfully solicited two high-profile interviews, one with the CEO of the New Partnership for African Development (NEPAD), Dr. Ibrahim Assane Mayaki, and the other with UN Resident Coordinator in South Sudan, Lise Grande. Both interviews are featured in this volume. Needless to say, we could not publish all of the submissions, but we were encouraged by the breadth of participation. Policy topics in these submissions included governance, finance, tourism, health, and technology among others.

Notwithstanding these successes, there were also difficult moments. In a bid to ensure sustainability of focus, we sought to create an Advisory Board comprising opinion makers from Africa, but we had limited success in that regard. In hindsight, a more targeted and more realistic campaign might have yielded greater success, and we leave this as a challenge to the next team. I believe an Advisory Board would greatly enhance our efforts to reach an even wider network and ensure APJ's sustained presence in African policy debates.

I would be remiss if I did not mention the passing of one of Africa's most venerable heroes, Nelson Mandela, in early December 2013. The Economist put it best when it said that the passing of Mandela "diminishes us all." This edition of the Africa Policy Journal features several commentaries on governance and the search for leadership in Africa. As you read through, for example, Professor Jeffrey Frankel's op-ed on the Mo Ibrahim Prize for African Leaders or the interview with Dr. Mayaki as he discusses the importance of leadership in Africa's future, I urge you to contemplate on the urgency of this topic in light on Mandela's passing.

I am confident that the Africa Policy Journal will continue to be an important mouthpiece for those who are as hopeful about Africa's future as we are.

Thank you for your support.

Mpumelelo Nxumalo
Editor-in-Chief, APJ

MEET THE STAFF

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Knot, brass on lost-wax casting // Photo by Caroline Léna Becker

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We would like to recognize and thank various people who have been tremendously helpful in producing this year's journal. First and foremost, we thank **Martha Foley**, Assistant Director of Student Services, who provided endless amounts of guidance and patience in our efforts to raise funds for and expand the readership of APJ. Second, we would like to thank the **Committee on African Studies (CAS)**, **Professor Ishac Diwan**, **the Mossavar-Rahmani Center for Business and Government**, **the Kennedy School Student Government (KSSG)**, and **the Africa Caucus at the Harvard Kennedy School** for their words of encouragement and financial support of our endeavors from the start of the academic year. We also thank Pam Ardila, our copy editor at the Kennedy School, for her work in ensuring the journal meets the high standards of excellence of HKS student journals. Last but not least, we would like to thank all of our amazing contributors who have turned their passions on various Africa-related topics into well-formed and articulate academic articles and opinion pieces that we are proud to share with our readers.

Joyce Hahn
Managing Editor, APJ

CONTENTS

14 A Quiet Success in Stemming a Global Epidemic
PATRICK ELLIS CHA

18 Morocco: A New Financial Capital?
KURT DAVIS JR.

22 The Ibrahim Prize for Excellence among
African Leaders
JEFFREY FRANKEL

28 Branding Tourism in Liberia
GUIDO VAN GARDEREN

36 Tracking Vulnerability in Real-time: Mobile Text
for Food Security Surveys in Eastern Democratic
Republic of Congo
JEAN-MARTIN BAUER, KOFFI AKAKPO,
MARIE ENLUND, SILVIA PASSERI

54 Business Models for Commercializing
African Agriculture
ISHAC DIWAN AND ROSIE EMMERSON

68 Experiment Gone Wrong? A review of *The Idealist*
BY MPUMELELO NXUMALO

71 A Review of *Poor Numbers*
BY RODRIGO GARCIA-VERDU

74 **Q&A:** Dr. Ibrahim Assane Mayaki, CEO of NEPAD

83 **Q&A:** Lise Grande, Former UN Resident Coordinator
and UNDP Resident Representative in South Sudan

A Quiet Success in Stemming a Global Epidemic

BY PATRICK ELLIS CHA



Turtle, brass on lost-wax casting
Photo by Caroline Léna Becker

George W. Bush ended his presidency in 2009 as the most disliked chief executive of the United States in the history of popularity polls. With an approval rating of a paltry 22 percent, Bush registered a lower level of support among the American populace than his four predecessors, three of whom polled over 50 percent approval at the end of their terms.¹ Furthermore, President Bush registered the highest disapproval rating at any point during an incumbent's time in office at 69 percent in April 2008.² Amidst all of this negativity, global health stands out as an area in which his

presidency made tangible and critical progress. Bush undertook this effort because of his personal convictions to contribute to a greater good that did not necessarily comport with the values and priorities of his core electoral constituency and that even his harshest critics acknowledge as an unqualified success.

When Bush took office in 2001, the United States spent \$1.4 billion per year in development and humanitarian assistance for Africa, which paled in comparison to the growing AIDS epidemic there. United Nations epidemiologists predicted in 1991 that Africa

would see 9 million HIV cases by the end of the decade. The actual number in 1999 was 24.5 million. By the turn of the millennium, well over 34 million people were infected with the HIV virus, and experts predicted a major global health crisis of some 50 million infections by 2015.³

In February 2003, Bush launched the President's Emergency Plan for AIDS Relief (PEPFAR)—a five-year, \$15 billion program to prevent, care, and treat HIV/AIDS. The funding was facilitated through the passage of the U.S. Leadership Against AIDS, Tuberculosis, and Malaria Act of 2003. The act created the Office of the Global AIDS Coordinator (OGAC), which coordinated U.S. government-funded HIV/AIDS programs in fifteen different countries, mostly in sub-Saharan Africa. The program set out specific metrics of performance in its first five years: to supply antiretroviral treatment to 2 million HIV-infected people, to prevent 7 million new HIV infections, and to provide continuing care to 10 million people by 2010.⁴ The price tag of this five-year program was unprecedented in world history. No previous world leader, international organization, or private sector entity had ever committed so much to AIDS prevention and treatment, let alone the targeting of any single disease.

Through both its financial contributions and leadership, the United States turned back the

AIDS epidemic. If it was spending less than \$200 million on the problem and treating only 50,000 patients with antiretroviral drugs prior to PEPFAR, three years into the program, the United States was committing \$5.6 billion per year, and by the end of the five years was providing treatment to over 1.3 million patients.⁵ In 2008, President Bush reauthorized PEPFAR for an additional five years, and total spending reached \$46 billion.⁶ By its tenth year, PEPFAR succeeded well beyond its initial goals set out in 2003, providing antiretroviral treatment to more than five million people, counseling for over 11 million pregnant women, and providing medicines to some 750,000 women, thus allowing hundreds of thousands of children to be born HIV-free.⁷

The results of the program speak for themselves. According to UNAIDS, 1.6 million people died of AIDS in 2012, representing a 30 percent decrease since 2005. New HIV infections have declined by 33 percent since 2001 globally, and in sub-Saharan Africa, new infections have declined by more than 50 percent.⁸ UNAIDS Executive Director Michel Sidibé put the point succinctly: "The leadership of the United States of America in the AIDS response has been instrumental in achieving results for people living with and affected by HIV. Over the last 10 years new HIV infections worldwide have fallen by more than 20%, and as more people have been able to access antiretroviral thera-

py, AIDS-related deaths have fallen by a staggering 25% since the peak of the epidemic. These gains would not have been possible without the financial and political commitment of the United States and particularly PEPFAR.”⁹

As unpopular as Bush was at home, his dedication to this problem was unwavering. The president did not push this initiative as a political feather in his cap. Indeed, the legislation for PEPFAR was introduced at a time when Bush was experiencing a staggering and uninterrupted drop in his approval ratings over twelve successive months through 2002 into

source countries like those in sub-Saharan Africa.¹² The prevailing assessment was that uneducated and poor populations could not be counted on to attend health clinics, absorb care information, appear regularly for treatment, and take medicines as prescribed. PEPFAR went directly against this view and proved it wrong.

Bush’s accomplishments in this vein are acknowledged by his critics. As one treatment said, for a president “whose administration was marked by death and conflict,” PEPFAR represented a compassionate conservatism that could have been for the Bush presidency

The real metric of these policies is found not in the halls of Washington policy commentary but in the appreciation of the African people.

the beginning of 2003.¹⁰ He had little support from his core constituency in the Republican Party, which was singularly focused on counterterrorism and national security. And he challenged both Democrats and Republicans to mount bipartisan support for this initiative, leading the body to authorize budgets that exceeded the president’s request in the largest global health endeavor in the history of the U.S. Congress.¹¹

Most important, he challenged the conventional wisdom at the time. The view was that large-scale conventional HIV/AIDS treatments could not be carried out effectively in low-income, low-re-

were there no September 11 or Iraq war.¹³ Or as another observed, “[These] are not words I frequently use to describe Bush or his presidency. But credit and praise must be given where they are due, and Bush’s accomplishment—PEPFAR—deserves accolades.”¹⁴

But the real metric of these policies is found not in the halls of Washington policy commentary but in the appreciation of the African people. Bush, though reviled at home, was greeted by throngs of well-wishers and supporters on his last trip to Africa as president in February 2008 where the United States enjoyed approval ratings well into the 70 and 80 percent-

tiles during his entire presidency. PEPFAR was not the only reason for America's popularity. Bush also created the Millennium Challenge Corporation, which directed development aid to African governments that demonstrated transparency and corruption-free practices. But the unprecedented scope and scale of his AIDS initiative resonated deeply. Mark Dybul, the U.S. Global AIDS Coordinator in 2006, recalled that when African village elders were asked if they knew what the acronym PEPFAR meant, their response was simple but meaningful: "PEPFAR means the American people care about us."¹⁵

Political courage is not exemplified by doing something to build a legacy or to gain the admiration of others. It is doing what you believe is right and contributes to a greater good. Bush's dedication to this cause remains evident in his work in private life. He has visited Africa three times already, working on projects to address tuberculosis, to renovate health infrastructure, and to expand screening and treatment for cervical cancer. There has been no more important program in world history to turn back the HIV/AIDS epidemic in Africa than President Bush's creation of PEPFAR. ♦

¹ CBS News. "Bush's Final Approval Rating: 22 Percent." CBS News, 16 January 2009.

² Newport, Frank. "Bush's 69% Job Disapproval Rating Highest in Gallup History." Gallup, 22 April 2008.

³ Washington Post. "Waking Up to Devastation." *Washington Post*, 2000.

⁴ UNAIDS. "Ten Years Since PEPFAR's Launch: The United States Continues Its Leadership in the AIDS Response." UNAIDS, 14 February 2013.

⁵ U.S. President's Emergency Plan for AIDS Relief (PEPFAR). "Shared Responsibility-Strengthening Results for an AIDS-Free Generation: 2013 PEPFAR Results." PEPFAR, December 2013.

⁶ PEPFAR. "Working Toward an AIDS-Free Generation: Latest PEPFAR Funding." PEPFAR, March 2014.

⁷ UNAIDS. "Ten Years Since PEPFAR's Launch."

⁸ UNAIDS. Global Report: UNAIDS Report on the Global AIDS Epidemic 2013. Joint United Nations Programme on HIV/AIDS (UNAIDS), 2013, 4.

⁹ UNAIDS. "Ten Years Since PEPFAR's Launch."

¹⁰ Presidential Approval Ratings—George W. Bush. Gallup.

¹¹ Salaam-Blyther, Tiaji. The President's Emergency Plan for AIDS Relief (PEPFAR): Funding Issues After a Decade of Implementation, FY2004-FY2013. Congressional Research Service, 10 October 2012, 1.

¹² Robinson, Eugene. "George W. Bush's Greatest Legacy." *Washington Post*, 26 July 2012.

¹³ Baker, Peter. "Bush a Fond Presence in Africa for Work During and Since His Presidency." *New York Times*, 2 July 2013.

¹⁴ Robinson, "George W. Bush's Greatest Legacy."

¹⁵ Remarks by President John J. DeGioia, Welcome Reception for Ambassador Mark Dybul: Confronting the Global AIDS Challenge. Georgetown University, 2 April 2009

Morocco: A New Financial Capital?

BY KURT DAVIS JR.

It would be sad if the Arab Spring cemented more turmoil than it sought to end. But the current state of politics in post-Arab Spring, specifically in Tunisia and Egypt, suggests things could worsen before they improve. Ongoing security concerns in Libya and the not-so-forgotten hostage situation in Algeria have caused further chaos in the North African balance of power.



Stylized bovid head, brass on lost-wax casting
Photo by Didier Descouens

Prior to the January 2011 revolution, Cairo served as the entrance point to North Africa and home to one of Africa's biggest financial centers. Paired with three other big African entry points—Nairobi (Kenya) in East Africa, Johannesburg (South Africa) in Southern Africa, and Lagos (Nigeria) in West Africa—Cairo played an important role in maintaining Africa's four-prong financial nucleus. But the unending conflict in Egypt, a lack of direction and timing on the military government's voluntary forfeit of power, and an uncertain capacity of the state to fully implement and maintain democracy have opened a gaping hole at the north end of Africa's financial brain.

Coming to the rescue in newly bought clothes and jewels is Morocco and its custom-designed Casablanca Finance City. Home to Africa's sixth largest economy, the Kingdom, under the auspices of the ambitious King Mohammed VI, thrives to fill the hole created

by Egypt's instability as well as be the vein to French-speaking African markets. Morocco does not pretend to hide its ambitions to head the Community of Sahel-Saharan States (CEN-SAD), the often-overlooked member of the African Union's eight regional economic communities that has swollen from its original six to twenty-eight members in fewer than fifteen years. Unlike the Western Sahara, the country Morocco opposes as a member of the African Union, Morocco is unreasonably not a member of the African Union—something that clearly will have to change.

4.6 %

Average annual economic growth in Morocco from 2005- 2012.

STRATEGIC LOCATION AND PRESENCE

Morocco provides easy access to Africa via its strategic location at the northwest point of Africa. With just 14 kilometers of water between Morocco and Spain, the country connects North Africa to Europe and indirectly to the United States. Known for vibrant medinas, a picturesque landscape, and a welcoming culture, Morocco has always boasted itself as a tourist destination with an even greater untapped potential as an investment and financial hub.

Morocco's majestic city of Marrakesh originally hosted the ministerial meeting in April 1994, which led to the creation of the World Trade Organization (WTO). Since then, the Moroccan leadership has diligently employed its efforts to opening its borders to foreign capital and foreigners. Sitting with Spanish immigrants en route to Morocco via ferry from Tarifa (Spain), you can hear stories of the opportunities in Morocco accompanied by a true belief in the country's will to keep its borders open to foreigners.

Morocco maintains an advanced economic status with the European Union (EU) under the European Neighbourhood Policy, a free trade agreement with the United States, and a strong relationship and voice of participation within the Arab League. The increasing visits by the King and his foreign minister in sub-Saharan Africa comes as the last prong to building an influential position across four geographies: the European Union, the United States, sub-Saharan Africa, and the Middle East and North Africa (MENA) region.

STABLE ECONOMY AND POLITICS

The Moroccan economy has performed well in recent years, growing at an average of 4.6 percent annually from 2005 through 2012. A slowing in gross domestic product (GDP) growth in 2012, as the economy grew by only 2.7 percent according to the International Monetary

Fund (IMF), stirred concerns in the region. But the slump can be attributed to a complicated and unexpected constellation of issues, including the Eurozone's economic recession and a continuing hangover from conflict across the MENA region.

Moroccan Minister of Finance Nizar Baraka maintains earlier assertions that the economy will grow approximately 5 percent, surpassing the government's initial projection of 4 percent for 2014.

particularly with fuel subsidy reforms, has been delayed behind fears of social and political unrest. A drastic cut to fuel subsidies would have grave effects on the pockets of locals while also providing an immense benefit to government accounts, as current fuel subsidies account for an estimated 54 percent of the total subsidy spending.

Morocco is home to a very skilled workforce, yet the country is plagued by a high unemploy-

Although the official unemployment rate stands at a mere 9 percent, it is approximately 17 percent for university graduates and nearly 30 percent for those under the age of thirty-five.

The rebound bids well for the country's image amongst North Africa's currently fragile economies. Yet the statistics hide some glaring concerns for the country's long-term position.

A growing government deficit and ballooning subsidies remain a problem. The country secured a \$6.2 billion credit line from the IMF mid-2012 to help fill the budget gap. The IMF extended the credit line in July 2013, accompanying the extension with a stern warning that Morocco had to address subsidies and budgetary issues to avoid falling into social and economic distress.

The government managed to pass initial subsidy reforms. Yet implementation of these reforms,

ment rate, particularly among its youth. A march on the capital in October 2013 by a couple thousand Moroccans illustrates the challenges, as youth vocally petitioned the government for increased public sector employment. Although the official unemployment rate stands at a mere 9 percent, it is approximately 17 percent for university graduates and nearly 30 percent for those under the age of thirty-five. Past governments have generally placated unemployed graduates and youth with increased public sector jobs. But it is this bloated public payroll that is conspicuously draining the government's accounts.

A cut in agricultural and power

subsidies would be a great step. But fears over inflation and the unrest it can cause have slowed government efforts in this space. Downwardly distorted power prices have misled consumer perceptions of cost and arguably minimized incentive to improve the situation. Agricultural subsidies, specifically sugar subsidies, have artificially lowered the impact of food costs on inflation. Local supporters of the subsidies argue that any drastic cut would destabilize the economy. But critics are correct to argue that local and international companies possess sufficient capital to develop trade financing agreements and partnerships to fill the short financial gaps and overcome any shock. A growth in partnership and efficiency over the long term could transform the economy for better in the long run.

LONG-TERM PERSPECTIVE

Concerns over the budget deficit, at 7.6 percent in 2012, and related subsidies will ease. All indicators point to a smaller budget deficit, at less than 6 percent, for 2014. Though inflation concerns are palpable on the streets in Casablanca and Marrakesh, the reality is that inflation has stayed below 2 percent annually in recent years. The economy is expected to grow annually north of 5.5 percent between 2014 and 2016.

