CHAPTER 4: GLOBALISATION AND THE ROLE OF THE STATE

4.1   Introduction

This chapter will describe and explain globalisation in the context of the role of the state and public administration. It is not the intention of this study to give a complete account of globalisation, but rather to highlight the most important issues for public administration, government and development. The overview of globalisation aims to inform on a new era for globalisation with new markets, new actors, new roles and norms and new tools. The role and function of the state will be explored. The AIDS epidemic in sub-Saharan Africa is threatening development initiatives such as poverty reduction and economic growth. The state's ability to contribute in the mitigation of the AIDS epidemic depends largely on the optimal function of its institutions. Bilateral donors and multinational institutions' mitigation strategies are based on the state's ability to deliver the necessary services. The success of interventions depends on the ability of the state not only to take the lead, but also to provide the political will, leadership and commitment. A short history of the changing concepts of government's role will provide some insight on how the role of the state has changed over time. Presently, the role of the state is changing under the impact of globalisation and other developments such as demographic changes. The role of the state as regulator, enabler and facilitator will be discussed to illustrate how modern government's role has changed.

4.2   The nature of globalisation

The term *globalisation* has been used to describe many worldwide occurrences, sometimes with positive and sometimes with negative connotations. *Globalisation* has been described as "a new, complex, dynamic, multidimensional, and worldwide phenomenon, which means different things to different people and different things to the same people across time and space" (Kiggundu, 2002:3). The study of globalisation

requires a holistic approach and since globalisation affects all governments, nations, businesses, communities and individuals it needs to be managed on the basis of ethics, equity, inclusion, human security, sustainability and development (United Nations Development Programme, 1999:2).

4.2.1 Overview of globalisation

Globalisation is one of the most debated issues of our time and many scholars have attempted to define the phenomenon. Globalisation is also a complex phenomenon involving a variety of global trends and tendencies and as an expression can be used in terms of reference to a historical era, a process, a theory or a new paradigm. There is also no general agreement whether it has contributed quantitatively or qualitatively to change in the global economic and political structures (United Nations Department of Economic and Social Affairs, 2001:7).

The United Nations Development Programme defines *globalisation* as the growing "interdependence of the world's people…integrating not just the economy but culture, technology and governance. People everywhere are becoming connected – affected by events in far corners of the world" (United Nations Development Programme, 1999:1). Globalisation is not a new concept and has been linked with the idea of a new world order after World War 2 (Farazmand, 1999:510), a new world order where states and people can live at peace with each other while fostering collective security interests and respecting each other's borders. The concept of a new world order fell to the wayside after the fall of the Union of Soviet Socialist Republics (USSR) and globalisation became the new phenomenon of debate and investigation with phrases such as 'global village', 'global citizenship' and 'borderless world' as commonplace. Although globalisation is not new, this era of globalisation is different with new markets, new tools, new actors and new rules (Table 4.1). Governments need to find rules and institutions for stronger governance at local, national, regional and international levels to ensure that globalisation is beneficial to all, especially the developing countries.

Table 4.1   A new era for globalisation

New markets	• Markets in services: banking, insurance, transport • Deregulated financial markets, 24 hours per day • Deregulation of competition laws • Global markets with global branding
New actors	• Multinational corporations • World Trade Organization • International criminal court • International NGOs • Regional blocks, e.g. European Union, North American Free Trade Organisation, Southern African Development Community • Policy co-ordinating groupsG8, G77, OECD
New rules and norms	• Market economic policies • Adoption of democracy as choice of political regime • Human rights conventions • Environmental conventions • Multinational agreements in trade • Multilateral service, intellectual property and communications • Multinational agreement on investment
New tools	• Powerful computers and home computers • Internet and electronic communications • Fax machines • Cellular telephones • Computer-aided design • Cheaper and faster transport by rail, air, sea and road

Although globalisation seems to create greater interconnections and interdependence among states and people, there seems to be little consensus on the extent of integration it causes and its pervasiveness (United Nations Department of Economic and Social Affairs, 2001:7). There are different views on the effect of globalisation; the first view is that of increasing worldwide integration within the global system which will lead to assimilation. The second view is that there will be enough of a change in the global system to merit the term *globalisation*, while the third position is that changes at global level have not ushered in a distinctly new era in human affairs. The fourth and

last perspective is to reject globalisation, that nothing of any great irreversible significance has taken place.

In the *World Public Sector Report: Globalization and the State*, the United Nations acknowledges that it is not easy to define *globalisation* and refers to it as "increasing and intensified flows between countries of goods, services, capital, ideas, information and people, which produce national cross-border integration of a number of economic, social and cultural activities" (United Nations Department of Economic and Social Affairs, 2001:8). Globalisation is depicted as a combination of different processes, which includes a variety of trends and tendencies with a multidimensional character (Table 4.2).

Table 4.2   The characteristics of globalisation

Not a new phenomenon	• Date back to Roman, Hellenistic and Persian empires • More modern times in the 19th and 20th centuries through new technologies such as telegraph, railways, steam engine • It is a local concept, should be described to people in a way that make sense to them
Increased global integration and interdependence	• Little consensus about degree of integration • Uncertainty about pervasiveness • It is asymmetrical and imperfect, needs commitment to improve
Multidimensional character	• It is about transformational change with adverse effects • Economic • Political • Social • Cultural
Characterised by	• Unprecedented rapid flows of goods and service • Circulation of ideas and tendencies • Emergence of new social and political movements • Associated by extremes: 'Winners take it all' exacerbates inequities
Key actors	• Predominantly the United States, western Europe and Japan • Main actors part of G8 account for more than 80% of capital, for technology and markets which drive globalisation • Nation-state and role of government critical

Sources: Adapted from United Nations Department of Economic and Social Affairs. 2001. *World Public Sector Report. Globalisation and the state.* New York: United Nations.
Kiggundu, M.N. 2002. *Managing globalisation in developing countries and transition economies. Building capacities for a changing world.* Westpoint CT: Preager.

4.2.2 The drivers of globalisation

There are many drivers of globalisation and only four of the most prominent forces which have interacted in producing greater interdependence and integration will be discussed: policies to liberate trade and investment, technological innovation and the reduction of transport and communication costs, entrepreneurship and global social networks.

4.2.2.1   Liberation of trade and investment

Technological innovation and entrepreneurship are, together with national governments, the main reason for economic integration. Governments played a pivotal role by allowing greater economic integration through the adoption of market-oriented policies and regulation (Bertucci & Alberti, 2001:1). These policies and regulations allowed for the removal of controls over foreign exchange, the progressive elimination of capital controls, the removal of controls over interest rates and the lifting of barriers to entry to banking and financial services (United Nations Department of Economic and Social Affairs, 2001:9). The General Agreement on Trade and Tariffs (GATT) established the World Trade Organization (WTO) through a negotiation process. The WTO's aims are to remove barriers to trade in goods, liberalise services and capital flows and facilitate international policies and regulations. The effect of globalisation on trade and investment, foreign exchange and capital markets is that they are linked globally and operating 24 hours per day. The result is trade at global level at a distance in real time (United Nations Development Programme, 1999:1).

4.2.2.2 Technological innovation and the reduction of transport and communication costs

Through the development of computers and the internet, the globalisation of information flows has escalated dramatically. Previously, the computer was mainly used by the state and businesses, but today it is a household appliance used for information retrieval and processing, for education, for entertainment and for communication (Bertucci & Alberti, 2001:3). Communication through telephones and cellular phones has made it possible for even the most remote of the people of the world to be in communication with the outside world. In turn, these technological innovations have created a market for multinational corporations who have taken full advantage of the open global markets to spread their production processes. Modern transportation methods and computerised booking systems have made it possible for people and goods to be transported to faraway destinations and thus to contribute to the globalisation of production and services.

4.2.2.3 Entrepreneurship

As mentioned above, technological innovations have created a market for multinational corporations and the opening up of these economic opportunities made it possible for the movement of foreign capital, technology and management to host country entrepreneurs and corporations (Bertucci & Alberti, 2001:3). Large transnational corporations are not new, but the way in which they operate around the world has changed significantly.

4.2.2.4 Global social networks

The way in which people and organisations operate, co-operate and interface has been changed by new technology in communication, telecommunication and transportation. Social networks across the borders of countries have influenced democracy, human rights, the environment and poverty (United Nations Department of Economic and

Social Affairs, 2001:13). A distinctive characteristic of globalisation is the influence of global civil society organisations on the international policy agenda and processes especially on the protection of human rights. Global transnational corporations, due to their growing economic power, are also becoming a force to be reckoned with in the international arena.

4.2.3 Economic and social dimensions of globalisation

Economic globalisation is mainly represented by the rapid expansion of global trade, foreign direct investment and capital market flows. This includes flows of labour, goods and capital across borders and the emergence of globally integrated markets for goods, services and capital (United Nations Department of Economic and Social Affairs, 2001:14). The reduction in transportation and communication costs has greatly facilitated economic globalisation by speeding up transaction times and methods in service delivery. More people are travelling and the mobility of people directly contributes to tourism and migration of workers, which in turn lead to economic globalisation.

As in the case of social globalisation, the reduction in communication and transport costs contributed to economic globalisation it is with the case of social globalisation. Cheap, instantaneous communication and dispersion of information on a massive scale have affected politics, culture and social establishment. People have become aware of their rights and form pressure groups to demand better services and higher standards of behaviour from their governments. Due to cheap and accessible transportation, people have become more aware of international issues and social problems. Social protests have also changed appearance with people from many countries participating, for example, the protests at G8 and WTO meetings the last couple of years.

International and regional organisations are being formed based on their shared interests rather than on geopolitical similarities, for example, Save the Children (United

Nations Department of Economic and Social Affairs, 2001:16). Global NGOs dealing with, for example, human rights issues are increasingly being invited to United Nations conferences and global economic meetings. The exposure they receive at these conferences increases their political leverage to fight for their causes.

4.2.4 Globalisation and its effect on public administration

Economic globalisation offers the potential for economic growth through greater economic openness, foreign direct investment and transfer of technologies. Competitive trade is beneficial to all countries because it increases the choices of the consumer and the quality of products (Bertucci & Alberti, 2001:5). Economic globalisation has opened the doors for developing countries through new markets for export, attracting foreign capital which in turn enhances development. According to the *World Public Sector Report,* (2001:17) evidence is strong that real GDP growth is related mainly to domestic productivity growth, not to balance of trade or to productivity relative to competitors. Developed countries have not lifted their protective barriers for developing countries in many of the crucial sectors such as textiles and agriculture.

Social globalisation has created greater social awareness of human rights violations, child labour abuses and corruption. As mentioned above, the reduction in transport and communication costs has provided people with new tools of information dissemination on human rights, democracy, poverty alleviation and transparency.