Focused legislation, including the Green Morocco Plan, has proved successful. According to

the Minister of Agriculture and Fisheries Aziz Akhannouch, the Green Morocco Plan, which was launched in 2008, has boosted agricultural production on average by 43 percent in 2012 as compared to 2005 through 2007. Making improvements at the Tanger-Med port an imperative has only benefits for one of Africa's already busiest ports. It is estimated that the port will have an 8 million-container capacity by 2017. A robust network of rails and highways connected to industrial parks and free zones continues to demonstrate the country's potential.

Making the country a financial hub seems to be the next step. Stability and unrest concerns will continue to linger, but, if history serves us right, these concerns come with their ups and downs. As long as officials do not ignore the concerns, as leaders did in regional neighbors Egypt and Tunisia, the economic and investment outlook could spell staggering success for the King's ultimate vision of making the star on the Moroccan flag an indicator of the new capital on the African financial map. ♦

The Ibrahim Prize for Excellence Among African Leaders ¹

BY JEFFREY FRANKEL

On 14 October 2013, the Mo Ibrahim Prize Committee announced, for the second year in a row, that it had not found anyone to whom to award its Prize for Achievement in African Leadership.

The Prize is given to a recently retired Executive Head of State or Government in Africa who satisfies the criteria of having been democratically elected, having left at the end of his or her constitutionally mandated term, and having demonstrated exceptional leadership. The winner receives \$5 million paid over ten years, followed by \$200,000 annually for life, which makes it the world's most valuable annually awarded prize.

The Mo Ibrahim Foundation supports other valuable activities as well, especially the annual rating and ranking of countries in the Ibrahim Index of African Governance (IIAG), which was also released on 14 October 2013. But I am especially intrigued by the Prize. For me, the suspense doesn't come from seeing who will win a \$5 million lottery, but rather from seeing whether the existence of such a prize can sometimes influence behavior of leaders. It is a fascinating social policy experiment, which deserves to be more widely known.

Even such a noble venture as this receives some criticism. One argument goes, "Because the Ibrahim Prize after many years has



Photo courtesy of the Brooklyn Museum, Arts of Africa collection

been given to nobody, it makes Africa look bad.” It has also been argued, “Leaders shouldn’t have to be ‘bribed’ into being good. The good ones will be good and the bad ones will be bad, regardless of the prize.”

I don’t buy these criticisms. Yes, it is important to note that other parts of the world also suffer from governance problems, not just Africa. (Who would have thought that in the 2000 election, the U.S. presidency would be awarded to the candidate who had received fewer popular votes, by officials who had been appointed by the father and brother of that candidate, when they ruled that the recounting of votes in Florida should be stopped?) More people should also be aware that many African countries have enjoyed substantial progress over the last decade, particularly with respect to economic growth, health, and education. But these are not arguments against the Prize, which helps to highlight the important role of leadership in those African countries that have made progress.

African leaders range from good to bad, as do leaders everywhere. It is useful to shine a spotlight on the good end of the spectrum of leaders, helping balance the abundant attention received by the truly awful ones, up to and including prosecutions by the International Criminal Court. But, further, the amount of money that comes with the Ibrahim Prize is enough that it might go beyond honoring virtue

For me, the suspense does not come from seeing who will win a \$5 million lottery, but rather from seeing whether the existence of such a prize can sometimes influence behavior of leaders.

ex-post and actually affect behavior ex-ante.

The Ibrahim Prize was awarded in 2007, 2008, and 2011, respectively, to Presidents Joaquim Chissano of Mozambique, Festus Mogae of Botswana, and Pedro Verona Pires of Cape Verde. Botswana and Cape Verde are two of the four small-population countries that have consistently ranked at the top in ratings of African governance, human development, and economic performance. (The other two are Indian Ocean countries, Mauritius and the Seychelles. It is intriguing that three of these four top performers are small island states.) Mozambique is different; it is larger and historically in much worse shape by all the criteria. It suffered a terrible civil war from 1977 to 1992. Even after two decades of strong political and economic improvement, it still ranks far down in the indicator lists.

What defines good leadership is an interesting question. Even Har-

vard University's Kennedy School of Government, where I teach, finds it hard to come up with an answer. Should leadership be evaluated by the criterion of successfully delivering good outcomes to the country, such as economic prosperity, health, human rights, personal security, and peace? Or are the proper criteria the quality of character and the competence of the leader, including his or her ability to inspire the country, to choose good people, to formulate

are, surely he should not be held responsible, for example, for the effects of droughts, floods, or other natural disasters. Too often we evaluate the performance of the ship's captain solely by the smoothness of the ride, or even by the perceptions of the passengers in the hold, without paying sufficient attention to whether the waters are stormy and the captain steered skillfully.

Admittedly, the competence and integrity of the leader are more

Admittedly, the competence and integrity of the leader are more difficult to measure than outcomes such as income per capita, life expectancy, etc...

good policies, and to get them put into place? In a word, is it outcomes or inputs? Successful outcomes are obviously the ultimate objective; but in my view it is not useful to rely solely or primarily on outcomes to judge the quality of a leader.

Many factors beyond the control of the leader can prevent his country from climbing to the top of the rankings. His policies may be blocked by intransigent domestic political opposition or he may be overthrown by a coup. Or his country may be invaded by a neighbor. Even if one were to interpret good leadership as a demonstrated ability to prevail over political roadblocks no matter how strong or unfair they

difficult to measure than outcomes (such as income per capita, life expectancy, infant mortality, literacy, crime, etc.). But some of the component indicators of the Ibrahim Index of African Governance are closer to policies that are more directly under the control of the government (such as rule of law, rights, red tape, and fiscal policy). And, of course, one would not expect the Prize Committee or historians to judge leaders solely by quantitative criteria in any case.

On the one hand, the Foundation says it looks for leaders "who deliver security, health, education and economic development to their constituents," which sounds like it judges by outcomes. But on the other hand, it says the award

is based on “excellence in office.” Its senior officials confirm that what matters is not the level of the country’s ranking, but whether the leader has served honorably and worked to move things in the right direction. Past awards have been based on specific accomplishments on the part of the recipient, as opposed to high overall rankings for their countries per se. President Chissano was recognized for “bringing peace, reconciliation, stable democracy and economic progress to Mozambique following the civil war”; President Mogae for “his role in maintaining and consolidating Botswana’s stability and prosperity in the face of an HIV/AIDS pandemic”; and President Pires for “his role in transforming Cape Verde into a model of democracy, stability and increased prosperity.”

The list of eligible candidates each year begins with those who were democratically elected and who left office constitutionally within the preceding three years. In a typical year, there may be as few as three candidates who meet these qualifications. The question is then whether any of them have demonstrated the necessary level of excellence in office. Often, the Prize Committee decides that none have (2009, 2010, 2012, and 2013).

The question is why. Mo Ibrahim is adamant that the paucity of winners does not mean that the Foundation should lower the bar. Good for him. But there might nonetheless be some way to modi-

fy the rules governing the prize. Consider a ruler who comes to power with great intentions and great abilities. Assume that he in fact accomplishes much for his country during his first term, or his first two or three terms if the constitution allows it.

But then what happens? Often they stay too long. (Uganda’s Yoweri Museveni comes to mind.) They force through changes in the constitution to run for further terms in office. Next, they may start to rig elections and suppress opposition. They or members of their family may start fattening their overseas banking accounts. Their personalities may have changed. They may now regard themselves as indispensable. They have been corrupted by power, like the porcine leaders in Orwell’s *Animal Farm*. At this point, the ruler is unlikely to be influenced by the existence of the Ibrahim Prize.

But consider a leader, in his last lawful term in office, who would still prefer to do the right thing: continue to serve competently and honestly in his last term and then leave voluntarily at the end. This path might leave a retirement with few resources for him and his family, little in the way of prestige or a platform from which to speak, and perhaps persecution or even jailing by his successors. It is precisely such a leader for whom the Ibrahim Prize could make the difference, at the margin, influencing him to continue on the high road.

Why then doesn't it work more often than it does? Surely \$5 million is enough to make a difference for such a person.

Perhaps the problem is that he can't be sure he would get the prize. I wonder if members of the Prize Committee ever communicate with final-term sitting leaders that they will be good candidates if they go the extra mile. If a leader's candidacy were known among the public, the entire country might "raise its game" to help him win, in a patriotic campaign analogous to competing to host the Olympics.

The Ibrahim Foundation might consider extending the window of eligibility from three years to five or ten years. I can think of three arguments for doing so:

1. Lengthening the window might help a bit with the problem that, in a typical year, the committee can't find a good enough candidate out of the pool of those who have left office in the last three years. In some periods there may be multiple good candidates, and in other periods there may be none.
2. A leader in his last term in office might be more influenced by the prospects of getting the award, because if he did everything right it would be unlikely that he would subsequently lose out simply because there happened to be other good departing leaders who came along at the same time.
3. It is easier to judge who was or was not a good leader when

more time has gone by. Famously, few Americans thought Harry Truman had been a good president immediately after his time in office, but history now rates him very highly. Even Abraham Lincoln was widely despised in his own lifetime. In Mexico, Carlos Salinas looked good at the time, but is now viewed poorly. Meanwhile, with the perspective of history, the accomplishments of his successor, Ernesto Zedillo, now look to have been bold, historic, innovative, and valuable. For analogous reasons, most of the scientists who receive the Nobel Prize did their award-winning research many years in the past (such as the 2013 winners in physics, chemistry, and medicine).

The Ibrahim Prize was established only in 2007. This means that, so far, the candidates have served most of their terms in office when the Prize did not yet exist and so could not have influenced their behavior. A leader elected in 2007 would not complete two five-year terms until 2017. If the experiment works, the main fruits will lie in the future. ♦

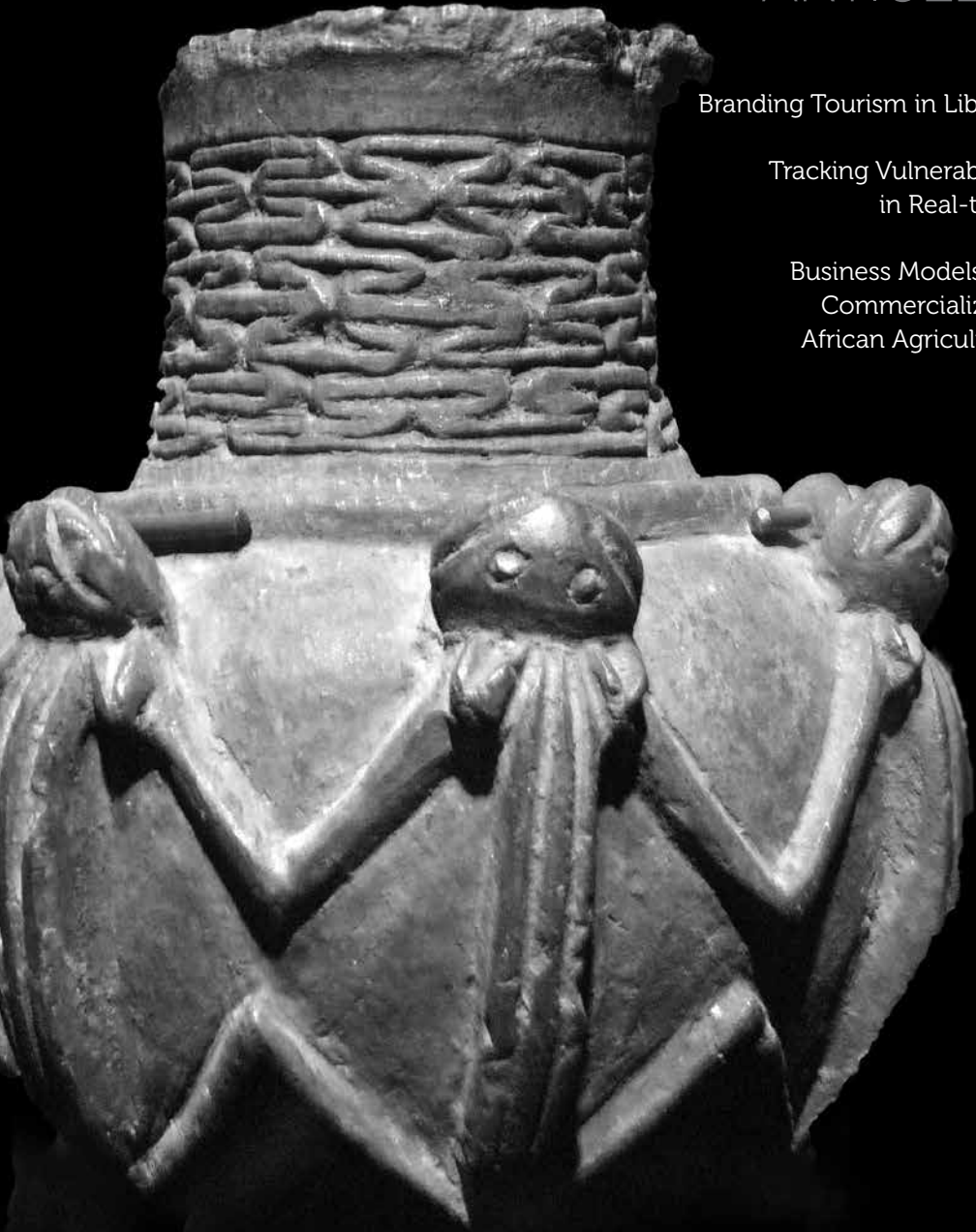
¹ A shorter version of this article appeared as "African Leaders' Eyes on the Prize" on the Project Syndicate Web site. Comments may be posted there.

ARTICLES

Branding Tourism in Liberia

Tracking Vulnerability
in Real-time

Business Models for
Commercializing
African Agriculture



"Cruche à vin de palme", Quai Branly Museum
Photo courtesy of Wikimedia Commons

Branding Tourism in Liberia

BY GUIDO VAN GARDEREN

Abstract

Liberia is still tainted by images of war and poverty, even though the country has been at peace for over a decade under the leadership of President Ellen Johnson Sirleaf. The current brand image deters tourists, business executives, and potential investors from visiting the country. This article introduces the concept of nation branding and exemplifies how a country's brand associations either support or undermine economic development. Additionally, research backed by the University of Amsterdam has led to the development of a new brand identity for Liberia, which appeals to the tourism "niche" market of sport fishing. Brand awareness amongst the 60 million anglers in the United States alone is generated by prominent public and private initiatives that underline the unique positioning strategy.

Introduction



Liberia has made remarkable progress over the last decade. The West African country transitioned from a restless state immersed in civil war to a stable developing country. Nevertheless, the poster child of economic development is haunted by images of its past. The country is still commonly known for poverty and war, despite stable economic growth and a president that was awarded the Nobel Peace Prize. The current negative brand image deters tourists, business executives, and investors. Hence, Liberia needs to fix not only its broken infrastructure but also its broken brand.

Birds, brass on lost-wax casting // Photo by Pierre Selim

Brand Image

Brand image is defined by Kevin Lane Keller as “the perceptions about a brand, as reflected by the brand associations held in consumer memory.”¹ Similarly, the brand image of a country reflects the connotations that come to mind instantly, when one thinks about a country.

Quantitative research, comprising an online survey with open-ended questions conducted in association with the University of Amsterdam, has shown that France, for example, has an average of 6.1 brand associations. At a minimum, the country will evoke images of the Eiffel Tower, wine, baguettes, Paris, cheese, romance, and fashion. This solid brand association drives tourists to visit “the city of love,” motivates consumers to pay premium prices for Bordeaux or Brie de Meaux, and establishes Paris as the fashion capital of Europe. Without the need for any major promotional campaigns, France takes full advantage of its brand image.

Liberia, in comparison, evokes on average only 2.7 brand associations, and 22 percent of respondents had no association at all,

leaving the space in which to write an answer blank or writing “no idea.” One respondent wrote, “Sorry, [I’ve] got to admit absolute ignorance here, shocking.” The main brand association, with a striking 50 percent of responses, was war, followed by Africa, poverty, and blood diamonds. A distant fifth was President Ellen Johnson Sirleaf or references to her, such as “first female president,” “Harvard PhD president,” or “Nobel Peace Prize winner.” Other notable brand associations were slaves, Charles Taylor, child soldiers, dictators, and corruption. This negative brand image deters tourism, trade, and investment, even though the West African country has been at peace for over a decade under the leadership of Johnson Sirleaf.

The brand associations could potentially differ per respondent group or geographical location, but the survey does illustrate that Liberia has, in general, a negative brand image made up of a small number of nonproductive brand associations. In other words, the brand image of Liberia is not a catalyst for tourism, trade, or foreign direct investment.

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Brand Identity

Brand identity is defined as the aspired brand image or the brand associations that are desired by the citizens, the private sector, and the government. In Liberia, there is a strong discrepancy between the brand image the country upholds and the brand identity the people want to convey. How can Liberia lose its negative brand associations, and what should the country be known for instead?

Liberia is not a blank canvas. The images of war, poverty, and blood diamonds cannot simply be erased from people's minds and should be acknowledged before they are put to rest. Colombia is in a similar position and is perceived as unsafe due to the brand associations with the FARC rebel group and drug lords. Efforts to explain that in a country as large as Colombia, any rebel activity is further away from tourist areas than Amsterdam is from Istanbul have not been effective. Colombia had to move from a "Yes, but . . ." strategy that was trying to counter negative perceptions to a "Yes, and . . ." strategy that instead would acknowledge current perceptions and would complement that image. The tourism authority recognized the current perception of danger and launched a destination branding campaign with the slogan, "Colombia, the only risk is wanting to stay" supported by pictures of, for example, the carnival of Barranquilla, white water rafting on the Suarez River, and the

Iglesia de San Pedro Claver church in Cartagena. It was a daring but successful strategy. Similarly, Liberia should acknowledge its current brand associations of war and poverty if it wants to build a new brand identity.

Nation branding analyzes how a country can strategically steer its image in order to attract tourism, trade, or foreign direct investment. The goal isn't to sketch a comprehensive picture of the country, but rather to reflect a conscious and strategic choice of what the nation wants to be known for in order to gain a competitive advantage. Preferably, a campaign should enforce only one or two brand associations. Less is more, since in an era of over-communication, it is hard to reach the consumer let alone become memorable. This is particularly the case since the nation branding budget of a developing country will be significantly smaller than the budget of developed countries or that of the private sector.