Despite the many achievements in all spheres of humanity, the world still faces many challenges. These challenges in turn affect public administration and the role of government. The major change in the configuration of the public-private spheres in favour of globalising the corporate sector, has changed the leading role of government in the allocation of resources, the distribution of wealth, the stabilisation of the economy and economic growth (Farazmand, 1999:511). Public administrations have been shrinking, leaving fewer officers to do more, which can create stress and burnout.

4.3 The impact of globalisation on the state

The increased significance of non-state organisations such as international NGOs and transnational corporations has set in motion a discussion about the role of the state and whether the state can cope in an atmosphere of a diverse range of pressures. Due to globalisation, the state and state institutions are increasingly subjected to pressure from both the domestic and global arena. The state, especially in developing countries, needs to be strengthened and innovations in public administration are needed to deal with the threats of poverty, HIV/AIDS, inequality and disease. It has been suggested that globalisation undermines the role of the state and advances the private sector, but this notion has been discredited; globalisation or not, the nation-state shall survive (Kiggundu, 2002:30). The state remains a key actor in both domestic and international arenas and some scholars are of the opinion that the state can be strengthened through creating a more stable international environment (Bertucci & Alberti, 2001:9).

During the 1980s and 1990s, several countries implemented a number of reforms in their public administrations and with the help of the Bretton Woods institutions a new public administration paradigm and macroeconomic policy framework were introduced aiming to reduce the role of the state in production and service delivery, and to encourage the deregulation of public enterprises (United Nations Department of Economic and Social Affairs, 2001:32). This new public administration paradigm has been called 'redesigning of the state', 'reinventing government' and 'new public management'. The new public management has been hailed as a good example of globalisation at work, with its promotion of the technological revolution and the spread of ethics and values among governments in nation-states, sub-national units, international and supranational institutions (United Nations Department of Economic and Social Affairs, 2001:36). This new public management and reinvention of government have not only changed public administration, but also changed the terminology used to describe management, for example, using the term *rightsizing* rather than 'downsizing', *empowering* rather than 'service', *lean and mean*, *results over process*, *contracting out*, *offloading* and *outsourcing* (Table 4.3).

70

Table 4.3   The tenets of new public management

Let the managers manage	• Results-based performance • Monitoring and evaluation • Cost reduction • Shrink government and promotion of privatisation • Focus on core competencies • Devolution of decisional responsibilities • Client-orientation service • Empowerment of end-users • Participatory management
Empowering of the citizens	• Relieve citizens from the burden of bureaucratic rules • Encourage privatisation which will lead to customer satisfaction, more freedom and enhance democracy • Results-oriented management enhances services • The term public administration is being replaced by public management
New responsibility mechanisms	• Public officials were assigned direct responsibility for their conduct • Accountability for failure to act • New mechanisms to review and correct decisions of public officials • Responsibility of public management goes beyond public administration into field of governance
Introduction of business principles in government	• Public affairs to be conducted on business principles • The economic philosophy behind management has obscured the importance of law, psychology, political theory, ethics and other social sciences in public administration • Governments should adopt techniques and values of business
Playing down the concept of 'public service'	• The rejection of concepts like 'public service' and 'public spirit' has led to major reforms in many countries • This led to the separation of political advice from policy implementation, again entering into the policy administration dichotomy • The boundaries and purpose of civil service were redefined
Promotion of ethics and principles in government	• Develop policies that will deliver results that matter • Public services to meet the needs of citizens • Delivering of efficient high quality public services • Use new technology to meet the needs of citizens and business • Public service will be valued
Performance management	• Encourage a systems approach by improvement of effectiveness and value for money of a whole system • Efficient management of government resources • Government will take action if necessary but will also give freedom to innovate in service delivery • Government uses the correct information at the right level by using new technology to streamline information management in the public sector • Focus on monitoring and evaluation

Performance budgeting	• Linking performance information with budget • Plans linked with budgets must involve legislative branches • Performance budgeting is an evolving concept • It is not a simplistic term as budgets cannot mechanically be linked to results

Source: United Nations Department of Economic and Social Affairs. 2001. *World Public Sector Report. Globalisation and the state.* New York: United Nations.

Since its inception about 150 years ago (Stiglitz, 2003:3) the nation-state has guaranteed internal and external security, strengthened the law, funded national social welfare, provided the structures of democracy, established public accountability, and provided the framework for economic and social pursuits (Bertucci & Alberti, 2001:10). The role of the state has expanded to include the need to supply collective public goods and provide for minority groups. Globalisation will strengthen the relevance of these functions.

The *Human Development Report* of 1999 argues that the challenge of globalisation is not to stop the expansion of global markets, but to find rules and institutions for stronger local, national, regional and global governance (UNDP, 1999:2). Globalisation has, however, created a system of global governance without global government. At present, the need for global institutions has never been greater, but the confidence in global bodies such as the International Monetary Fund and the World Trade Organisation has never been less (Stiglitz, 2003:4). National and global governance need to be managed with human development and equity at its centre.

4.4 The role and function of the state

In order to understand the possible impact of issues such as poverty, sustainable development, HIV/AIDS and other communicable diseases on governments in the developing world, the role of the state needs to be scrutinised. Botes *et al.* (1997/8: 5) define *a state* as "…an internationally recognised demarcated territory with a self-governing permanent population, which enjoys independent political sovereignty and international recognition". Democracy places the sovereignty of the state in the people and people expect the state to act as a social mechanism in accordance with the dictates of the people (Baltodano, 1997:621). The state has the accepted function to define and implement collectively binding decisions and can claim sovereignty over all other institutions and must be recognised as such by other states (Monteiro, 2002:1).