In most cases, nation branding is used to support economic growth. For example, the Netherlands builds on its brand association with tulips to strengthen its position as the number one exporter of flowers in the world. Liberia could similarly emphasize its extensive rubber plantations; however, in this case all of the rubber is sold exclusively to the Firestone Natural Rubber Company, hence, there is no significant

economic benefit to becoming known for natural rubber, since it wouldn't lead to a high volume of customers. Moreover, raw materials in general are exposed to volatile market prices, and merely exporting unprocessed goods is not considered a viable long-term economic development strategy.

by its citizens. Otherwise the nation branding campaign turns into a propaganda exercise, which results in a loss of credibility. When the brand identity is supported at the grassroots level, the citizens and the diaspora become proud ambassadors of their country. Social media, like Facebook and

Liberia is not a blank canvas. The images of war, poverty, and blood diamonds cannot simply be erased and should be acknowledged before they are put to rest.

In Liberia, semi-structured interviews were conducted with citizens ranging from the president, journalists, and entrepreneurs to cleaners, bureaucrats, and taxi drivers in order to identify a possible basis for a new brand identity. Johnson Sirleaf wanted Liberia to be known as “a country on its way up.” Unfortunately, that is a conclusion rather than a brand association, and it is not a basis for a distinct brand identity since it should be true for any growing economy. Almost all respondents wanted to convey that Liberians are friendly and outgoing people, but a positive attitude is again expected of any destination. Only the French get away with a snobbish attitude. When clear economic drivers of a country are absent, tourism is often chosen as a strategy for economic development, since every tourist is a possible business executive or investor as well.

A new brand identity should be authentic and recognized as such

Instagram, helps spread these new images around the world. This inside-out strategy harnesses the power of word-of-mouth advertisement and generates a genuine and personal endorsement for a country. Taxi drivers, waiters, and overseas business executives will all participate in spreading the new brand identity. In effect, nation branding helps weak states create a national identity, which allows citizens to come together under a shared set of values and work as one.

In summary, Liberia should put forward only one brand association that will stimulate the economy and is aligned with economic development policy. The aspired brand identity should not contradict the current brand image, since people are not prone to changing their minds but they will accept additional information. The aspired brand identity has to be authentic, truthful, and supported at the grassroots level for it to become successful.

Tourism Branding

All brands have points-of-parity and points-of-difference associations. The first establishes a comparison and feeds into what you *expect*. For example, every tourist destination should at least be safe, clean, have taxis, hotels, banks, etc. Most developing countries only advertise their readiness to receive tourists but do not stipulate what kind of tourism they want to attract. Points-of-difference associations therefore look at how one holiday destination differs from the next. They emphasize what is *unique* about a location. At the moment, Liberia fails to deliver on both expected and unique associations.

Johnson Sirleaf recognizes the potential for tourism in Liberia but argues that the country has not been able to deliver on its promise yet due to the underdevelopment of its infrastructure, such as roads, streetlights, power, water, and telecommunications. That is only true to some degree. If Liberia can assure visitors that basic needs like safety and cleanliness are met, the country can then attract pioneering tourists like surfers and backpackers. Still, it is more difficult to attract tourists that have an average higher *spend per day* to a country with few and mediocre hotels, high food prices and energy costs, and without any striking landmarks, distinctive culture, or significant wildlife.

When a possible brand strategy of a country is not immediately clear, one might need to look

beyond *what is* and imagine *what could be*. The practice of nation branding is, after all, one part economic development, one part branding, and one part “Imagining.” In semi-structured interviews with Liberian citizens, the 320 miles of “golden” beaches were mentioned by all as one of the main tourist attractions, yet nearby destinations like Ghana, the Gambia, and Senegal have similar and more developed assets. Additionally, Lake Piso and the Blue Lake were cited as main attractions. If one takes into account that the capital Monrovia lies at the end of the Mesurado River, an overall sport fishing theme emerges.

Sport fishers like to navigate virgin fishing territories, and they are used to paying \$200 per day for a boat rental and to spending the night in fishing camps—in other words, a sophisticated tourist with a high *average spend per day* that enjoys being the first to fish in Liberia. In the United States alone there are 60 million anglers, so the niche is large enough to sustain high-end, low-volume tourism to Liberia. Moreover, there is no African country that has positioned itself specifically as a sport fishing destination. The brand identity is based on the natural assets of the country as well as the perception of its citizens, and it builds on the presence of a local fishing fleet that is based on small boats and can easily make the transition to sport fishing tourism.

Brand Awareness

A brand is, in essence, a promise. If a country sells a tourist, a business executive, or an investor on a promise, it has to deliver on that promise. For example, Dubai promises luxurious hotels. It started delivering on that promise with the opening of the Burj Al Arab, the only seven-star hotel in the world. The sail-shaped hotel became an instant symbol of excessive luxury, sending the implicit message that the standard for all hotels in Dubai is luxury. The emirate reinforced its positioning strategy with the Burj Khalifa, the tallest tower in the world that houses the only hotel designed by Giorgio Armani. Even the police force has embraced the luxury brand and recently acquired a Lamborghini Aventador worth \$450,000 to complement its fleet. These actions speak louder than words.

Dubai didn't inherit an Eiffel Tower, but rather created a brand

identity based on luxury. It was rooted in the prevailing brand image of overindulgent Sheiks in the Middle East. It uses symbols, such as the Burj Al Arab, to signal its luxury positioning, instead of an advertisement in *Newsweek* or a commercial on CNN. The new brand identity was consistently managed even during the financial crisis, when the temptation to diversify was omnipresent. Dubai realized that brand strategy is as much about saying no as it is about saying yes. As a result, their nation brand is undiluted, and Dubai consistently attracts tourists with high disposable incomes. Liberia has the potential to achieve similar results.

The value proposition is that anglers can pioneer fishing grounds. The promise acknowledges that Liberia is not a typical holiday destination, but brings the opportunity to be the first to explore the rivers, lakes, and coastline.



Photo courtesy of Brooklyn Museum, Arts of Africa Collection

Moreover, a country where one is the first tourist to visit comes with an implied lower expectation of roads, boats, hotels, and restaurants. Therefore, the value proposition can be launched the

egy should be launched with a larger-than-life symbolic action. For example, Johnson Sirleaf could declare a ban on all commercial fishing and turn the coastline, rivers, and lakes into the largest sport

Liberia is not a typical holiday destination, but brings the opportunity to be the first to explore the rivers, lakes, and coastline.

moment Liberia is ready to receive fishing tourists, while the brand experience will change over time as tourism infrastructure improves and more luxurious accommodation becomes available.

The brand awareness or the likelihood and ease at which the sport fishing brand of Liberia will come to mind will increase with the use of a mnemonic. South Africa and the famous Kruger Park are known for African wildlife safaris, where tourists can spot the “Big Five,” referring to the lion, the leopard, the rhinoceros, the elephant, and the Cape buffalo. Similarly, Liberia can become known for African sport fishing safaris where tourists can catch the “Big Fishing Five,” referring to the marlin, the yellowfin tuna, the bull shark, the sailfish, and the tarpon.

Liberia doesn’t have the budget of Dubai, but it can achieve similar brand awareness, when the country consistently communicates its competitive edge with striking symbols to those abroad. Therefore, the sport fishing strat-

fishing sanctuary in the world. The local fishermen would benefit from accommodating sport fishing trips, while the ban on commercial fishing will create an abundance of fish and reinforce Liberia as the fishing destination in Africa.

Nation branding should be led by the government or a public-private partnership, since the brand promise should be aligned with public policy. In Liberia, the tourism strategy is controlled by the Ministry for Information, Culture, and Tourism, which has not led to much action to date. A tourism authority that comprises both the government and the private sector might produce a more comprehensive strategy with defined expectations and, eventually, significant results. Since building a brand takes time and persistence, commitment to brand consistency is key. This is especially the case given that politicians tend to be on a short-term calendar that may predispose them to change such visible symbols as a nation brand.

Conclusion

Nation branding strategically steers the image of the country in order to attract tourism, trade, and foreign direct investment. The goal is to find a unique differentiating strategy in an industry of choice and gain a competitive advantage over other countries. Tourism is often chosen as a strategy for economic development, since every tourist is a possible business executive or investor as well. It kills two birds with one stone. Meanwhile, as a country focuses on the future, it distances itself from its past, leaving unwanted brand associations behind.

A possible competitive edge for Liberia can be based on the tourism niche market sport fishing, since it makes great use of the country's waterways, while the underdevelopment of tourism infrastructure can be translated into "unspoiled" or "unchartered" fishing grounds. Anglers in Liberia are likely to be willing to paying top dollar for a fishing boat to catch the "Big Fishing Five," while spending the night in basic fishing camps. Hence, the tourism proposition can be launched almost instantly, the moment basic sport fishing infrastructure is in place.

This new brand identity is both authentic and supported at the grassroots level, as local Liberians recognize the golden beaches, Lake Piso, and the Blue Lake as the main tourist attractions, which turns all citizens into potential brand ambassadors. Furthermore,

the local fishing industry is based on small boats and familiar with nearby fishing grounds, which makes the transition to sport fishing relatively easy.

Brand awareness should be created with striking symbols, such as the creation of the largest sport fishing sanctuary in the world. Such actions speak louder than words. Over time, Liberia needs to deliver on the expected brand associations of a tourism destination while strengthening its unique brand association. Prominent public and private sport fishing initiatives will bring the country closer to delivering on true differentiation.

Additional research is recommended to further analyze the strategic fit of Liberia with sport fishing tourism, including but not limited to an analysis of the deep consumer needs of sport fishers, a breakdown of competing sport fishing destinations, and an overview of the steps Liberia needs to take to deliver on all of the expected brand associations and true brand differentiation. If done properly, perhaps in a decade, brand research will intrinsically link Liberia with sport fishing and the "Big Fishing Five." ♦

¹ Keller, Kevin Lane. "Conceptualizing, Measuring, and Managing Customer-Based Brand Equity." *Journal of Marketing* 57(1): 1-22, 1993.

Tracking Vulnerability in Real Time: *Mobile Text for Food Security Surveys in Eastern Democratic Republic of Congo*

BY JEAN-MARTIN BAUER, KOFFI
AKAKPO, MARIE ENLUND, AND
SILVIA PASSERI

Abstract

Mobile telephony—a rapid and cost-effective means of collecting data—has yet to be tested for household food security surveys in humanitarian settings. This article captures insights from a field test carried out in July, August, and September 2013 in North Kivu, a conflict-affected province of the Democratic Republic of Congo. Results are compared to traditional face-to-face interviews. The analysis focuses on the food consumption score (FCS) and the reduced coping strategies index (rCSI), both standard measures of household food security. The results show that a mobile text-enabled data collection delivered the expected gains in time and cost, while allowing data collection to take place at high frequency in a conflict-affected area. For both indicators, the mobile text survey captured the expected food security trends and patterns. The distribution of data collected by text for the rCSI matched that of data collected face to face, while a skew to better off responses was noted for the FCS. The trade-off between survey efficiency and the depth of the data captured will determine how mobile text surveys are used in the future. The performance of mobile text surveys should be tested in other contexts and for other indicators. Mixed-mode data collection systems that leverage the respective strengths of mobile and face-to-face surveys should be promoted. By improving decision makers' access to information, mobile text surveys could improve decision making.

This article captures lessons from a proof-of-concept mobile text survey conducted by the United Nations World Food Programme (WFP) in the eastern Democratic Republic of Congo. It offers comparative analysis of survey performance for traditional face-to-face data collection and mobile text surveys, with reference to data quality as well as cost, timeliness, and user-friendliness of the text surveys. The article outlines success factors and challenges that came to light through the experience and discusses how mobile text surveys could be used in data collection systems in the future.

Context: Increasing Cell Phone Coverage in the Democratic Republic of Congo

Traditionally, primary data collection in the field has proven to be both expensive and cumbersome. As a result, decisions on humanitarian assistance are all too often based on information that is out of date or on unsatisfactory proxy indicators.¹ Due to the chronic nature of the country's humanitarian challenges, the humanitarian community has had a long-standing commitment to supporting food security analysis in the Democratic Republic of Congo. WFP notably carries out periodic food security monitoring surveys that track household food security indicators; these surveys rely on face-to-face interviews with respondents.

According to the World Bank, there are now more mobile phone subscriptions in Africa than in North America and Europe combined.² Mobile phone access in the Democratic Republic of Congo has been rising rapidly. According to the World Bank, "The usage of mobile phones [in the Democratic Republic of Congo] has been estimated to reach 47 percent in 2013."³ The trend to increased mobile phone ownership will continue in the country as investments in cell phone infrastructure continue.

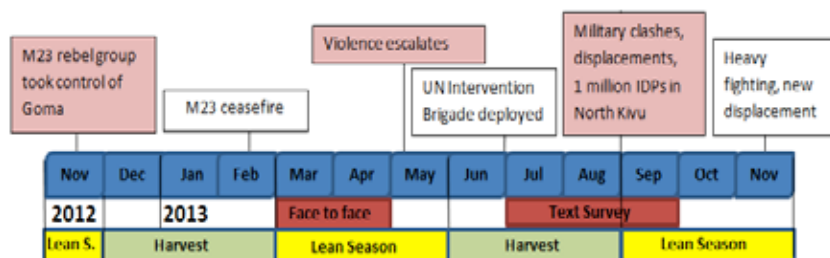
Increasing access to mobile telephony constitutes an opportunity for humanitarian agencies to

reach survey respondents more by contacting respondents through the mobile telephone devices that they own, rather than through traditional cumbersome face-to-face interviews that involve risk to enumerators and respondents, as well as a high administrative burden. In order to learn about the suitability of doing so, WFP organized a proof-of-concept field test involving remote mobile text surveys in the Democratic Republic of Congo.

Objectives of the Test: Learning About the Suitability of Mobile Text Surveys

The field test carried out in 2013 was designed to feed into discussions about the suitability of mobile text for food security surveys in a context such as North Kivu, an area with high insecurity and low respondent literacy. Specifically, WFP wished to compare the performance of mobile text surveys against face-to-face interviews and document the differences. The test therefore collected the food consumption score (FCS) and the reduced coping strategies index (rCSI), both commonly used household food security outcome indicators. The proof of concept focused on data quality, survey cost, timeliness, and user-friendliness.

Background on North Kivu



Crisis Levels of Food Insecurity, Due to Conflict Impacts

According to a 2011-2012 comprehensive food security and vulnerability assessment (CFS-VA), North Kivu was among the country's wealthier provinces. In terms of food consumption, 13 percent of households had "poor" and 25 percent "borderline" food consumption, compared to the national average of 10 percent poor and 28 percent borderline.

In late 2012 and through 2013, conflict in North Kivu led to large-scale displacement of the population and a degradation of household food security. According to WFP's emergency food security assessment conducted in March and April 2013, six of ten households (61 percent) were food insecure. Some 19 percent of households were severely food insecure, while 42 percent were moderately food insecure. Surveys have indicated that the displaced populations are more food insecure than other groups. In June 2013, much of North Kivu was classified as being in a situation of food "crisis" or "emergency."⁴

Events Influencing Household Food Security in North Kivu in 2013

In order to interpret the analysis presented here, it is necessary to outline the events that unfolded in North Kivu during 2013, when both face-to-face and remote mobile surveys took place. A monthly timeline is presented in Figure 1. The face-to-face survey used as a comparator in this article took place in the aftermath of a ceasefire that was concluded in February 2013. Data collection for the face-to-face survey took place in March and April, a period that also coincides with the lean season, a time of year when household food reserves are low. In May, the conflict resumed and escalated; by August there were 1 million displaced persons in North Kivu, out of an overall population of 5 to 6 million.⁵ The mobile text surveys were carried out in June, July, and August, at a time of high insecurity, which happened to overlap with the secondary harvest.

In late 2012 and through 2013, six of ten households were food insecure.

The Challenge of Humanitarian Access in North Kivu

According to the UN Office for the Coordination of Humanitarian Affairs, large sections of North Kivu province were entirely inaccessible or highly restricted as of May 2013.⁶ Owing to frequent security hazards and incidents, convoys or armed escorts were mandatory for UN agencies on all roadways in the province, beyond the immediate vicinity of the provincial capital, Goma. Using a mobile text survey platform would mitigate some of these risks by dispensing with face-to-face interactions for some primary data collection tasks. According to past WFP surveys in North Kivu (2011 and 2013), approximately half of households own a mobile phone in the province. Mobile phone coverage does not extend to the more remote areas of North Kivu, while poverty constitutes a barrier to mobile phone ownership in the province's more deprived households.

This article's methodology relies on three strands. First, a comparative assessment of data quality is made, comparing data produced through face-to-face and mobile text surveys. The exercise is needed to validate the results of mobile text surveys with those obtained through legacy face-to-face processes. Second, we compare cost and timeliness of both survey types. Third, user-friendliness of the mobile survey is studied by analyzing survey process indicators.

Face-to-Face Surveys in North Kivu

WFP carries out regular face-to-face surveys in North Kivu. For the purpose of this exercise, we use the results obtained during the March/April 2013 emergency food security assessment (n= 2,713 households) as a comparator for the mobile text surveys rounds. In the March and April face-to-face survey, respondent households were selected as per the WFP guidelines (2009), through two-stage cluster sampling. The survey included modules on household demographics, assets, income, expenditure, food consumption, coping, and shocks. The assessment report disaggregated results for North Kivu's nine *territoires*.

In this face-to-face survey, all respondents were asked whether they owned mobile phones. The analysis presented hereafter therefore compares mobile text

survey data to that collected from the general population and cell phone owners interviewed face to face. This allows the assessment of the extent to which differences in

of complete questionnaires was received, the survey was closed. In line with GeoPoll's practice in the country, an airtime incentive of fifty cents was paid to the respon-

Pretesting showed that respondent "drop-off" occurred when too many questions were asked.

results are attributed to cell phone ownership patterns, or to other, unobserved factors.

Three Rounds of Mobile Text Data Collection in July, August, and September 2013

WFP partnered with GeoPoll, a private U.S.-based polling company, to implement the mobile text survey field test. GeoPoll maintains a roll of 7.9 million mobile phone subscribers in the Democratic Republic of Congo who have signed up to receive mobile phone surveys. GeoPoll's registry includes information on the place of residence and gender of the mobile phone users. Randomly selected respondents then receive short message service (SMS) questionnaires. Interacting with GeoPoll takes place at no charge to the respondent.

The 200,000 subscribers in GeoPoll's database that were identified as living in North Kivu constituted the sampling frame for the proof of concept. In addition to an identifier question on displacement, one of two indicators was collected: either the FCS or the rCSI. Once the desired number

of complete questionnaires was received, the survey was closed. In line with GeoPoll's practice in the country, an airtime incentive of fifty cents was paid to the respondent after a successfully completed survey. Three monthly rounds of data collection took place in July, August, and September 2013. New respondents were selected for each monthly survey round.

In order to enable data collection by text message, standard food security questions were streamlined into text messages of 160 characters or less. Due to space constraints, the wording of the text message questions was not identical to the questions respondents hear when participating in a face-to-face survey. Also, instructions and clarifications that respondents receive from enumerators were not provided through text messages. As pretesting showed that response rates proved to be highest in French, the text message questions for the July/August/September rounds were sent in that language, rather than in Swahili.

For the FCS, respondents reported the number of days their household consumed specific foods over the previous week by keying in a number from zero to seven. For the rCSI, respondents were asked the number of days

Table 1 – Sample Size, Mobile Text Survey

Month	Food Consumption Score (FCS)	Reduced Coping Strategies Index (rCSI)
July 2013	456	704
August 2013	555	429
September 2013	1,262	1,086

during which they implemented five specific consumption-based coping strategies over the past week, keying in the number of days. The sidebar outlines the FCS and rCSI.

Pretesting showed that respondent “drop-off” occurred when too many questions were asked, perhaps due to instability in the mobile phone network, respondents’ batteries running out mid-

survey, or to respondent fatigue. It was therefore chosen to ask either the FCS module (ten questions) or the rCSI module (five questions), rather than combining both into a single questionnaire. As will be discussed in later, this represents a departure from standard WFP food security analysis practice. The sample size for North Kivu is shown in Table 1.

The Food Consumption Score (FCS) and Reduced Coping Strategies Index (rCSI)

The FCS is a proxy indicator that represents the dietary diversity, energy, and macro and micro (content) value of the food that people eat. It is based on dietary diversity—the number of food groups a household consumes over a reference period; food frequency—the number of days on which a particular food group is consumed over a reference period, usually measured in days; and the relative nutritional importance of different food groups. The FCS is calculated from the types of foods and the frequencies with which they are consumed during a seven-day period. For the purposes of the mobile text survey, the FCS was collected through a series of ten SMS questions.

The rCSI is a quick and simple indicator of household food insecurity behavior that reveals how households manage or cope with shortfalls in food consumption. Households’ responses to such shortfalls are formulated into a simple numeric score reflecting the frequency and perceived severity of these coping behaviors. The higher the score, the greater the coping, and hence the higher the level of food insecurity.⁷ For the mobile text survey, the rCSI was collected through a series of five questions.

Results

This section offers a comparison of survey performance for mobile text surveys and those for face-to-face interviews, with specific reference to data quality, cost, and timeliness.

Gender Demographics

Gender demographics are very similar in face-to-face and mobile text surveys. Table 2 shows the gender breakdown for the face-to-face and mobile text surveys: in the face-to-face survey, 65.2 percent of respondents were male and 34.8 percent female, whereas in the case of the mobile text surveys run between July and September, male respondents account from 68.7 percent to 70.5 percent of respondents. The similarity in respondent gender demographics indicates that gender bias was limited.

Due to the small sample size for displaced households in the face-to-face survey, comparative analysis focuses on data for non-displaced respondents in the face-to-face and mobile text survey

samples. All analyzed responses are from North Kivu province.

Food Consumption Score

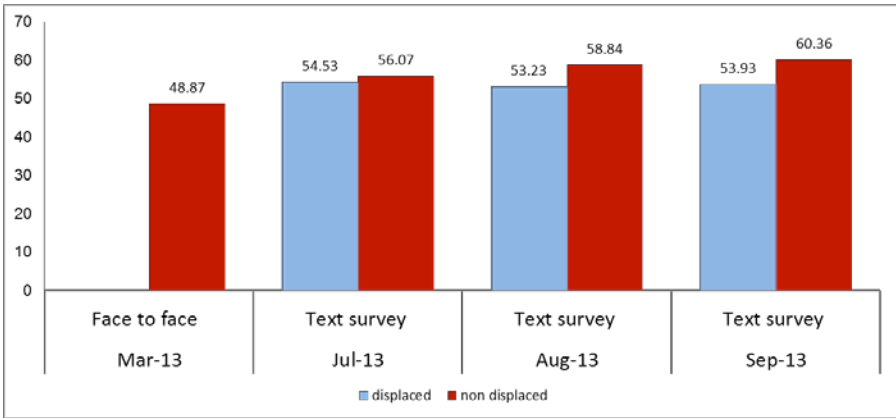
While text messaging correctly captured differences between population groups for the FCS, it produced data that is skewed toward higher values.

The data produced through the text survey matched expected patterns for specific population groups, with a lower mean FCS for displaced households, compared to nondisplaced households, for all rounds. As it is known that displaced populations usually have lower dietary diversity than residents, this finding is in line with expected patterns. In addition, the steady increase in the average FCS for the non-displaced population from July through September coincided with the second season harvest, which implies that the FCS collected through mobile text messaging correctly tracked seasonal trends in food consumption (see Figure 2).

Table 2 – Respondent Demographics

Gender of Respondent	Face-to-Face Survey	Remote Mobile Text Survey	
	<i>FCS and rCSI</i>	<i>FCS</i>	<i>rCSI</i>
Men	65.2 %	68.7%	70.5%
Women	34.8%	31.3%	29.5%

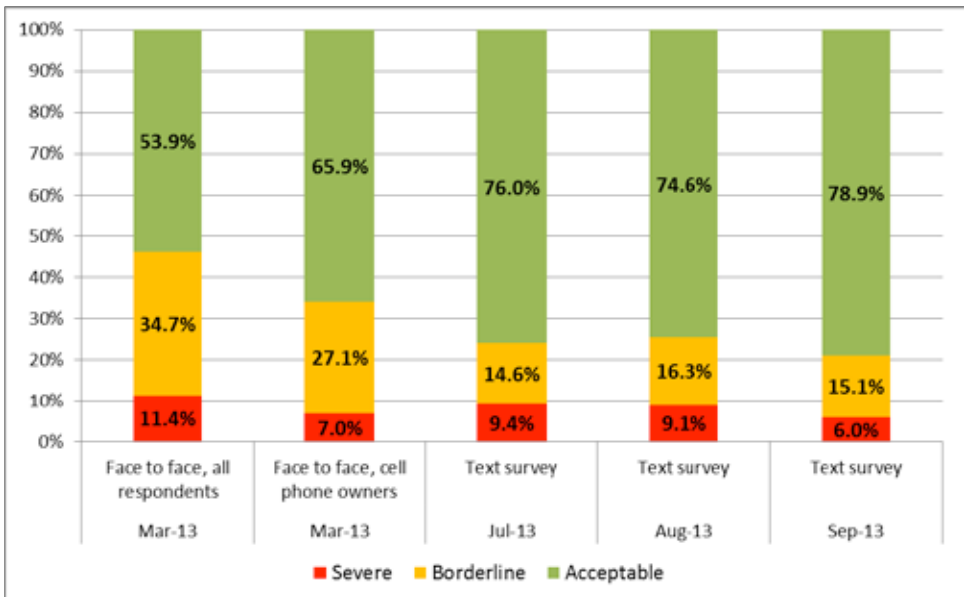
Figure 2 – Mean FCS, North Kivu, mobile text survey respondents



Perhaps unsurprisingly, the data produced through text messaging shows a lower prevalence of overall food insecurity than for the face-to-face survey. Although the proportion of severe food insecure populations estimated through

text surveys is not statistically different from the face-to-face results ($p=0.19$ for July, $p=0.57$ for August, and $p=0.39$ for September), text message surveys consistently underestimated the borderline group in the sample compared

Figure 3 – Food consumption groups, North Kivu



to the face-to-face ($p < 0.01$ for all three rounds). As shown in Figure 3, while 34.7 percent of households were moderately food insecure for the face-to-face survey, moderate food consumption was never estimated at more than 16 percent in the three rounds of text surveys. The estimated prevalence of borderline food consumption is also far below that reported for mobile phone owners interviewed in the face-to-face survey (27 percent).

Three phenomena could be driving the observed differences in the prevalence of borderline food insecurity in mobile text surveys. First of all, some bias in responses exists, a phenomenon that is further explored below. Second, the FCS is a complex indicator: for instance, the consumption of

a food item as a condiment (such as milk in coffee) should not be reported for the FCS, an issue that enumerators usually handle. It is possible that over-reporting of consumption took place in the mobile text survey. Finally, the face-to-face survey took place during the lean season, while the mobile text surveys took place during the harvest, at a time when households are better off. However, North Kivu was in the throes of a conflict when the mobile text survey was carried out, a fact that complicates comparisons with the face-to-face round that took place during a ceasefire.

Analysis of the distribution of the data, provided in Figures 4 and 5, illustrates the nature and extent of bias in the results of the FCS.

Responses collected face to face

Figure 4 – Distribution of responses, FCS

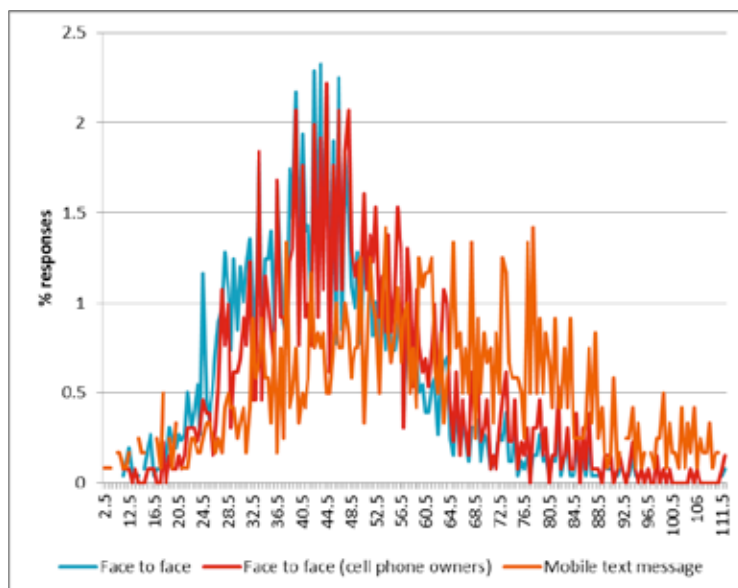
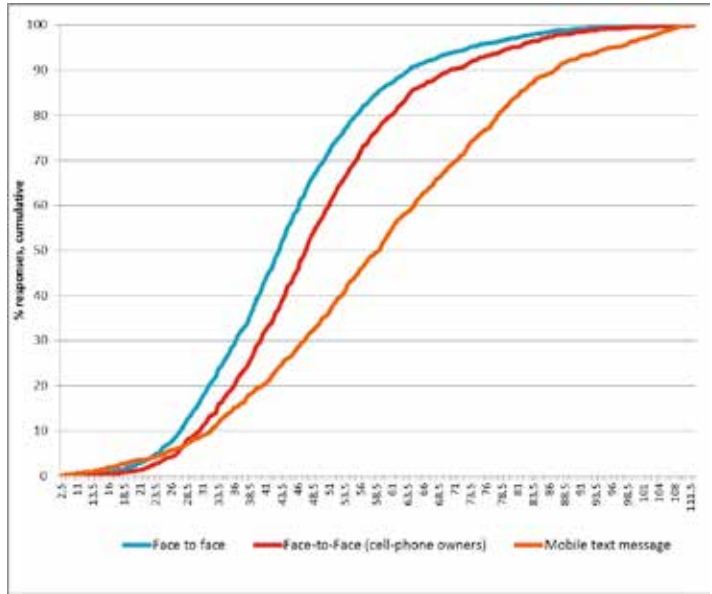


Figure 5 – Cumulative distribution of responses, FCS



and through text message both follow a normal distribution. However, compared to both the general population and mobile phone owners interviewed face to face, the SMS survey is both flatter and skewed to the right. Whereas the cumulative distribution of face-to-face cumulative results follows an s-curve (for both the general population and cell phone owners interviewed face to face), the characteristic is less pronounced in the mobile text results. The gap between the face-to-face and text message cumulative distribution curves is highest between FCS = 35 and above, explaining why text messaging matches severe food insecurity better than borderline food insecurity.

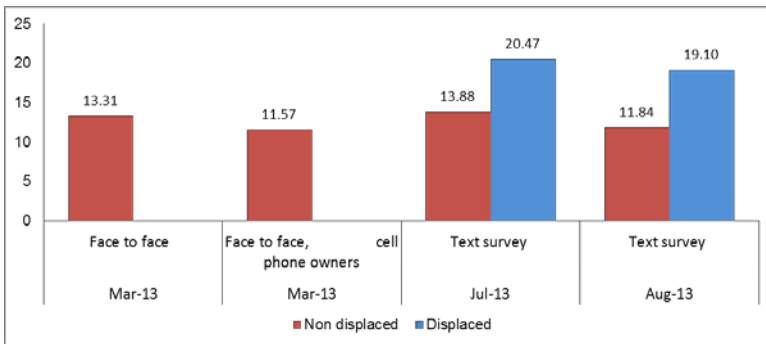
Figure 5 shows that the skew in responses to mobile text surveys is not entirely driven by differences

between cell phone owners and the general population. Were cell phone ownership the main source of bias, the distribution of responses to the mobile text survey would overlap those collected face to face from phone owners. As Figure 5 shows that there is a large difference in the distribution of responses between cell phone owners reached face to face and through mobile text, one can conclude that other factors are at play in the skew; these factors are explored in the section on the user-friendliness of mobile text surveys. As explained earlier, the influence of seasonality and conflict on the indicators may contribute to an extent that is difficult to assess.

Reduced Coping Strategies Index

The analysis focuses on the mobile

Figure 6 – Mean rCSI, nondisplaced households in North Kivu



text surveys carried out in July and August. In September a filter question was added, making September results unique and not comparable with the rest of the data we had. For this analysis, “zero” responses values were removed, in order to have comparable data sets.

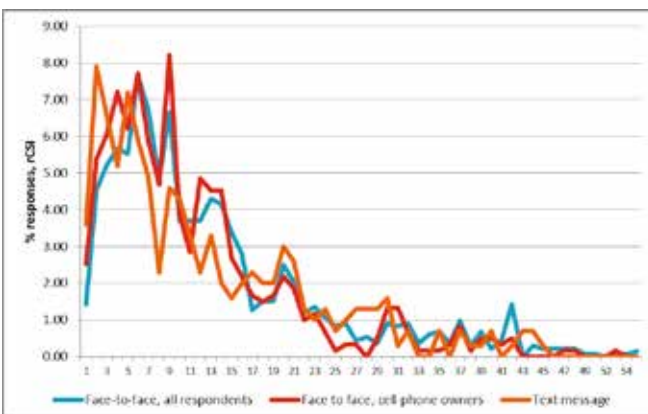
As seen in Figure 6, the displaced population has a higher mean rCSI (20.47 in July, 19.10 in August) than the nondisplaced population (13.88 in July, 11.84 in August). The difference in means test shows that coping levels found the July/August mobile survey

rounds are similar to the face to face carried out in March/April ($p=0.46$).

The mobile text survey results also show that rCSI decreased from 13.88 to 11.84 from July to August for the nondisplaced population, consistent with the expected post-harvest improvement. This triangulates well with the improved trend in the mean FCS reported in the same months, an indication that text survey correctly reports trends in both the FCS and rCSI.

Whereas large differences in the distribution of responses were

Figure 7 – Distribution of rCSI responses



observed for the FCS, the distribution of data collected by text message closely matches data collected through face-to-face interviews for the rCSI. The rCSI distribution for text message and face-to-face surveys is a downward-sloping curve, with a hump in the range of 3-15. This is the usual profile of the rCSI (see Figures 7 and 8).

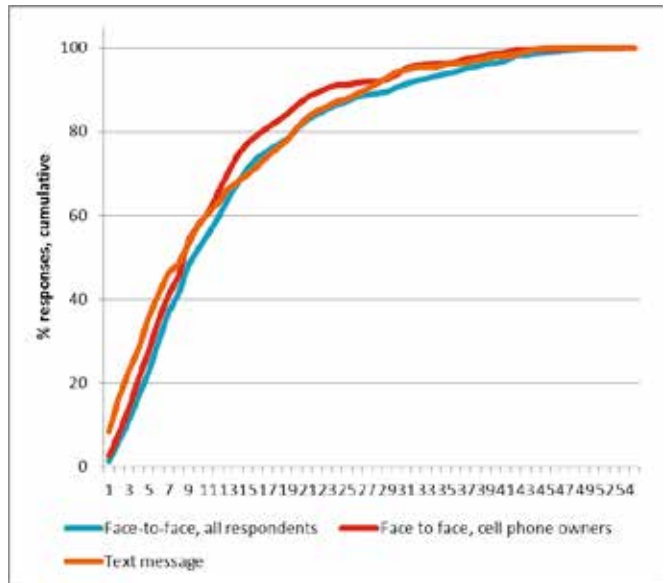
In terms of data quality, it seems that there are fewer bias issues with the rCSI than with the FCS: the rCSI data collected by text makes the expected distinction

between different groups, showing that the nondisplaced population is better off. The results obtained through text messaging are not statistically different from those collected through face-to-face interviews. Finally, the data distribution for text messaging matches that of the face-to-face survey.