Max Weber defines *a state* as that organisation that has a 'monopoly on the legitimate use of physical force within a given territory', which may include the armed forces, civil service, courts of law and police (Wikipedia, 2007). The terms *country, nation* and *state* are often used as if synonymous, but for the purposes of this thesis *country* will be used to describe a geographical area; *nation* indicates a people who share common customs, origins and history; and *state* refers to a collection of governing institutions that has sovereignty over a specific territory (Wikipedia, 2007).

Gildenhuys (1988:4) states that the role of the state is based on four ideologies, namely the *laissez-faire* capitalism, socialism, the notion of the social welfare state and the notion of an economic welfare state. One of the primary goals of the state, according to the *laissez-faire* view is to provide an enabling environment for free competition among the citizens. The government protects its citizens by regulating through enforcement of contracts by the courts of law, the protection of the individuals and their property, and the defence of the national community from aggression from across its borders. Within this framework, the government promotes free and unregulated competition (Gildenhuys, 1997:6).

Table 4.4:   Changing concepts of the role of the state

Type of state	Role	Administration
The classical state	• Providing a social contract that defined the rules of the political game • Application of the rule of law • Provision of policy framework for operation in market	• Structured by aristocracy, people of standing • Later shifted to those who had wealth • Classic state was a city state that came to incorporate a nationally defined territory
Interventionist state	• Popular demand for increased state intervention in provision of social welfare • Intervention by government to build an industrial economic base • Socialist role through state ownership of the means of production	• Social democracies • Regime-driven industrialising states • Hierarchically structured bureaucratic organisations • Officers professionally trained at universities in basic public administration run public service
Neo-liberal state	• Redefining the role of the state • Minimising its role in the economy and social service delivery, the so-called Washington Consensus	• New public management • Managers influenced by private sector perceptions of organisational design and development • Service delivery focus • Value for taxpayers money, lean administration
Neo-Keynesian state	• State as regulator • Developmental role • State as facilitator	• End user of services seen as paying customers • Performance management • Strategic governance • Inclusion of civil society in governance issues • Participatory decision-making

Sources: Swilling, M. 1999. Changing concepts of governance. *Africanus* **29(2):20-40.**
Crous, M. 2006. Quality service delivery through customer satisfaction. *Journal of Public Administration,* **41(2.2):397-407).**

Socialism differs from the *laissez-faire* capitalism in that it does not acknowledge private ownership and free enterprise. Socialism makes provision for the redistribution of income and social benefits such as free medical services, pensions and free education. The role of the state is the control of markets, redistribution of income and provision of welfare services for all citizens (Gildenhuys, 1988:8). The role of the social welfare state is to ensure minimum standards for a good life to all its citizens through providing

education, pensions, medical care, housing, and protection against loss of employment or business (Table 4.4). The social welfare state creates an enabling environment to ensure its citizens have equal opportunities to a good life (Gildenhuys, 1988:9).

The economic welfare state emphasises the economic welfare of the individual and is based on democratic values and free enterprise, with minimum government intervention in the activities of the individual. The aim of the economic welfare state is to create an environment in which an individual is free and left to develop his/her personal economic welfare according to his/her own abilities. This will enable the individual to look after his/her own personal welfare. The government regulates the relationships between individuals through an independent judicial system based on common law principles (Gildenhuys, 1997:16). The role of the modern state can be seen as a combination of the positive aspects of all the above approaches. The goals of the modern state, or according to Swilling, the neo-Keynesian state, are therefore to create an enabling environment for all its citizens to enjoy a good life in a democracy with a free market system (Swilling, 1999:32). The state regulates relationships through independent courts of law and promotes individual freedom to personal economic welfare.

4.4.1 The state as regulator, enabler and facilitator

Globalisation, the emergence of new public management, the collapse of the communist states and the subsequent end of the cold war, as well as the enormous increases of inequities within and between developing and developed countries have all contributed to the debate of the changing role of the state (Swilling, 1999:21). The classic functions of the state are nation building, defence, maintaining law and order, creating conditions for wealth accumulation, and some core functions such as taxation and monetary issues, security, environment, education, health, investment and trade and infrastructure (Monteiro, 2002:13). Functions such as taxation, security and policy formation have been outsourced to private companies, but certain core services such as health services and education remain with the state. The state can also play a role in

the promotion of technology, marketing, the creation of financial incentives, and the management of policies. The primary goal of the state is to promote the general welfare of society. Aristotle said that the state exists not only to make life possible, but also to make life good (Strong, 1963:17). The state's primary role is not only a political one, it also has moral obligations towards its citizens by providing services in making life good (Chambliss, 1954:197).

The role of the state as regulator differs from its role as participant in providing services, being a producer and a sponsor. In its capacity as regulator, it develops a system of rules designed to resolve conflicting ideologies and protect the rights of individuals and institutions (Otobo 1997:44). The state as regulator uses coercive powers to permit or forbid certain activities in the private sector (Schoeman, 2007:128). The state as regulator of different sectors of society also ensures that the public service attains the goals of the state (Department of Public Service Administration, 2005:3). In a globalised world, the state has an important role to play in the establishment and maintenance of a fair competition base and also an enabling environment for private enterprise, individual creativity and social action (Bertucci & Alberti, 2001:14).