User-Friendliness

The completion rates in Table 3 show that users had an easier time responding to the rCSI than the FCS. While 20 percent to 49 per-

Figure 8 – Cumulative distribution of rCSI responses



cent of respondents who initiated a questionnaire for the rCSI completed the questionnaire, a lower share of respondents were able to do so for the FCS. This suggests that the rCSI is more user-friendly than the FCS.

As both indicators have iden-

tical recall periods (seven days) and response ranges (0-7), other module characteristics could be at issue, such as, overall questionnaire length or even the type of question being asked. The FCS is ten questions long, whereas the rCSI includes five questions.

Table 3 – Completion Rates

	Completion Rate* FCS	Completion Rate* rCSI
Average	30.07%	43.12%
Range	18.365 - 36.6%	20.77% - 49.16%

Production statistics show that there is a steady drop-off of users following each question, making questionnaire length an obstacle to achieving high completion rates. Also, the FCS requests very specific information about consumption while the CSI asks about experiences—some respondents may decline to respond to the specific questions the FCS asks.

Overall, the assessment of user-friendliness suggests that the simple, short rCSI is a more “democratic” module than the more complex FCS. The inherent complexity of the FCS meant that a disproportionate number of mobile text responses came from

better-off cell phone users with the literacy skills or patience to complete the questionnaire. The very nature of the FCS module could explain the skew identified earlier.

Cost and Timeliness of Data Collection

The cost and time involved in data collection constitute telling indicators of a survey’s efficiency.

As Table 4 shows, in North Kivu, WFP’s face-to-face surveys cost an average of \$22 per respondent (cost data includes enumerator trainings, transportation, fuel, per diems), four times more than the text survey run with GeoPoll in mid-2013. Had a larger amount

Table 4 – Cost of Data Collection, Face to Face and Mobile Text Survey

	Average Cost per Respondent	Marginal Cost
Face to Face	\$22	\$22
Mobile Text Survey	\$5	\$3-\$5

Table 5—Duration of data collection, face to face and mobile text survey

	Data collection duration	Level of disaggregation
Face to face	<i>Six weeks for 2,700 questionnaires</i>	<i>Results disaggregated by territoire (9)</i>
Text message survey	<i>One to two weeks for 1,000-2,000 questionnaires</i>	<i>No disaggregation, results reported at the level of the province</i>

of questionnaires been sent out, the cost per questionnaire could have dropped to \$3, indicating the possibility of achieving economies of scale

In terms of value, the comparison is much less straightforward, as different survey types produce such different levels of information. At \$5 per SMS question-

naire, the amount of information generated per household is limited to very basic profile information and a single food security outcome indicator—either the FCS or the rCSI. It is clear that at \$22 per respondent, face-to-face surveys produce much more information, including detailed information on household demographics, income, expenditure, exposure to shocks, as well as both outcome indicators. If all the information a face-to-face

survey includes were collected remotely, the cost of the mobile survey would vastly exceed that of the traditional survey. As Table 5 shows, data collection by text message was quicker than the face-to-face survey. One to two weeks was required to conduct a monthly mobile text survey round that covered from 1,000

The inherent complexity of the FCS meant that a disproportionate number of mobile text responses came from better-off cell phone users

to 2,000 responses. By comparison, the face-to-face survey took approximately six weeks. Although the duration of data collection was longer, face-to-face data collection was designed to produce results at the level of North Kivu’s nine territoires; meanwhile, data collected by mobile text survey is reported at the level of the province.

Discussion

Overall, the field test showed that it is possible to collect food security household data from the deep field through a remote mobile phone survey. Mobile text results correctly tracked seasonal patterns and were able to identify the most vulnerable groups. For the rCSI module, mobile text results compared well to the face-to-face results. Cost and speed advantages make mobile technology an attractive modality to collect data. However, there is a steep trade-off between the gains mobile text offers and the loss of information that such surveys impose.

Success Factors

The first insight from the field test is that mobile text surveys are an appropriate, user-friendly modality: respondents were able to interact with mobile text technology, even in low literacy environments such as North Kivu. It was far from obvious that this would be the case prior to implementing the survey. Second, the fact that three survey rounds were successfully run under the difficult conditions that prevailed in North Kivu in mid-2013 bears witness to the potential of mobile text technology to contribute to high-frequency data capture in humanitarian settings. Mobile text surveys allow contact with the population in spite of restricted physical access, with strong decision-making implications. Third, the field test

showed that mobile text surveys delivered the expected gains in terms of time and cost.

Fourth, the field test showed that a simple household questionnaire can be administered remotely. The rCSI—a short, broken-down household indicator—performed well, with little bias, as data quality compared favorably to face-to-face results. Survey modules with similar characteristics, implemented with the sampling procedure used during the field test, are expected to work well. Although FCS results were skewed to better-off respondents, the module did correctly capture differences between groups as well as seasonal trends. Regardless of the skew, the module could therefore be used to track trends over time. Analysts will, however, take care not to report FCS results as indicative of an overall prevalence.

Finally, and importantly, the field test pointed to mobile text messaging's ability to deliver new types of information to decision makers. That includes more timely data and a higher frequency of information, which can be used as a basis for action. The technology can be used to run a rapid data collection round after a quick on-set emergency, filling a large void in information. With mobile text messaging, decision makers have access to information from highly insecure areas.

Challenges

The test brought to light the trade-off that mobile text data collection involves: gains in efficiency are offset by a loss in the depth of the information that is captured. This trade-off has broad implications for the contribution that mobile text surveys can be expected to make.

Our analysis suggests that the challenge was not the technology itself: respondents from all social categories are able to answer simple mobile text surveys. The fact that results of the more complex FCS module were skewed suggests that the characteristics of the module, rather than the technology, were the challenge. Our experience confirms the assertion

the tolerance for complexity is low.

Second, we observed a skew in responses for the FCS, while trend data for the indicator seemed correct. This phenomenon implies that under the sampling arrangements used for the field test, mobile text surveys would be suited to informing monitoring and early warning functions, rather than representative surveys. Ideally, a series of at least a year of monthly mobile text data would provide the reference needed for monitoring.

Third, the data produced had fewer possible analytical uses than the data collected face to face. As respondents were asked either the FCS or the rCSI, the data sets do not offer the possibility of

There is a steep trade-off between the gains mobile text offers and the loss of information that such surveys impose.

from a recent report, stating that “text messaging may be appropriate where relatively simple responses to a small number of simple questions are required.”⁸ Surveys involving even more complex questions (for instance, about income or expenditure) will continue to require the skills of an experienced enumerator who can prompt and probe respondents. The field test suggests that in an environment such as North Kivu,

cross-tabbing these indicators. Only very limited profile information was available. Causal questions that commonly provide context and help the WFP develop targeting criteria were not available. This challenge again would seem to restrict the application of mobile text surveys to a monitoring function, in contexts where baseline information is already available.

Conclusions

The results presented here indicate that the question should not be whether mobile text messaging should be used to collect household food security data, but rather, the debate should be how the modality should be introduced into existing information systems—while recognizing the trade-offs involved and leveraging the complementarities between different data collection modalities.

A common theme of this article has been that information collected by mobile text seems better

monitoring of household food security indicators could take place between face-to-face surveys, or when security or other factors restrict physical access to survey respondents. The higher frequency of reporting that mobile text surveys allow is also an opportunity to explore. In a shock-prone context, monthly monitoring would feed into humanitarian decision-making processes that rely on fresh up-to-date information, such as the Integrated Food Security Phase Classification (IPC)

Overall, the assessment of user-friendliness suggests that the simple, short rCSI is a more “democratic” module than the more complex FCS.

suited to monitoring, rather than the production of a rich data set allowing the production of precise, representative estimates. The trade-offs involved in using the mobile text survey modality argues for its use as a complement to face-to-face surveys, as a tool to follow up after a baseline. In this vein, the Organization for Economic Development calls for “mixed-mode” data collection systems that combine remote and face-to-face surveys, building on the strengths of various modalities.⁹

In such mixed-mode systems,

vulnerability assessment process. As food security data collection through mobile text technology is new, it is recommended that information continue to be triangulated with other sources (such as remote sensing, market data, or qualitative sources) in order to avoid errors of interpretation.

Complementarities between face-to-face and mobile text surveys also exist in the area of sampling: the sample for a mobile text survey can be drawn from the face-to-face survey. Respondents of a face-to-face survey could be asked to provide their mobile

phone numbers (or be given a phone if they do not own one) and agree to being contacted in the future. This would make sampling comparable for both surveys, while enabling better knowledge of the household characteristics of mobile survey respondents.

In order to reap the benefits of mobile text household surveys, the collection of the FCS and rCSI by mobile text should continue on a smaller sample in North Kivu, in order to constitute a knowledge base that future mobile text survey rounds could be compared against. Live or automated voice calls should also be tested as a complement or an alternative to text messages.

Continued learning about mobile text surveys should continue to take place, for a variety of modules and in a diversity of contexts. Additional field testing would determine what modules work best using remote mobile data capture and will guide analysts in their choice of remote or face-to-face survey methods. Testing other short, experience-based indicators such as the household food insecurity access scale could be useful. Field testing mobile text survey in contexts with higher literacy levels and higher cell phone coverage would also provide insights into how to best use this technology in such settings. ♦

¹ Barrett, Christopher B. "Measuring Food Insecurity." *Science* 327(5967): 825-828, 2010.

² World Bank and African Development Bank. *The Transformational Use of Information and Communication Technologies in Africa*. World Bank, 2012.

³ World Bank. *Cell Phones for Citizen Engagement in the DRC*. World Bank, 27 February 2012.

⁴ World Food Programme. *Province du Nord Kivu. Evaluation Approfondie de la Sécurité Alimentaire*.

⁵ United Nations Office for the Coordination of Humanitarian Affairs (OCHA). *Profil Humanitaire Provincial Nord-Kivu*. June 2013.

⁶ *Ibid.*

⁷ Maxwell, Daniel, and Richard Caldwell. *The Coping Strategies Index, Field Methods Manual, Second Edition*. Cooperative for Assistance and Relief Everywhere, Inc., January 2008.

⁸ Lucas, Henry, Simon Batchelor, and Evangeline Berdou. "Real Time Monitoring and the New Information Technologies," *IDS Bulletin* 44(2): 31-39, March 2013.

⁹ Organization for Economic Development. "Knowing in Time": How Technology Innovations in Statistical Data Collection Can Make a Difference in Development. 2013 Global Forum on Development, 4-5 April 2013.

Business Models for Commercializing African Agriculture

BY ISHAC DIWAN AND ROSIE OSIRE EMERSON

Abstract

This article explores the strengths and weaknesses of various business models that can make agriculture behave more like industries—enjoying high levels of productivity irrespective of systemic challenges. The main idea is to supplement the uncoordinated and untargeted provision by the state of all the inputs needed to modernize agriculture, by the provision of bundles of services that resolve many market inefficiencies in ways that are adapted to particular environments. The ultimate goal is to create islands of quality even as markets remain incomplete and policies imperfect in the country as a whole.

Introduction

The prevalence of traditional and subsistence farming methods in Sub-Saharan Africa has resulted in dismal agricultural performance over the past decades. Africa lags behind in agricultural productivity and yields. This poor performance in the agricultural sector has dire implications, not only on food security, but also on overall economic welfare. On average, 60 percent of Africans rely on agriculture for their livelihood and when agricultural incomes are low, expenditures on

education, health care, and nutrition also suffer. As of 2010, 239 million or 30 percent of Africans were hungry or undernourished. A major concern, therefore, is how to harness Africa's agricultural potential in order to make Africa's farmers more productive, efficient, entrepreneurial, and well off generally. Commercial agriculture (i.e., producing for market) is one way to increase the profitability and competitiveness of the agricultural sector.

Capital-Related Constraints to Commercial Agriculture

In order for farmers to produce for market, they have to be connected to markets. However, in many cases, African farmers are unable to access input and output markets and therefore continue to produce for domestic consumption. Below are some of the main capital-related constraints to commercial agriculture.

POOR RISK MANAGEMENT

Agriculture is an inherently risky activity, but the risks in Africa are amplified by bad policies. Agricultural risks could be categorized into production risks (relating to threat of drought, floods, infestations, etc.), marketing risks (relating to inadequate physical infrastructure, inadequate access to credit/insurance markets, lack of information, etc.) and price risks (relating to global and local price volatility).

Traditionally, governments attempted to mitigate these risks using strategic grain reserves and/or marketing boards. In these schemes, the government would purchase produce from farmers and regulate supply depending on whether there were shortages or surplus. Such regulation was meant to stabilize prices and create an assured demand for farmers thus creating incentives for production. These parastatals also set prices for various commodities in order to avoid exploitation of consumers in times of shortage.

Theoretically, such government

interventions seem like a good way to insure farmers against price and marketing risks but in practice, marketing boards and strategic grain reserves have often crowded out the private sector especially in instances where the parastatals act as monopolies. They also led to depressed prices whenever the government flooded the market with products. Governments should explore modern risk management tools that are associated with fewer negative externalities. Some modern tools include:

Warehouse receipt systems (WRS). “A warehouse receipt is a financial instrument generally issued by warehouse operators and approved by governments’ financial authorities, which specifies the quantity and quality of a particular commodity in a specified location by a depositor.”¹ A farmer can deposit crops in the warehouse and receive a receipt from the warehouse operator. The receipt can be resold or used as collateral for a bank loan. The advantage of this system is that farmers do not have to sell their products right away to deal with credit constraints.

However, WRS require a functional legal environment, credible grades and standards, and a large enough market to make it profitable for operators to invest in warehouses. Government policies also have to be predictable and stable; if governments maintain huge

reserves and flood markets, thus depressing prices, depositors suffer losses and could lose faith in the warehouse system.

Commodity exchanges. These act as a centralized marketplace where buyers and sellers can exchange commodities. Futures commodity exchanges obviate the need to present physical stock. Producers can enter into future contracts with buyers specifying the quantity and price for future sale of products. Commodity exchanges work best when the legal systems are functional and markets are large enough. They mitigate price risk, demand risk, and deal with information problems because buyers and sellers can access information on products and prices in different locations. Some of the African countries with commodity exchanges are South Africa and Ethiopia.

Weather-index insurance systems (WIIS). These are insurance policies sold to farmers based on weather

conditions so that farmers in one agro-climatic region all get the same payout when the amount of rain falls below a stipulated level. This requires huge initial financing and trust so farmers know that they can pay premiums and will indeed benefit when there are significant losses. The World Food Programme and the World Bank launched WIIS pilots in Ethiopia, Kenya, Malawi, and Tanzania and were successful in many instances.

CREDIT CONSTRAINTS

The percentage of loans offered by commercial banks to farmers is very low. Admittedly, commercial banks are not the only means of financing agriculture; Table 1, therefore, understates the amount of funding going to the sector. Nonetheless, the data is illustrative of the fact that banks and other lenders are wary of the inherent risks of agricultural lending.

Governments and nongovernmental actors can mitigate the financing constraint by offering

Table 1. Share of commercial bank lending to the agricultural sector, 1995–2008 (percentage of total portfolio)

Country	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008
Botswana	1.40	0.61	0.93	0.67	0.76	1.42	1.42	1.13	1.06	0.68
Gambia	–	–	–	–	–	–	–	–	7.20	5.53
Ghana	–	9.65	9.56	9.38	9.45	7.65	6.71	5.37	4.41	4.28
Kenya	–	6.57	6.01	6.07	6.20	6.00	6.25	5.38	4.08	3.60
Lesotho	–	–	–	–	–	–	–	0.31	1.90	8.17
Malawi	28.62	7.55	8.63	3.23	10.40	12.11	9.90	15.25	16.27	14.60
Mozambique	–	–	17.87	15.97	12.37	10.69	8.66	6.39	9.42	8.05
Nigeria	–	–	–	–	5.16	4.46	2.44	1.96	3.11	1.37
Sierra Leone	–	4.84	8.29	1.12	1.75	1.93	1.97	0.88	2.49	2.95
Uganda	22.54	10.71	8.57	11.14	9.69	11.07	10.05	9.13	6.67	5.88
United Republic of Tanzania	8.10	6.30	9.60	17.1	12.0	13.90	12.40	13.94	11.01	12.35

Source: Data from central banks²

loan guarantees to banks in order to overcome their averseness. For instance, the Alliance for Green Revolution in Africa (AGRA) and other partners provided a loan guarantee of \$10 million thereby allowing Standard Bank to avail \$100 million for loans to farmers in Ghana, Mozambique, Tanzania, and Uganda.³ Various partnerships and business models such as outgrower schemes could also offer credit as one of their contract services in order to allow farmers to use high-quality seeds, fertilizer, and other technologies that enhance productivity.

MARKETING DIFFICULTIES

Farmers (especially smallholder atomistic farmers) have great difficulties marketing their products because they are unable to benefit from economies of scale. Farmers often fail to coordinate planting and harvesting schedules, and, as a result, they end up producing similar products at the same time thus saturating spot markets and depressing prices. Lack of information on prices and demand elsewhere also prevents them from taking advantage of geographic price rents. Vertical and/or horizontal integration could mitigate some of these difficulties and help farmers to connect to markets more effectively.

A related marketing difficulty is stringent quality requirements. Several African countries are experiencing a burgeoning middle class, increased urbanization, and a proliferation of supermarkets.

As a result, there is a large and growing demand for high-quality fresh fruit and vegetables from retailers and importing countries. Vegetables are highly labor-intensive and can be harvested throughout the year; therefore, they are a good source of income for smallholder farmers. However, “the dominant market players tend to favor suppliers who can ensure high volumes, consistent quality and can do so in the long run. These criteria have tended to favor the more capitalized commercial sector over the emerging sector.”⁴ Small farmers who are unable to meet these requirements are sometimes left out of commercial agriculture. In Kenya for instance, smallholder participation in green beans dropped from 60 percent in the 1980s to 30 percent in 2003.⁵ The export value chain is now dependent on large contract growers and a limited number of small and medium growers.

Business Models in Practice

The idea of developing business models that work for particular crops is to find ways to mitigate the aforementioned constraints and deliver to small farmers the bundle of input/outputs they need to be more productive in ways that are commercially viable. Ideally, business models should as much as possible use private sector operators, both domestic and foreign, that will play the role of aggregators as a way to make profits, while at the same time benefitting the small farmers

themselves. In this section, we discuss the most prominent business models and problems associated with each.