Through the provision of a supportive environment for economic growth and social stability, government plays the role of a facilitator. Eventually all these roles and functions would add up to the government's role as enabler for private sector development (Otobo, 1997:1). As the state diminishes its operational role, a partnership relationship with the private sector should emerge where the private sector should play a leading role in development and service provision; and government in turn should create an enabling environment for the private sector to deliver services and to grow its operations. As facilitator, the government could unify different spheres of the public service to ensure good governance (Department of Public Service Administration, 2005:3). Improved governance requires that the role of the state be that of a facilitator and a mediator, therefore the state's endeavours are being directed to basic services in health, education and social safety nets. Ultimately, government will be evaluated through the effectiveness of its role of regulator, facilitator and enabler (Otobo, 1997:2).

4.4.2 The new role of the state

While many roles such as facilitator, enabler, regulator, activator and provider were assigned to government, it should not automatically be considered that the state should be the provider of goods such as health services, education and social welfare services (Hart, 2004:1). The role of the state should be confined to what individuals cannot do for themselves, such as provide security, put in place the necessary legal framework, act as mediator between supranational institutions with regard to trade, provide a clean and safe environment, economic stability, provide public transport, provide social welfare and develop a framework to enable people to take responsibility for their own lives (Hart, 2004:2). The role of government could be defined in terms of whatever role the electorate decided to give it. The role of the modern state would ideally be based on a democratic political system, and the creation of a good quality of life for all citizens through protected human rights, the application of the rule of law, and minimum interference by government in the social and economic life of the individual (Crous 2006:398). One of the roles of government in the 21st century will be to react appropriately to many challenges such as the changing demography in countries; the dwindling and ageing population of western Europe and the changes that HIV/AIDS has made and will make in the demographic structures of sub-Saharan African countries.

The economic role of the state has increasingly become vital in the successful implementation of a country's development strategy (Stiglitz, 1998:2). The notion that government involvement in the economy is unnecessary and ineffective has been dispelled with the idea of partnerships between the public and private economic sector. Government and the private sector can act together utilising each sector's unique attributes, with government acting as the regulator of financial institutions to ensure competition and maintain safety and soundness of financial systems (Stiglitz, 1998:8).
The World Bank has identified four principles to reflect the overall range of the role of government: mandating, facilitating, partnering and endorsing when creating an enabling environment for corporate social responsibility (World, Bank 2003:9). The

lines between public sector instruments and interventions are often blurred as outlined in the diagram below.

Table 4.5:   Public sector roles in corporate social responsibility

Public sector roles			
Mandating	Command and control legislation	Regulators and inspectorates	Legal and fiscal rewards and penalties
Facilitating	Enabling legislation	Creating incentives	Capacity building
	Funding support	Raising awareness	Stimulating markets
Partnering	Combining resources	Stakeholder engagement	Dialogue
Endorsing	Political Support	Public procurement and public sector practices	Publicity

Source: World Bank. 2003. *The World Bank Group's Social Responsibility (CSR) Practice's Technical Assistance to business and education in El Salvador.* **[Online] Available at: http://siteresources.worldbank.org/INTPSD/Resources/El-Salvador/ElSalOverview.pdf [Accessed: 31 December 2007].**

4.5   Conclusion

Globalisation has opened the boundaries of the state and the causes and consequences of its political, social, health and economic decisions are not contained by its borders.   Globalisation affects everyone; individuals, communities, countries, regions and institutions. The impact of HIV/AIDS on countries, their neighbours and indeed, the world is a point in case. Globalisation tends to shape not only the organisational character of the administrative state, but also the managerial dimension of public administration.   It is increasingly recognised that good governance is significant in a country's developmental processes to ensure that globalisation benefits all.   The state, in partnership with business and civil society, has a key role to play in attaining a good life for all its citizens.   Globalisation has also promoted a universal protection of human rights and a higher quality of life.

The role of the state has changed with the advance of globalisation and the focus has shifted to the ability of the state to strengthen its capacity to effectively manage in a changing and complex situation. The state's role has changed from a hands-on management and direct deliverer of service and goods to facilitator of an enabling environment and framework for private sector participation. The economic role of the state has shifted to that of regulator of financial institutions to ensure fair competition and maintain safety and soundness of financial systems. It has been increasingly clear that the success of a country's development programmes hinges on the country's effective economic policies and good governance.

The next chapter aims to demonstrate the challenging environment in which public administration is being implemented in developing countries. Governments and public administrations in developing countries play a pivotal role in responding to changes emerging from globalisation. Governments in developing countries face daunting challenges such as developing essential infrastructure, reducing socio-economic inequality, combating poverty, supporting social and private sector development, and protecting the environment. The many challenges of developing countries such as national debt, corruption, human rights violations, poverty, conflict, HIV/AIDS and other infectious diseases, and food security all impact on the ability of governments and their administrations to perform effectively. This chapter will look at the political, economic, social, health and development environment in which governments have to practise public administration. The international and regional environments in which public administration must function are also considered.

CHAPTER 5: THE ENVIRONMENT IN WHICH PUBLIC ADMINISTRATION FUNCTIONS IN SUB-SAHARAN AFRICA

5.1 Introduction

The purpose of this chapter is to demonstrate the challenging environment in which public administration is being implemented in developing countries. Governments and public administrations in developing countries play an important role in responding to the new responsibilities emerging from the quest for sustained economic growth and sustainable development. Among other things, governments have to develop essential infrastructure, reduce socio-economic inequality, combat poverty, support social and private sector development and protect the environment. Governments also have the responsibility to strengthen public administrations in order to ensure effective service delivery. The environment in which public administration functions in sub-Saharan African countries is complex and affected by challenges such as national debt, corruption in governments, human rights violations, poverty, conflict, HIV/AIDS and other infectious diseases, and famine, to name but a few. It is expected of governments to perform and conform to standards that are set in the global arena. This chapter considers the political, economical, social, health and development environment in which governments have to practise public administration. The international and regional environments in which public administration must function are also scrutinised.

5.2 Political environment in which public administration functions

One of the greatest threats to human security in Africa is violent conflicts and war. Wars have displaced millions of people, disrupted lives, killed and maimed many people and destroyed the infrastructure of countries. Violent conflicts and wars can also roll back the human development gains built up over many years (United Nations Development Programme, 2005:151). The World Bank estimates that wars and violent conflict cost Africa at least 2% loss of economic growth during the 1990s (Institute for Security Studies, 2006b). During the past 10 years various violent conflicts and war have disrupted the lives of the people of sub-Saharan Africa. In

conflict , the principles of democracy are not adhered to and corruption in what is left of a government is rife. The Democratic Republic of the Congo (DRC) is one example where the whole government has virtually been paralysed, infrastructure destroyed and disrupted. For the rich countries to support developing countries with aid, peace and security, which is closely linked to development, is a prerequisite.

Table 5.1   Political issues in southern African countries – 2006

	Form of sate	Head of state	National government	Domestic politics	International relations
Botswana	Unitary republic	President chosen by national assembly	President and appointed cabinet	Political tensions due to unconstitutional relocation of the Basarwa from Central Kalahari Game Reserve	Good relations with major trading partners
Lesotho	Monarchy	Monarch	Prime minister and appointed cabinet	Elections were called earlier as scheduled created tensions among political parties	Good relations with donors
Malawi	Unitary republic	President elected by universal suffrage	Cabinet, chaired by the president	Constitutional court ruling against floor-crossing in parliament. Treason case against vice-president creates tension	Good relations with main trading partners, EU and SA
Mozambique	Unitary republic	President elected by universal suffrage	President, appointed prime minister and council of ministers	Frelimo to hold party congress in 2007. Provincial elections could be postponed. Renamo protests over ongoing detention of activists	Donors concerned about style of leadership, corruption. Close links with SA
Namibia	Unitary republic	President elected by universal suffrage	President and appointed cabinet	Tension in ranks rises towards 2007 SWAPO congress	Relations with the Angolan and South African governments are close
South Africa	Federal National government, nine provinces	President elected by national assembly	President and appointed cabinet	Succession debate. Arms deal scandal. Jacob Zuma corruption case. Weak opposition parties	Shaped by objectives of NEPAD. Quiet diplomacy towards Zimbabwe
Swaziland	Absolute monarchy	Monarch, succession governed by custom	Monarch and appointed cabinet	Minor reshuffling of cabinet due to death of deputy prime minister. Constitution cases against government delayed due to lack of judges	US and EU will monitor implementation of new constitution Courts Middle Eastern and Asian countries.
Zambia	Unitary republic	President elected by universal suffrage	President and appointed cabinet	Recent elections created tension starts to stabilise	Focus on building relations with key donors
Zimbabwe	Unitary republic	President elected by universal suffrage	President and appointed cabinet	Mugabe is firmly in political control. Succession debate. Deepening economic collapse. Lack of transparency and corruption	Mugabe rejects efforts of international mediation, isolate country. Cultivate relations with East Asia

Sources: Economic Intelligence Unit. 2006. *Country Reports* 2006. [Online] Available at: http://www.eiu.com [Accessed: 07 March 2007].
International Labour Office. 2007. *Global employment trends*: Brief 2007. [Online] Available at: http://www.ilo.org/public/english/employment/strat/download/getb07en.pdf [Accessed: 25 April 2007].
Economic Commission for Africa. 2006. *Economic report on Africa 2006. Capital flows and development financing in Africa.* Addis Ababa: UNECA.

With the exception of Zimbabwe, the macro-political climate in the countries under investigation is relatively calm in terms of political issues (Table 5.1). Except for

Lesotho and Swaziland, all the countries are function in a democratic order. At domestic level, events such as elections almost always create some tensions. The Jacob Zuma corruption trial and the succession struggle for the presidency of the African National Congress create apprehension and uncertainty in South Africa at national level. Corruption and governance issues are challenges that almost all the sub-Saharan countries face and this makes the practice of public administration a challenging process.

5.3   Economic environment

Poverty in Africa, and particularly sub-Saharan Africa, is significantly higher than in other developing regions, with poverty increasing in the region. Almost half of Africa's population live on less than US $1 per day in spite of the considerable growth of the African gross domestic product (GNP) in recent years (Economic Commission for Africa, 2005:1). The question arises: what is the reason for the lack of Africa's response to economic growth and poverty? The growth rate is not high enough, as most African countries need to grow by an average of 7% per year just to reach the millennium development goals (MDG), and some countries in sub-Saharan Africa need to do even better than that. The estimated average unemployment rate of 34,5% and the inequalities in wealth distribution are also factors of low economic growth (Table 5.2). For sub-Saharan Africa to have economic growth to attain the MDG targets, massive investment is needed to break down the internal barriers that hold the region back (Economic Commission for Africa, 2005:15). There is a strong link between income growth and poverty reduction, therefore growth is central to poverty reduction (International Bank for Reconstruction and Development/World Bank, 2005:18).