LARGE-SCALE FARMING

The demand for land in Africa is increasing as land and water-constrained countries look abroad for opportunities to generate biofuels and to grow food for their populations. Large-scale land acquisitions are becoming increasingly common in Africa. Most of these land transfers are in the form of leases or concessions. These purchases could be beneficial as land is transferred from less efficient to more efficient producers. For instance, Kenya is the third largest producer of tea and most of this tea is grown on plantations. Unilever Tea Kenya Limited (henceforth UTKL) is the largest producer of tea in Kenya and the single largest private sector employer in Kenya, employing 20,000 people. Its foreign exchange contribution is estimated at Ksh 5.5 billion (US \$63,547,000) and the company owns twenty tea estates and eight factories. The company controls all stages of tea production, processing, marketing, and distribution. Other successful large-scale farming projects include Del Monte Kenya Ltd. for the production of pineapples, Triangle and Hippo Valley Sugarcane plantations in Zimbabwe, and others.

However, large-scale farming models do not always have a happy ending. These business models

often result in land grabs and marginalization of small farmers.

Plantation owners also face the risk of expropriation and lost investments in the case of political instability or reforms. The spate of land reforms in Africa can make any potential investor a little nervous. The fast-track land reform in Zimbabwe, for instance, took land away from the White settlers to redistribute to Black farmers. Further, plantations require large amounts of labor, and there is always the risk of strikes and other labor-related issues. Nonetheless, people should not rush to dismiss large-scale farming; countries such as Brazil, the United States, and others are proof of the potential of these models to engender high agricultural productivity.

CONTRACT FARMING/ OUTGROWER SCHEMES

Contract farming is a form of vertical integration whereby a company or other entity procures outputs from farmers. The parties involved sign a contract specifying the quantity and quality of crops that need to be delivered, specific times of delivery, and the price that will be offered. Farmers often receive a fraction of payments up front and the rest of the payment later once the contractor has sold the product.

Contracts vary in intensity and services offered. Sometimes the contractor gives farmers inputs on credit and deducts loan payments from the final price.

Case Study: Thohoyandou SPAR and the Local Emerging Vegetable Sector

SPAR supermarket was started in 2002 and has played an important role in integrating farmers with the market. Their mission is to promote community development. As such, they procure fresh produce from small farmers and pay them every Friday. They also offer other services—for example, interest-free production loans of R 2,500 (US \$236) contingent upon approval of a viable business plan that addresses production, marketing, income, and cash flow. The loans are to be repaid in three months at the latest. Farmers also receive extension services and training and farm visits by SPAR personnel. Since farmers deliver small supplies regularly, SPAR could assure fresh produce every day. SPAR's innovative approach fostered rapport and patronage. In only two years, SPAR had 66 percent of market share and an impressive 22,550 customers daily. The store procures mainly cabbages, spinach, carrots, and beetroot from emerging farmers. They refrain from procuring mangoes and tomatoes because they do not want to crowd out hawkers who concentrate on these products. The model has been replicated in five other stores across the country

Some contractors also provide extension services, grower management, post-harvest logistics such as transport and packaging, and so on. Contracts involving outgrower schemes and nucleus estates often have contracts of the highest intensity because of the large investments involved in an estate and processing facilities whose profitability depends on throughput. Other models where aggregators contract with farmers informally have low-intensity contracts and are characterized by inconsistent supplies.

Contractors could vary from nonprofit organizations to private companies to parastatals and retailers. Contract farming has been the choice model for retail companies/supermarkets, which procure fresh produce from farmers and offer credit facilities,

basic processing facilities, and extension services. Examples of successful contract arrangements with retailers include SPAR (South Africa), Shoprite (South Africa), and Nakumatt (Kenya), which are often engaged in contract farming for their fresh produce.

Problems Associated with Outgrower Schemes

RISK OF SIDE-SELLING

Side-selling is a major problem that contractors have to contend with. When farmers enter into a contract, they agree to provide a certain quantity of products for a specified price. However, sometimes spot market prices are higher than the contract price, and farmers divert some of their produce. Most contractors pay farmers once they are able to

Case Study: Ghana Rubber Estates Limited

Ghana Rubber Estates Limited (GREL) was started in 1957 as a small private plantation but was later nationalized in 1960. This is the largest industrial rubber plantation accounting for 98 percent of rubber production in Ghana. The company has a thirty-six-year concession on 15,000 hectares of land. The Rubber Outgrowers' Plantation Project (ROPP) was started in 1995 with support from the government and international donors. The scheme has 5,540 outgrowers who receive training, technical assistance, and inputs from GREL. GREL has also invested in social facilities such as schools and clinics thus increasing goodwill and legitimacy in the community. Outgrowers must have land use rights to at least 4 hectares of land in order to qualify to be a GREL outgrower. Farmers also have to have an alternative source of income because rubber is a perennial crop that takes eight years to fully mature. GREL encourages farmers to intercrop and provides technical assistance on farm management practices.

export the products or sell them in the domestic market. The delays in payment sometimes force farmers to side-sell so as to get quick cash.

One way to mitigate the side-selling problem is for contractors to blacklist farmers that side-sell and to make this information publicly available to other contractors so they can avoid entering into deals with the blacklisted farmers. The existence of a blacklist would serve as a deterrent to credit-constrained farmers. Another way would be to create group accountability by giving loans to small groups as opposed to individuals. Side-selling by an individual would then result in the group failing to receive inputs on credit in the next crop cycle. In many African countries, communities are still valued very highly, and farmers would adhere to the contracts in order to maintain good relations with friends or relatives.

RISK OF EXPLOITATION

In the absence of competition, outgrower schemes are de facto monopolies. Since credit and financing is limited, farmers become dependent on contractors to provide credit so they can acquire inputs and access to technology and other related services. While this can resolve the side-selling problem, such overreliance could, however, result in exploitation of farmers. So even in cases where outgrower schemes succeed, governments should still strive to strengthen credit facilities for farmers to reduce their dependence on intermediaries over time. Further, pro-business policies should be effectuated in order to attract more contractors thus creating a competitive environment. In the presence of sufficient competition, farmers under contract can enjoy higher incomes and more prompt payments than they would in an atomistic arrange-

ment. A third way to guard against exploitation is for farmers to form cooperatives in order to collectively demand the enforcement of their rights.

RISK OF INADEQUATE SUPPLIES

Companies that engage in outgrower schemes often make large capital investments in a processing plant whose profitability depends on the plant operating at or near full capacity. Inadequate supplies—resulting from side-selling or low productivity—could therefore result in significant losses for the investor. One way to mitigate this problem is for the

tractor has to bear the cost of labor management and face the risk of expropriation.

ISSUES OF INCLUSIVENESS

Women are sometimes left out of contracting and outgrower schemes. Bulow and Sorensen conducted a study of the Kenya Tea Development Authority (KTDA) and discovered that contracts are awarded mostly to male household heads even though women and children provide most of the labor.⁷ This often leads to household conflicts, and women sometimes neglect plantations as a negotiating mechanism. Pro-

Large-scale farming models do not always have a happy ending. These business models often result in land grabs and marginalization of small farmers.

contractor to maintain a nucleus estate while also maintaining links with outgrowers who possess their own land but direct supplies to the contractor for processing/marketing/exporting. The nucleus estate would help supplement throughput when supplies from outgrowers are low. In some cases, the nucleus estate could also be used as an experimentation plot to try out new technologies or as a demonstration plot to show the viability of a new crop, as in the case of Mumias Sugar Company in Kenya. The downside is that the nucleus estate requires large initial investments and the con-

ductivity of KTDA farmers has therefore been found to be consistently lower than that found in plantations partly because of the conflicts associated with household labor. Selection of outgrowers is also biased toward wealthy smallholders or large farmers who have land rights thereby excluding asset and land-poor farmers.⁸ Outgrower schemes are therefore not as inclusive as they are made out to be. The ongoing land reforms in several African countries will hopefully make it easier for women to hold title deeds, which would allow them to participate in outgrower schemes. Contracting

companies can also be evaluated on their inclusiveness as part of Corporate Social Responsibility.

MARKETING BOARDS

Marketing boards are parastatals or government entities that control all aspects of the agricultural value chain from production to marketing. They are monopolistic providers of farm inputs such as seeds and fertilizers and monopsonistic buyers of farm outputs. They also regulate the sale of outputs to internal and external markets.

Marketing boards date back to the post–World War II period when the colonial empire was undergoing a financial crisis. In a bid to meet British needs, commodity boards were formed to maintain a monopoly on export crops. The boards controlled prices thereby maximizing profits and reducing demand for imports.⁹ Marketing boards were also set up to protect producers from exploitation by middlemen and money lenders.

Post-independence, African governments maintained the Boards to help stabilize commodity prices and insulate farmers from international price volatility. They would do this by accumulating reserves when prices were high in order to offer farmers higher prices when world prices plummeted. The Ghana Cocoa Board (CO-COBOD) ensured higher prices for farmers in downturn periods, such as between 2003 and 2007, whereas the prices in Cote d'Ivoire declined with world prices.

Price stabilization is highly

beneficial in contexts where social safety net programs are inadequate and where people rely so heavily on agricultural incomes. Further, the monopolistic nature of marketing boards hedges against the risk of nondelivery and undersupplies. As a result, external buyers are confident enough to engage in forward purchases thus making marketing much easier than in atomistic set-ups. Also, many marketing boards were highly effective in assuring quality of outputs. Ghana, for instance, is reputed for its high-quality cocoa—a direct result of the Ghana Cocoa Board's subsidiary, Quality Control Division. The quality of cocoa in other contexts with free-market systems such as Indonesia has been found to be much lower than Ghana. In those areas, buyers compete for limited supplies from farmers and are therefore more lax with their quality requirements. As a result, farmers ferment cocoa for two or three days as opposed to the recommended five days.

Problems Associated with Marketing Boards

DISECONOMIES OF SCALE

Even though marketing boards were set up to protect farmers, they mostly served as a revenue-generating mechanism to finance government expenditures. Governments often have used them to provide rents to political allies by offering them positions in the marketing boards. As a result, most of the boards were bloat-

Table 2: Top Cocoa Producing Countries and Their Business Models

Country	Marketing Boards	Evolution of business models
Indonesia	No	
Malaysia	No	Marketing board (1989)→ Free market
Brazil	No	
Nigeria	No (since 1986)	Regional marketing boards → National marketing board → Free market system
Cameroon	No (since 1994-1995)	Stabilization fund (ONCC)→ Free market system with warehouse receipts
Cote d'Ivoire	No (since 1999)	Stabilization fund (CAISTAB)→ Free market system
Ghana	Yes	Complete monopsony→ Private sector involvement in procurement and transportation (since 1992-1993) but prices are still determined administratively

Source: Authors' compilation of marketing boards

ed with an unsustainably large number of employees—many of them ghost workers, resulting in low payments to farmers. In many cases, there were significant diseconomies of scale as efficiency was consistently sacrificed at the altar of scope.

Table 2 shows a typology of top cocoa producers along with their business models. Figures 1 and 2 then show performance both in terms of scope (production/export of cocoa) and efficiency (output per area of land).

As Figure 2 shows, Ghana is second to Cote d'Ivoire in terms of production and export of cocoa. However, in terms of efficiency, Ghana is the least efficient of the top producers of cocoa. One could argue that the Ghanaian govern-

ment has placed a higher premium on the ability to increase scope (create greater employment for its people) regardless of the efficiency of the model. Indeed, cocoa has accounted for a significant share of Ghana's agricultural growth and has been a major source of poverty reduction. However, the Ghana cocoa sector still operates well below potential with large scope for productivity and quality improvement. Cote d'Ivoire, on the other hand, has managed to achieve both scope and efficiency without a marketing board.

There are innovations that could help the Ghana COCO-BOD, and other marketing boards, maintain the advantages of these organizations while avoiding some of the demerits. As was mentioned

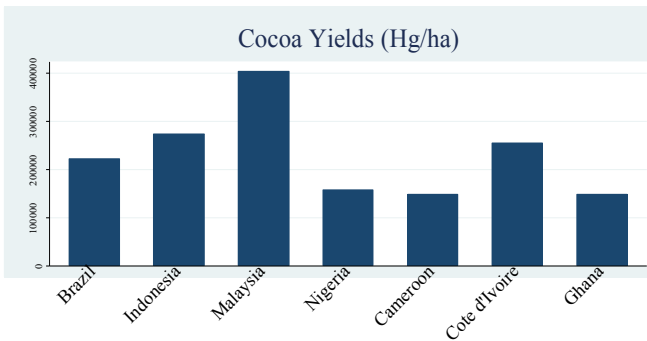


FIGURE 1 – COCOA YIELDS FOR SELECT COUNTRIES.

earlier, the monopolistic nature of marketing boards could result in great inefficiencies since the institutions are both economic and political entities. As a result, success or failure is measured not merely on profit motives but also on social welfare, political legitimacy, and so on. Efficiency could be introduced by breaking up marketing boards into geographical monopolies rather than national hegemonic entities. Each marketing board would cater for a specific region and would provide farmers with the full bundle of goods and services in an aggregated manner. This would create competition between the regional marketing boards, and communities can demand for better treatment based on comparisons with other regions. Another way of dealing with efficiency issues is to have farmers organize in cooperatives to hold the parastatals accountable. A third option that has been successfully implemented by the Ghana COCOBOD is to liberalize parts of the value chain covered by the marketing boards in order to

promote healthy competition and promote private sector participation in at least some segments of the sector.

Cooperatives

Cooperatives have been cited as a way of holding both outgrowers and marketing boards accountable. They are also potentially useful ways of providing bundles of services to farmers thereby connecting them with input and output markets.

Cooperatives could enable farmers to coordinate planting and harvesting schedules in order to avoid saturating markets. They also create economies of scale; farmers can aggregate crops and sell in bulk to an exporter or processor and command a higher price. Farmers could also collectively hire trucks and drivers to collect their produce at harvest time, rent a warehouse or storage space, pay for extension services, utilize information and technology services to determine prices and demand elsewhere, and so on. Cooperatives could also give farmers

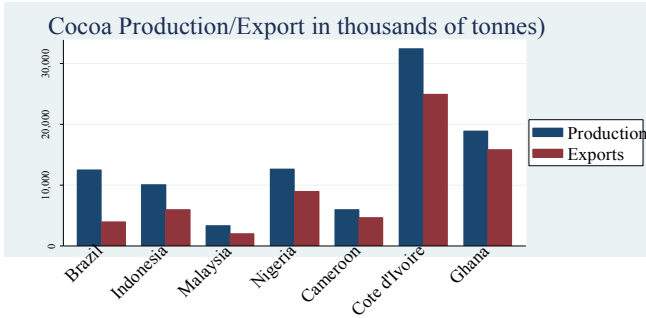


FIGURE 2 – COCOA PRODUCTION/EXPORTS FOR SELECT COUNTRIES.

credit to allow them to purchase farm inputs. Nongovernmental organizations and other international organizations can be instrumental in encouraging the growth and efficiency of cooperatives. The main challenge with cooperatives is governance issues.

Role of Government in Agricultural Commercialization

Agricultural underperformance is largely a public policy issue. Governments that care about the growth of their agricultural sectors ultimately institute policies that encourage growth and productivity. On the contrary, countries that neglect their agricultural sector—perhaps owing to the fact that they generate revenue from oil or other natural resources—institute policies that are not conducive to the growth of the agricultural sector. One example that is widely cited and that illustrates this very well is the Cerrado region in Brazil.

Brazil was able to commercialize its agricultural sector on the backs of large-scale farmers. As of 2004, there were only 3,000

commercial farmers cultivating 4.5 million hectares of land—this translates to an average landholding of 1,500 hectares per farm.¹⁰ Historically, agricultural production was concentrated in the southeastern part of the country by small farmers owning, at most, 30 hectares. However, in a bid to encourage wheat production and self-sufficiency, the government offered cheap land, credit, and price supports to encourage agricultural expansion in the hitherto unexploited Cerrado region. Large-scale commercial farming developed in Cerrado, and farmers planted wheat, soybeans, cotton, and other profitable crops. The large-scale farmers also developed research, infrastructure, quality management systems, etc. In less than four decades, Brazil went from producing no soybeans to being the second largest exporter of soybeans after the United States. “Brazil also switched from being a net importer of corn and cotton to being a net exporter, providing 7.7 and 5.8 percent, respectively, of corn and cotton traded in 2003.”¹¹

Several factors contributed to this phenomenal success; government policy especially played a catalytic role. The government taxed raw materials that were transported to another state for processing, thus

tries where the government has stifled the growth of commercial agriculture through haphazard or unpredictable land reform processes that scare away foreign investment, interventionist policies

The main challenge with cooperatives is governance issues.

encouraging the proliferation of crushing facilities in Cerrado. The tax rate on land also decreased with increased land utilization thus avoiding speculative land purchases that leave large swathes of land unutilized. The government also set up Embrapa as the research arm of the Ministry of Agriculture and Food Supply. Embrapa has one research center in each state, and these centers work with private companies to develop varieties and technologies that can improve the productivity of agriculture.

Another success story is the FELDA (Federal Land Development Authority) scheme in Malaysia where commercial agriculture was driven primarily by small farmers. In 1960, the government, through FELDA, established resettlement schemes for the poor and landless. The government resettled landless peasants, gave them plots of 3 or 4 hectares to produce oil palm or rubber. Largely owing to FELDA's role, Malaysia is the number one producer of palm oil in the world.

These success stories contrast sharply with many African coun-

tries that have taxed the agricultural sector and crowded out the private sector, and limited spending on research and technology. These governments can play a crucial role in commercializing African agriculture by promoting research; developing infrastructure; promoting international trade; instituting land policies that make it easier for investors to engage in commercial agriculture; tackling institutional voids such as credit, insurance, legislation, etc.; and helping manage agricultural risk.