More than 90% of sub-Saharan Africa lies within the tropics with the accompanying high disease burden of tropical diseases, such as malaria and cholera, which reduce life expectancy, human capital development and labour force participation (Ndulu, 2006:214). In sub-Saharan Africa there are 48 small economies with a median gross domestic product of US $3 billion. The sovereign, ethnic and linguistic fragmentation makes the region more difficult to develop and the development is slower than in

other developing regions (Ndulu, 2006:215). The lack of good infrastructure, especially in the rural areas, impedes growth even further. Most of the countries are landlocked, which relates to high transport costs and higher prices of commodities, which in turn slows down growth.

Table 5.2: Economic situation in Southern African countries in 2006

	Botswana	Lesotho	Malawi	Mozambique	Namibia	South Africa	Swaziland	Zambia	Zimbabwe
Fiscal policy	Underspending a concern. Revenue inflows high, budget in surplus of 5% of GDP.	Surplus due to revenue and under-spending. Plans to boost education, health, transport infrastructure.	Increased donor aid. Large savings on debt servicing due to debt cancellation.	Government increased fiscal spending on public sector wages and social sectors financed by donors. Fiscal deficit of 4,5% of GDP.	Increase in revenue. Fiscal deficit of 0,2% of GDP.	Fiscal deficit expected to shrink to 0,4% of GDP.	Country is facing a fiscal crisis. Governance poor in fiscal management.	Fiscal deficit of 2,4% of GDP. Heavily dependent on donor aid.	Fiscal deficit expected to 8,3 of GDP. High negative real interest rates on domestic debts. No access to substantive foreign lending.
Monetary policy	Key focus on decreasing inflation.	Benefits from SA's low inflation. Loti fixed at parity with ZAR.	Reserve Bank lowered bank rate by 5 percentage points to 20%. Focus on lowering inflation.	Focus on reform initiatives. Focus on containing inflation.	N$ fixed at parity with ZAR.	Focus on containing inflation	Currency at par with ZAR.	Key focus on decreasing inflation.	Adjust exchange rate policy. Focus on reducing inflation.
Economic growth	Mining sector plays important role in growth.	Real GDP growth estimated 3% in 2006.	Average growth of 8,4% in 2006.	Average growth of 8,4% per year from 1996-2005.	Real GDP growth estimated 4,5% in 2006.	Real GDP growth is revised upwards. Rate of about 5% in 2006.	Average growth of 1,2% in 2006.	Real GDP growth estimated 6% in 2006 due to expansion of copper production..	Declined past 5 years to -4.4% in 2006.
Inflation	Year-on-year inflation declined to 8.5% at end of 2006.	Average inflation rate of 5%, linked to SA.	Average inflation rate of 14,1%.	Average inflation rate of 10,6%.	Average inflation rate of 5%.	Measured by CPIX. Trends lower. Rate of about 5% in 2006.	Following trends in SA, averaging 5,4% in 2006.	Average inflation rate of 8,8%.	Average inflation rate in 2006 1,034%
Unemployment	About 24%.	Estimated at 45% in 2002.	No figures available.	Estimate of 21% in 1997.	Above 30%	Rate - 26% Rates fell slightly 2006	Estimated at 40% in 2002.	10.3% in 2003.	Estimated at 80%.
Infrastructure	Lack of essential infrastructure. Government is refocusing its policies and strategies to build up infrastructure.	Poor infrastructure in rural areas.	Development of infrastructure necessary.	Lack of adequate infrastructure in rural areas.	Well-maintained network of all weather roads.	Hosting of 2010 World Football Cup expand infrastructure	Looks at Middle Eastern countries for loans to upgrade infrastructure.	Need to upgrade infrastructure in rural areas.	Deals with Chinese to upgrade electricity company. Shortage of fuel decrease tourism.
Foreign trade and payments	Chaired the Kimberley Process to discuss conflict or blood diamonds.	FDI and ODI will be dictated by the new government elected in 2006.	Poor FDI, well below its neighbours.	Signed final agreement with Portuguese transferring Cahora Bassa dam to Mozambique.	Exports growing faster than imports. Foreign debt stabilises.	Current account eased slightly in 2006 Pressure remains on current account FDI tops African rankings	Launched the National Export Strategy to boost experts.	Increase of inflows of FDI. China cancels US$211m debt.	There was a pickup of inflows of FDI, but still low in comparison with other African countries. External debt rose due to poor payment.

Sources: Economic Intelligence Unit. 2006. *Country Reports* 2006. [Online] Available at: http://www.eiu.com [Accessed: 07 March 2007].
International Labour Office. 2007. *Global employment trends*: Brief 2007. [Online] Available at: http://www.ilo.org/public/english/employment/strat/download/getb07en.pdf [Accessed: 25 April 2007].
Economic Commission for Africa. 2006. *Economic report on Africa 2006. Capital flows and development financing in Africa.* Addis Ababa: UNECA.

In African politics the focus is on corruption and good governance. Corruption and governance in governments are increasingly being used by international financial institutions and donors as criteria for grant aid. Although the two concepts are related, they are separate. *Corruption* can be described as the abuse of power for private gain, while *good governance* characterises the customs and institutions by which authority in a country is applied for the common good. No state can achieve its political, economic and social objectives without good governance and prevention of corruption.

Underspending is a particular concern when taking into consideration that service delivery is poor in the region (Table 5.2). This bears down to the issue of capacity in government, not only to manage the public service, but also to render services to the citizens of the country.