Conclusion

Commercial agriculture is an important way of linking farmers to markets and industry thereby increasing agricultural productivity, profitability, and competitiveness. However, commercial agriculture has been constrained by capital-related factors such as high level of risk, credit constraints, and marketing difficulties.

We have shown how different business models can relax some of these constraints. Large-scale business models such as plantations transfer land to more efficient producers thus allowing the

less efficient producers to focus on other activities in which they have a comparative advantage. However, these large-scale schemes are often associated with land grabs and marginalization of small farmers. They could also result in the “food-fuel trade-off” and threaten food security.

The analysis of business models highlights the importance of public policy in unleashing Africa’s

agricultural potential. Even in instances where the private sector has succeeded in commercializing agriculture, the government has played a catalytic role. It is therefore important that governments continue thinking of new kinds of public-private partnerships that can expand the set of possibilities in agriculture in an innovative yet feasible manner. ♦

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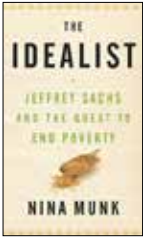
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Experiment Gone Wrong? *A Review of The Idealist: Jeffrey Sachs and the Quest to End Poverty*

By Nina Munk
(Signal, September 2013)
REVIEWED BY MPUMELELO NXUMALO

Jeffrey Sachs had a goal: to end poverty in Africa by 2025, and according to journalist Nina Munk, he was convinced that this could easily be done. Yet Munk's account of what has come of the Millennium Villages Projects, Sachs's brainchild, tells of yet another foreign intervention in Africa that has left a lot to be desired, at least to date. The Millennium Villages were constructed by Sachs to be incubators of success in often failing contexts. Munk writes of a man fired up with infectious energy and a strong conviction that five short years from inception, each Millennium Village was to become a harbinger of hope and a model to be scaled up countrywide.

Munk writes that she had initially been assigned to spend six months following Sachs and reporting on the progress made by Millennium Villages, but ended up spending six years. She was eager to hear what Sachs had to say about how per capita incomes in Africa could be improved. Her objective was to trace the flow of aid money, a journey during which she recorded hours of notes and traveled to Mali, Kenya, Uganda, Tanzania, Malawi, and other places. She writes extensively about Dertu, a semi-nomadic region in the Somali part of Kenya, and Ruhiira in Uganda, both of which were also sites of Sachs's Millennium Village Projects.

Sachs, a gifted macroeconomist turned celebrity, gained fame after prescribing “radical fiscal and monetary discipline, so-called shock therapy to countries emerging from Communism.” He is credited with bringing the problems of global poverty to the mainstream. But Munk offers a scathing account of the shortcomings of the solutions Sachs has prescribed, falling just short of calling them misguided. Although Munk does not explicitly espouse an opinion, one cannot help but sense a veneer of skepticism from the way she ends each chapter. The stories she has chosen to highlight in the book all tell of a project that is racing against time and that,

act by what he saw as a “poverty trap,” which manifested in high rates of deforestation and a decline in arable land, which when combined with high rates of fertility could only mean lower per capita incomes for future generations (a Malthusian conceptualization if I may say so). With bumper harvests in Ruhiira, Sachs believed that poverty would become a thing of the past in just five years. He promised the village members that he would meet with Ugandan President Yoweri Museveni to gather support to scale up what he saw as cause for optimism in Ruhiira. Munk recounts the impassioned manner in which Sachs delivered his address in front of

“This is not India or China. There are no markets. There is no network. No rails. No roads. We have no political cohesion.”

once donor funding dries up, will leave many holding dust. Indeed, Munk casts doubt on the viability of the Millennium Villages as evinced by Sachs’s own shift toward sourcing venture capital-type funding and embracing a market-based approach to developing the villages.

In one Millennium Village in Ruhiira, Sachs was prompted to

the president, like he had done in front of the people of Ruhiira. But Museveni had other, more pressing problems. His government was entangled in stalled peace talks with the “deluded leader of the Lord’s Resistance Army,” Joseph Kony. Disinterested in Sachs’s plan, the president told him, “This is not India or China. There are no markets. There is no



network. No rails. No roads. We have no political cohesion.”

Aside from a lack of support from the top, other problems befell Millennium Villages, according to Munk. This included villagers

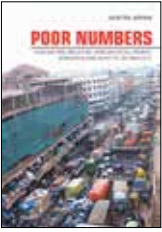
should have been predictable to an economist of Sachs’s caliber. Creating islands of success in a context of a tough climate, lack of capacity, competing donors with sometimes-conflicting visions,

By the end of the book, however, one is led to the conclusion that these disruptive artifacts should have been predictable to an economist of Sachs’s caliber.

using donated bed nets, intended to help protect residents from malaria, on goats as they were deemed to “hold more value for the pastoralists.” Munk also documents incidences of Millennium Village farmers who had been provided with maize seeds recording bumper harvests but dumping excess maize crops thereby distorting the market for maize. Other problems included a lack of clear objectives, staff stretched too thin, poor electricity (and fuel for generators) in hospitals, and continued reliance on donor funding. According to Munk, the Millennium Villages Project that was slated to last for five years was extended a further five.

Sachs dismisses as “unexpected artifacts” the problems that have disrupted the Millennium Villages agenda. By the end of the book, however, one is led to the conclusion that these disruptive artifacts

and other issues brings to question the sustainability of the Millennium Villages. According to Munk, Sachs has secured \$11 million in funding pledges (two-thirds of which came from financier and philanthropist George Soros) for the second phase of Millennium Village Projects, but much focus is now being placed on graduating the villages onto the government and the donor community. From reading Munk’s account of the reluctance of donors to support the project from the very beginning brings to question the success of handing these over to them after this phase. But Sachs remains hopeful. ♦



Review

Poor Numbers: How We Are Misled by African Development Statistics and What to Do About It

By Morten Jerven
(Cornell University Press, 2013)
REVIEWED BY RODRIGO GARCIA-VERDÚ¹

Over the past decade, Sub-Saharan Africa (SSA) has attracted increasing attention from policy makers, academics, international organizations, and the business community. At the same time that the region has come increasingly into focus, the statistical base behind several books and studies², and ultimately policy making and business decisions, has continued to be very weak. As a result, decisions taken without the benefit of having data, or taken based on incomplete or inaccurate data, may prove to be misguided.

counts statistics in SSA. The book presents a sobering picture of the current state of macroeconomic statistics in the region, as well of the massive amount of work needed in terms of statistical capacity building that lies ahead if one is to address the data gaps.

The book is persuasive in arguing that national account statistics in most countries are in serious need of revamping, both in terms of updating their base years and improving their collection, including through expanding their coverage.

...the book is remarkable given that it is largely the result of the efforts of a single individual gaining access to NSOs

This is the main message of Morten Jerven's book *Poor Numbers: How We Are Misled by African Development Statistics and What to Do About It*, which is the first study devoted exclusively to analyzing the state of national ac-

To make its case, the book relies on a mixture of evidence, ranging from the description of the actual production process of national accounts statistics documented after field visits to some of the national statistical offices, the revision and

careful comparison of published data by the national statistics offices (NSOs) and international organizations, and the results of a survey collected by the author. In this sense, the book is remarkable given that it is largely the result of the efforts of a single individual gaining access to NSOs, mainly through conducting interviews with their personnel and through searching often poorly documented methodological documents in their libraries and archives.

The book, published in early 2013, has already made an important contribution by bringing

not to say that technical assistance has necessarily helped improve the situation, but rather that the provision of technical assistance is an important element that needs to be analyzed.

The book contains several inaccuracies that sometimes distract the reader from its main message. This might be the result of the fact that the book approaches the topic of the quality of macroeconomic data in SSA from a multidisciplinary perspective, which makes it challenging for the book to satisfy the rigor and even writing style that each specialist is accustomed

The book contains several inaccuracies that sometimes distract the reader from its main message.

attention to an issue that is well known to most people who work in SSA in fields that require using data, but not necessarily to a wider audience who might have recently become interested in the region.³

Notwithstanding these very valuable contributions, the book has some weak spots. One of them, recognized at the onset by the author, is that most of the analysis is based on research in Anglophone countries. Another weak spot is that the book does not discuss the significant amount of technical assistance specifically in statistical capacity building provided to the SSA region. This is

to in their respective discipline. For example, the book uses interchangeably the terms economic development, economic activity, and economic performance, or uses gross domestic product (GDP) and wealth as equivalent concepts. The distinction of these concepts is particularly important for the SSA region, since for countries abundant in nonrenewable natural resources that depend on their extraction as a source of growth, real GDP growth might not be a good measure of economic performance, as some of the resources might be extracted at a rate that is higher than optimal, or



19th century weight for weighing gold dust.
Photo by Caroline Léna Becker/wikimedia commons

the financial resources obtained from them might not be transferred across generations in an equitable manner.

The inaccuracies exemplified above and the recommendations for improvements in future editions of the books should in no way detract from its main message, namely, that the systems of national accounts in most countries in SSA are in dire need of improvement. The book is highly recommended to all those interested in the SSA region and in the measurement of economic activity in developing countries. Its publication has already started a much-needed lively discussion, which is a precondition for improving the quality of macroeconomic statistics. One can only hope that the momentum will be sustained. ♦

¹The opinions contain in this review are those of the author alone and should not be attributed to any other person or institution. E-mail: rgarciav@alumni.uchicago.edu

² For examples of recent books focusing on SSA, see Collier, Paul. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*. Oxford University Press, 2008; Miguel, Edward. *Africa's Turn?* MIT Press, 2009; and Radelet, Steven. *Emerging Africa: How 17 Countries Are Leading the Way*. Center for Global Development, 2010.

³ For a favorable review, see Gates, Bill. "The Problem with Poor Countries' GDP." Project Syndicate, 6 May 2013.

Interview with Dr. Ibrahim Assane Mayaki, CEO of the New Partnership for Africa's Development (NEPAD) Planning and Coordinating Agency

INTERVIEWED BY MPUMELELO NXUMALO
AND ELIZABETH BENNETT
22 OCTOBER 2013

Mpumelelo Nxumalo and Elizabeth Bennett recently had a chance to sit down with Dr. Ibrahim Assane Mayaki, the chief executive officer of the New Partnership for Africa's Development (NEPAD) Planning and Coordinating Agency. Their conversation covered a range of relevant African development policies, focusing on demographic trends and the future of African agriculture. The following is a slightly revised transcript of their conversation.

APJ: *Will you tell us a little bit about your role as CEO of NEPAD and how your job has evolved over the past few years?*

Dr. Ibrahim Assane Mayaki:

First, let me contextualize NEPAD, historically. NEPAD was formed in 2001. Globally, Africa was coming out of a severe structural adjustment process. The two main policy instruments that were then offered to Africa were the Millennium Development Goals and the poverty reduction strategies of the World Bank and International Monetary Fund [IMF], whose focus was mainly on poverty management. The main objective of leaders, like Thabo Mbeki, Olusegun Obasanjo, and Abdoulaye Wade, was to say: "Look, Africa has a high density of

natural resources. Why should we focus on poverty management and not wealth creation?" By making that paradigm shift, they were able to look at the main conditions that could really lead to wealth creation, beyond poverty management only. Evidently, the Millennium Development Goals were important, the social sectors were important, not least because the structural adjustment programs had really weakened the social sector. The priority, in our view, had to be wealth creation—inclusive wealth creation. And to foster such inclusive wealth creation, we targeted a single fundamental and essential condition, which was governance.

Governance is the base of the



*Dr. Ibrahim Assane Mayaki of the Republic of Niger is the chief executive officer of the New Partnership for Africa's Development (NEPAD) Planning and Coordinating Agency, headquartered in Midrand, South Africa. Mayaki holds a master's degree from the University of Public Administration (ENAP), Quebec, Canada, and a PhD in administrative sciences from the University of Paris I, France. Between 1996 and 1997, he was successively appointed minister in charge of African Integration and Cooperation and Minister of Foreign Affairs. In November 1997, he was appointed Prime Minister, a function he held until January 2000. In August 2000, he set up the Analysis Center for Public Policy. From 2000 to 2004, Mayaki was a guest professor at the University of Paris XI, where he lectured on international relations and organizations; he also led research at the Research Center on Europe and the Contemporary World within that university. He has also worked as a professor of public administration in Niger and Venezuela. In 2004, he was appointed as the Executive Director of the Platform in support of rural development in West and Central Africa, the Rural Hub, based in Dakar, Senegal, from where he was recruited as CEO of the NEPAD Agency. Mayaki is the author of the book *Quand la Caravane Passé*, relating to his political career.*

foundation of NEPAD. Governance of natural resources, economic governance, corporate governance . . . from the beginning, NEPAD put the emphasis on governance. The way the program was structured took into account the fact that the challenges facing Africa were not mono-sectorial but multi-sectorial. The structure of the NEPAD program was therefore framed with governance at its core, knowing that to tackle multi-sectorial challenges, we had to be precise and our instruments had to reflect the capacity to address them. When the African Union was established one year after NEPAD, NEPAD became the program of the African Union. This meant that the integration of

NEPAD into the African Union was done programmatically but not structurally. Structural integration took about ten years. My role in 2010 was to integrate the NEPAD Planning and Coordinating Agency into the African Union's structure and processes.

Since then, my role has evolved in two main directions: First, we play a role of think tank for the African Union Commission [AUC]—this can be on economic issues, industry issues, or sectorial issues. On the other hand, we play the role of implementing agency of key programs of the African Union, like infrastructure, the Comprehensive Africa Agriculture Development Programme, etc. Our integration into the African

Union has allowed us to expand our original mandate to play these two roles.

APJ: *Pertaining to NEPAD's role as a think tank, how exactly does it work? Suppose governments have pressing issues in infrastructure in their countries, do they request NEPAD to undertake a study? Or do you go to the government beforehand?*

MAYAKI: We act as a government body and respond to continental requests or regional requests. We don't respond directly to a national request by, say, Malawi or Senegal in the area of agriculture, but we respond to requests from SADC [the Southern African Development Community], CEMAC [the Central African Economic and Monetary Community], COMESA [the Common Market for Eastern and Southern Africa], etc. We also respond to requests coming from the AUC. We are, for example, working on a white paper on African agriculture, to look at how Africa will be able to tackle the issues of food security for the next twenty years. This is part of the role we play as a think tank.

APJ: *We are aware of your passion for rural development, and we wanted to go back on the issue of inclusive growth. Today, there seems to be a lot of unshared growth coming from the oil in countries like Equatorial Guinea, for example. A lot of people feel that there needs to be some improvements, perhaps fiscal rules*

to tackle this issue. In your annual report, there was a heavy emphasis on inclusive growth. Could you speak to that a bit?

MAYAKI: Many Africans boast of having six of the fastest ten growing economies in the world, but at the same time, what we don't generally say is that we also have seven of the ten most unequal economies. If we look at the Gini coefficients, Africa is the most unequal continent in the world today. Added to that specificity, there is another dimension: 75 percent of Africa's population is under twenty-five. So, governance-wise it's extremely risky, in terms of policy design, if you don't have policies that are inclusive enough. By "inclusive enough," I mean creating jobs for the youth and facilitating access to public services. If you don't do this, you are really putting in danger the societal equilibriums. Inclusivity is an absolute prerequisite for political stability. We had an interesting model that failed last year, or rather eighteen months ago, which was Tunisia. Tunisia was praised for its good transport system, highest penetration of IT on the continent, good ports, relatively good airports, not bad agricultural production, highest literacy rate of girls . . . and we saw what happened in Tunisia. Fundamentally, the majority of the population did not perceive the level of inclusion of the youth as satisfactory. This is why whatever we do in agriculture, infrastructure, information and communications technology, if we do not

resolve the key issue of inclusiveness, we are carrying very fragile systems that at one moment or another will implode. So, inclusiveness is really fundamental.

If you look at the history of demographics, Africa is in a very particular situation. We still have growth rates between 2.8 and 3.2. Our population is mainly rural, and it will be so for the next thirty-five years. The largest proportion of our population is very young. If we take a medium-sized country (such as Mali with 18 or 19 million inhabitants), about 200,000 to 250,000 young people enter the employment market every year and cannot be employed

Inclusivity is an absolute prerequisite for political stability.

by any industrialization. The civil service cannot employ them either because of the microeconomic constraints. If we don't look at rural development as a key issue for real transformation, we face severe issues in terms of the fragility of our systems. This is why rural development is a fundamental issue for realizing inclusive growth.

APJ: *There seems to be disagreement on the subject of trying to improve inclusive policies before adding a level of growth that's significant enough to "share the pie." Can you comment on that?*

Do you think Africa is at a point where it can do so?

MAYAKI: It is true. There is a big discussion amongst economists on whether you need to grow first and redistribute afterwards. The main issue, I think, is that Africa is in a very particular situation because of its demographic structure. With a high share of young people and a growth rate at 7 or 8 percent over the last eight or nine years, the case of Tunisia is a quite interesting illustration that models no longer exist. If you stand by the thought that models no longer exist, that inclusivity is important, that top-down processes are not conducive to inclusiveness, you then rethink the way policies are designed. We generally tend to think that policies are rational processes, but behind these rational policies, you have power relationships. So if we could look at the policy design process as a derivative of power relationships, we could open the span of actors participating in policy design. In the case of Africa, and given its demographic structure, we need to look at that. We shouldn't think about ex ante design models to be thrown at the population. We should encourage a more consultative process, in terms of policy design, which is bottom-up rather than top-down. We need to think about how we can empower local communities.

APJ: *I think that's a great segue into the work you have been doing, at least in terms of the Afri-*

can Union Agenda 2063. Can you comment on the African Union's relationship with agencies like the IMF in designing these policies, in terms of bringing more people to the table that seem to be directly affected by these decisions? What's the objective of Agenda 2063 in regard to creating home-grown policies?

MAYAKI: The main objective of Agenda 2063 is to create a space of conversation and dialogue between Africans. We know that a fifty-year span of time contains a

we deal with women's empowerment since women form the majority of small-scale farmers? The discussion is therefore about resources. We need to take the path that is most consistent with the interest of the African continent. It's not about having the perfect framework for 2063—that wouldn't make any sense. But it's about facilitating a discussion, making the right choices, looking at the interests of a continent, and having the policies geared in that direction. Those are the objectives of Agenda 2063.

A long time ago, an African president was asked why he was caring more about the cities than the rural areas. He said, "Well, in the cities, they protest. And in the rural areas, they don't."

high level of uncertainty, and you can, through perspective analysis, target several scenarios. The uncertainty is quite high beyond ten, some say five, years. But the added value of Agenda 2063 is to really say to Africans, "Let's work inward and discuss long-term issues." We know, for example, the world will have to produce the same amount of food which has been produced over the last three thousand years. Which continent has the highest proportion of arable land? It's Africa. So Africa will have to play a critical role in feeding the world and feeding its own populations. If we think long-term, how do we deal with land grabbing, how do we deal with small-scale farmers' empowerment? How do

Concerning our relationship to the World Bank and IMF, I think they have changed a lot after the structural adjustment policies. The World Bank and IMF were the most hated organizations by the African youth in the 1990s, simply because they were seen as exercising a kind of dictatorship on economic policies. Structural adjustment was absolutely necessary because we needed to reimburse a debt. But the negative consequences of structural adjustment were that it didn't take into account rebuilding the capacities of the African state. It was just cutting in social sectors in order to reimburse the debt. The capacity of the state to reconstruct and think strategically was totally put aside.

And I think that both the World Bank and the IMF have come to recognize this. Their discourse today is to say that we need to align ourselves with African priorities, defined by the Africans. This is a huge transformation.

APJ: *Continuing with agriculture, we noticed in the annual report, you have food and nutritional security programs. In your opinion, where is the Green Revolution in Africa? As you mentioned, we have the largest share of arable land, and yet we have large numbers of starving people. What is holding Africa's Green Revolution back? Hinting to your fertilizer program as well, in addition to the food security program, what do you see as the greatest "binding constraint"?*

MAYAKI: A long time ago, an African president was asked why he was caring more about the cities than the rural areas. He said, "Well, in the cities, they protest. And in the rural areas, they don't." So it goes back to the issue of power relationships. The small-scale farmers are the ones who are feeding the continent today—just like in Brazil. Eighty percent of food production in Brazil is by small-scale farmers, even though we tend to think it's by bigger businesses. In Africa, small-scale farmers are the ones who are feeding the continent. But they are doing so with very little means, with an access to seeds that is not satisfactory, with biotechnologies that are quite weak. By empowering the small-

scale farmers, by giving them access to land, to training, and to new technologies, we could really foster the Green Revolution. But it has to be a public choice. And in order to move in that direction, you need to prioritize agriculture and agricultural development. The agricultural development strategy around small-scale farmers has to be about gaining access.

NEPAD has a clear strategy for agriculture—the Comprehensive Africa Agricultural Development Programme. CAADP has two key targets. One is to push the governments to invest 10 percent of their public resources into agriculture. And the other target is to reach 6 percent agricultural productivity growth rate. But in order to get there we have several pillars related to land, trade, training, etc. Thirty-three countries on the continent are involved in the CAADP process. What we do is to support countries, through the regional economic communities, and to design CAADP compacts and a national investment agricultural plan, looking at both domestic and foreign investment. In doing so, we consider the small-scale farmers as private sector farmers. The main aim is to transform small-scale farmers into micro- and meso-entrepreneurs. Therefore, behind that strategy, the thinking is that agriculture is a business. Agriculture is not a social sector; it's a place where the small-scale farmer can make money. And that's where the revolution will take place.

APJ: *Along those lines, in what areas do you see the potential for the most growth?*

MAYAKI: If you try and classify the African economies today, you see that quite a good number of those that have high growth rates are mineral- or oil-exporting countries. In the second category, you have economies that have started to industrialize. These countries are doing quite well. In the third category, most of the gross domestic product is coming from the agricultural sector. But for agriculture to reveal its full potential, we need to think about it as a multi-sector relation. The state needs to invest in rural roads in order to reduce post-harvest losses. Africa loses between 30 and 40 percent of its agricultural production because we don't always have the roads to take the products to the market. It's one of our big concerns. So, looking at agriculture as a multi-sector issue—trade issues, infrastructure issues, ICT issues, IT issues—is really what will help boost growth in these countries.

APJ: *Are there any countries in particular, as far as the agricultural sector, that you think have the potential to significantly increase their production capacity over the next decade or so?*

MAYAKI: Well, Zimbabwe is a good example, Mozambique and Tanzania are others. Nigeria is also doing quite well now, so is Kenya. Cameroon is a bit more complex, but it is improving. CAADP has

helped a lot in repositioning agriculture as a priority.

APJ: *And somewhat related to that is the subject of natural resources management. You have a natural resources management program within NEPAD. How does this program work? What do you currently have in place? Do you have any case studies?*

MAYAKI: Under our natural resources governance program, we work with Paul Collier at Oxford University on what we call the Natural Resources Charter. The Natural Resources Charter is a key instrument to improve the governance of natural resources, by looking at taxation, geological mapping, contract negotiation, etc. What we do is to make a diagnosis of how these dimensions are being managed at country level, target the gaps and the deficits, and propose a capacity development program to help improve their governance. We are currently working with seven countries.

APJ: *Contract negotiation seems to be a difficult hurdle for countries with newly discovered natural resources. Is this information publicly available? What kind of access do people have to the Natural Resources Charter? Is it widely shared?*

MAYAKI: A key component of the program on natural resources that is very important for us is the public geological mapping. It is critical for all the citizens of a

country to know exactly what they have beneath their soil, and public geological mapping is a key instrument in this respect. Now, you were referring to contract negotiation. Countries like Guinea and

senior for Africa really show that the capacity of governments to have the right information, in terms of taxation, is critical to avoid illicit financial flows.

We tend to rely too much on the necessity of having visionary leaders at the top that can set the basis for transformation, but they are only the visible part of the iceberg.

Niger are renegotiating contracts with Russia or China because previous governments had not always negotiated in a satisfactory manner. In these types of contracts, you have two issues: the intrinsic capacity of a government ministry with a legal department of two lawyers, negotiating with Russian or Chinese counterparts with fifty lawyers on the other side of the table; and you also have the issue of corruption. These two issues must be looked at, but Africa is improving quite significantly. There are weak countries, but there are also many countries, like Zambia, that are very tough in their negotiations today because they have increased their capacity and take their time before signing these types of contracts. This shows that governance is improving—this is also absolutely essential to reduce illicit financial flows. When you look at illicit financial flows on the continent, they are essentially not due to corruption; they are mostly due to tax evasion. Studies done by the World Bank and the UN Economic Commis-

APJ: *Related to leadership, we recently found out that another year has gone by without someone receiving the Mo Ibrahim Prize for Achievement in African Leadership. Do you think these awards have a place? What are your thoughts?*

MAYAKI: I think that Mo Ibrahim and the Index of Governance he developed [are] doing a lot as far as putting governance as a fundamental issue on the table. But, linking that governance issue to leadership, my thinking is that the current leaders of Africa's transformation are not at the top, they are at the bottom. We tend to rely too much on the necessity of having visionary leaders at the top that can set the basis for transformation, but they are only the visible part of the iceberg. The invisible part of the iceberg are all the entrepreneurs, all the illiterate farmers who can use a cell phone by typing in symbols and check the price in the market which is 50 kilometers away. Those are the real leaders that will transform the continent. And that will be the main contri-

bution of Africa to the world. I think we will be providing a new form of leadership which has not been conceptually seen up to now and which will not be rewarded with \$5 million but is shaping the future of the continent—whether they are small-scale farmers, or private sector operators in the informal sector, or technology operators, everywhere. The type of leadership that will emerge will emerge from the bottom; it will not emerge from the top.

APJ: *This upcoming week you will be representing NEPAD at the United Nations. Regarding Africa's performance on the Millennium Development Goals [MDGs], does NEPAD have a plan to move beyond 2015? In terms of reaching the key indicators of the MDGs, how do you think we fared?*

MAYAKI: The good thing about the MDGs is that they brought back the importance of the social sector. We have been planning systems and revitalized others in order to move towards these social indicators. Now, there is an unfinished job in these MDGs. But what Africa needs to concentrate on is beneficiation, value addition, and economic transformation. This is the path we need to take. Our essential preoccupation is that we need to think inward and shape our own strategy. On this basis, if the universal goals designed under the post-2015 agenda reflect the choice that we have made, then it is fine.

APJ: *We've had an opportunity to talk about three different themes today: the first being the demographic potential that Africa is currently experiencing regarding the youth becoming working age, the second being the untapped potential of the agricultural sector, and the third being a desire for inclusive growth. In your mind, how do those three come together to make the continent stronger?*

MAYAKI: We tried to conceive the theory of change that NEPAD will be working towards under our strategic plan for 2014-2017. That theory of change looks at institutions, actors, and the state, and what we propose, mainly, is to reshape the way in which the state is formulating its policies. Reshaping policy formulation means that we will have to combine top-down and bottom-up approaches, and not only top-down plans. So, how do these three issues relate? Most of Africa's population is young, and most of Africa's population lives in rural areas. If we don't transform the rural areas, in order to create growth in rural areas, there will not be inclusiveness. ♦

Interview with Lise Grande, United Nations Resident Coordinator and United Nations Development Programme Resident Representative in South Sudan

INTERVIEWED BY CLAIRE HASSOUN AND
MPUMELELO NXUMALO
18 FEBRUARY 2014
CAMBRIDGE, MASSACHUSETTS

THEME OF INTERVIEW

In line with Lise Grande's presentation at the John F. Kennedy School of Government at Harvard University on 18 February 2014 and the mission of the *Harvard Africa Policy Journal (APJ)* to encourage dialogue on African policy, *APJ* wanted to learn about the UN's engagement with the government of South Sudan (GoSS) on state building. The interview with Grande focuses on challenges and achievements as well as areas of improvement going forward. *Grande's responses in this interview do not reflect the views of the UN or its agencies.*



Lise Grande has worked for the United Nations since 1994, serving in Armenia, Angola, Democratic Republic of Congo, East Timor, Haiti, Occupied Palestine, South Sudan, Sudan, and Tajikistan. She has worked in some of the United Nations' largest humanitarian and peace-keeping operations and is now serving as the UN Resident Coordinator in India.

APJ: Can you please talk us through the state-building process in South Sudan, focusing on the priorities that were set out given that there was no precedence for something like it?

LISE GRANDE: The state-building exercise in South Sudan represents the single largest effort at state building undertaken since World War II. There has been nothing like it in terms of scope and complexity. The international community tried to help in several ways. A key aim was to give as much space as possible to the South Sudanese leadership to stabilize their newborn country and lay the foundations for state takeoff. At the same time,

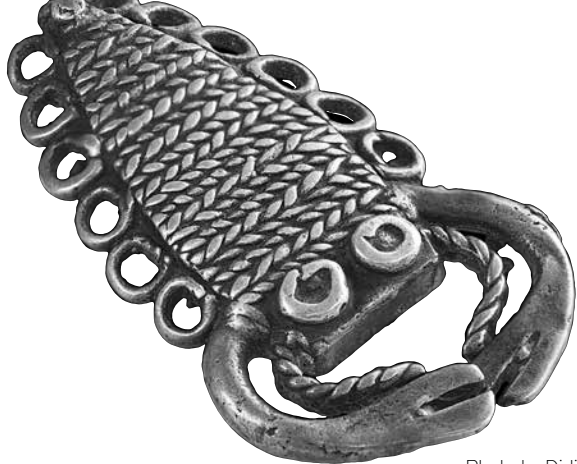


Photo by Didier Descouens

the international community was committed to helping put in place the essential core state functions necessary for the new government to function. Working from a roadmap agreed with the South Sudanese leadership, the UN and international partners worked around the clock in the lead-up to independence to ensure that nineteen core state functions were in place; these included a functioning treasury, procurement mechanisms, a functioning police force, and so forth. The intention was to continue putting in place, over the course of five years, more than 120 additional functions in a sequenced and systematic manner.

APJ: *You stated that the nineteen core functions were to be sequenced. There is a recent (October 2013) article by Harvard Professor Lant Pritchett and others called “South Sudan’s Capability Trap: Building a State with Disruptive Innovation,” which argues that there was poor sequencing of the priorities you just listed . . .*

[Here is an excerpt from the article: “[Francis] Fukuyama and

[Brian] Levy posit four potential development sequences, each defined by its initial entry point: state capacity building; transformational governance; ‘just enough’ governance; and bottom-up development through civil society. The ideal entry point and sequence will be the one that is ‘capable of breaking a low-growth logjam, and initiating a virtuous spiral of cumulative change.’”

The authors argue that “... context was largely overlooked during South Sudan’s crucial interim period and after independence, in order to pursue the international donors’ preferred state building agenda. Without any history of South Sudanese self-governance, no predecessor institutions, and starting essentially from scratch, the temptation to transplant ‘best practices’ was hard to resist. Development strategies were designed and implemented primarily by donors, with limited South Sudanese ‘ownership’ and only notional adherence to principles of ‘aid effectiveness.’ The robust state capacity-building intervention has not resulted in high levels of success; the amount of capacity

transference to GoSS during the interim period was minimal, and the region achieved independence amid serious capacity concerns and predictions of state failure.”¹]

GRANDE: Dr. Pritchett has raised an important point. Although there was a roadmap for the nineteen core functions—and within the first year of statehood, a five-year development plan—a comprehensive, prioritized, and sequenced state-building plan did not exist. This meant that much of the international technical assistance that was provided was based on ad hoc perceptions of what was

GRANDE: The government of South Sudan was facing an almost insurmountable set of problems; this is a point which cannot be emphasized enough. The role of the international community was to facilitate, to support, and to help, not to run things themselves. It is not a question of blaming the leadership; it is important to understand how overwhelming the situation was, why the South Sudanese leadership made the decisions they made, and why they focused on some things rather than others.

It is not a question of blaming the leadership; it is important to understand how overwhelming the situation was.

needed. We need to be sensitive to the fact that South Sudan’s leadership was overwhelmed in the lead-up to independence, pulled in a number of different directions as they tried to solve urgent political problems, which took precedence over other issues, as you would expect. This being said, however, I think there is no question that a comprehensive plan would have helped to discipline the interventions of the international community.

APJ: *So just to reiterate, you are saying part of the shortcomings is on the government of South Sudan?*

APJ: *The paper also reports that the Ministry of Finance outsourced a number of its functions to some members of the international community including consultancies . . .*

GRANDE: [United Nations Development Programme] UNDP took a different approach. In collaboration with the Inter-Governmental Authority on Development (IGAD), UNDP facilitated a coaching and mentoring initiative with civil servants from neighboring countries. Active civil servants from Ethiopia, Kenya, and Uganda were embedded for two to three years in line ministries and state governments and twinned with Southern Sudanese officials. They

performed line functions with their South Sudanese counterparts while coaching and mentoring them. This approach avoided many of the pitfalls of typical technical assistance programs where high-priced international consultants, often with little real experience of the problems facing a country like South Sudan, offer advice. If you are coming from Ethiopia and are an active civil servant in the Ministry of Finance,

in establishing institutions, improving social conditions, and laying the foundations for state takeoff—progress of which the South Sudanese are rightly proud. As for the future, the more the South Sudanese people and their leaders believe that peace and stability are the only options for achieving their goals, the faster they are likely to reach them.

As the country moves further from the liberation struggle, there will certainly be more room for technocrats to play leading roles.

believe me, you are a lot more useful to your counterpart than someone from some overseas institution with limited experience.

APJ: *Toward the end of 2013, South Sudan appeared to be imploding with the outbreak of the civil war between the government and rebels. We know your appointment had by then ended, but do you have any thoughts on what went wrong?*

GRANDE: I hope you will allow me to respond to this question by first saying how important it is to recognize the many things that have gone *right*. Huge progress has been made in South Sudan in a very short period of time

APJ: *Given what you just said and the recent civil conflict in the two-year-old country, would you call the state-building mission that culminated in independence in 2011 a success?*

GRANDE: The time horizon for measuring state building is much longer than a couple of years. Perhaps it's possible to evaluate progress after five years, or, more realistically, ten to twenty years. In one regard though, it's quite clearly been remarkable: the people of South Sudan won their independence through a peaceful referendum supported by a committed international community. After fifty years of struggle, this is something wholly admirable.

APJ: *There is evidence that in the aftermath of the Arab Spring, some nationals returned to their home countries. Have you seen such a trend in the case of South Sudan?*

GRANDE: Many South Sudanese are coming home to build their country, bringing their skills and helping to support virtually all aspects of state building. This being said, it's important to not underestimate the challenges they face. As the country moves further from the liberation struggle, there will certainly be more room for technocrats to play leading roles.

APJ: *Shifting gears a little toward the Millennium Development Goals [MDGs] set to expire in 2015: what is your assessment of what has been achieved in that regard?*

GRANDE: Most development work in the 1980s was dominated by the assumption that the economies of poorly performing countries required structural adjustment enabling them to grow; through some miraculous process that was never properly defined, this growth was somehow meant to transfer downwards to improve people's lives. UNDP challenged the assumption that growth was the sole aim of development and, by introducing the Human Development Index in the 1990s, showed that a country's progress in education, health, and other factors was as important, if not more so, than just its growth rate.

Following the end of the Cold War, there [was] a series of international conferences during which targets and goals were set based on the human development paradigm. The MDGs built on these targets and, by bringing them together in a simple elegant framework, codified, celebrated, and elevated human development as the central point of development. What did they achieve? One of the things that many of us appreciate about the MDGs is the clarity and unity of vision they represent. All countries in the world have agreed to them and all countries in the world have worked to meet them. The hope of many of us in the UN is that this clarity of vision is not lost but is continued and strengthened through the new Sustainable Development Goals that will succeed the MDGs. ♦

¹Larson, Greg, Peter Biar Ajak, and Lant Pritchett. "South Sudan's Capability Trap: Building a State with Disruptive Innovation." Center for International Development at Harvard University, 2013. Emphasis added.

²For more information, see United Nations Millennium Development Goals Web site.

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