5.4   Social, health and developmental environment

HIV/AIDS is potentially one of the most serious threats to sustainable development in Africa. Sub-Saharan Africa, with just over 10% of the world population, remains the region most affected by the global AIDS epidemic with more than two thirds of all HIV-positive people living in the region (UNAIDS, 2007:15). Unlike other regions, 61% of all HIV-positive people are women. Three quarters of the estimated 2,1 million (1,9 – 2,4 million) deaths occurred in sub-Saharan Africa in 2007 (UNAIDS, 2007:15). Life expectancy at birth has dropped below 40 years in nine African countries: Botswana, Central African Republic, Lesotho, Malawi, Mozambique, Rwanda, Swaziland, Zambia and Zimbabwe (UNAIDS, 2005a). As AIDS affects the most productive sector of the population on a continent where four out of 10 people live on less than US $1 per day, HIV/AIDS needs to be taken seriously and need to become a priority (Bond, 2003:16).

According to the Global Monitoring Report, there have been some success with achieving the Millennium Development Goals in sub-Saharan Africa, but it also stresses that bold actions are urgently needed if the development agenda that was envisaged is to be realised (International Bank for Reconstruction and Development/World Bank, 2005:xvii). The Millennium Development Goals Report

(United Nations, 2005) is comprehensive and shows the gains that have been made, but also points out the lagging behind of many regions, especially sub-Saharan Africa. In sub-Saharan Africa, which already had the world's highest poverty rate, the situation deteriorated further instead of getting better. The poorest region has fallen far behind in the goal to halve the proportion of people living on less than US $1 per day, in fact the very poor are getting poorer (United Nations, 2005:7). Conflict, disease and disasters exacerbate poverty and hunger in the region further.

Table 5.3: ***Measurement of the Millennium Development Goals in sub-Saharan Africa in 2005***

Goal		Target	2005 Report for sub-Saharan Africa
Goal 1	Eradicate extreme poverty and hunger	Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	The number of people has risen from 227 million in 1990 to 271 million in 1996 to 131 million in 2001
		Halve, between 1990 and 2015, the proportion of people who suffer from hunger	Number of hungry people in the region has grown with tens of millions from 1990 to present
Goal 2	Achieve universal primary education	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	The region has made some progress, but still have one third of its children out of school
Goal 3	Promote gender equality and empower women	Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	There is still an alarming gender gap in primary education, with the effects of HIV/AIDS in the region exacerbating the situation
Goal 4	Reduce child mortality	Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	Sharp increases in infant and child mortality rates
Goal 5	Improve maternal health	Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	The region has the highest maternal mortality rate in the world
Goal 6	Combat HIV/AIDS, malaria and other diseases	Have halted, by 2015 and begun to reverse the spread of HIV/AIDS	The region has the highest number of people living with HIV/AIDS in the world, 25.8 million out of 38.6 million
		Have halted, by 2015, and begun to reverse the incidence of malaria and other major diseases	❑ Tuberculosis increasing because of high HIV-positive rates ❑ TB multidrug resistance increases ❑ Drug resistance created a market for mosquito nets
Goal 7	Ensure environmental sustainability	Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	There have been some gains, but the region still lags behind
Goal 8	Develop a global partnership for development	Upliftment of poorest countries	Aid was increased, but the region still needs external financing to attain its development goals

Source: United Nations. 2005. *The Millennium Development Goals Report 2005.* New York: United Nations Department of Public Information.

Gender equality is still a substantial problem in sub-Saharan Africa. It is being feared that women will be affected the hardest when African economies are liberated as women are found in mostly vulnerable sectors such as textile, clothing, food and leather. The same applies when a girl child is taken out of school to assist at home when difficulties start. It is well known that microcredit may assist in poverty alleviation, but experience has shown that women are not usually the ones benefiting from the mechanism (Naledi & Alrn, 2003:61). Education is not only a vehicle that gives people more choices in life; it is also a way for women to be empowered and uplifted. Children out of school are mostly from poor households, where the mothers often have no formal education. In a region such as sub-Saharan Africa, where poverty and disease rates are high, girl children are often taken out of school to help with the caring of sick parents or younger siblings. There is also a serious concern for the gender gap in primary and secondary school enrolment in the region. Overall, women have the smaller share of paying jobs than men, they are being paid less than men and have more low-status jobs.

Sub-Saharan Africa has lost almost all the gains it made in the 1980s on infant and child mortality due to the out-of-control HIV/AIDS epidemic. Some countries in the region are back to the rates they recorded in the 1950s and 1960s. The region will require drastic action to reduce these rates. The risk of dying during pregnancy or childbirth is 1 in 3 800 in the developed world and 1 in 16 in sub-Saharan Africa. HIV/AIDS, poverty, lack of education, infectious diseases and the status of women in the region are all contributing factors to this tragic situation. More than a quarter of the adult population in the region is HIV-positive. The consequences of the epidemic are many with the cost to human life the worst and the saddest. Other diseases like tuberculosis and malaria are also increasing because of the AIDS epidemic.

HIV/AIDS is potentially one of the most serious threats to sustainable development in Africa. Sub-Saharan Africa is severely affected with approximately 25,4 million people living with HIV, representing about 60% of all HIV-positive people worldwide (UNAIDS, 2005a). Life expectancy at birth has dropped to below 40 years in nine African countries, namely Botswana, Central African Republic, Lesotho, Malawi,

Mozambique, Rwanda, Swaziland, Zambia and Zimbabwe (UNAIDS, 2005a). In Africa, AIDS mostly affects the economic and social productive sector of the population. On a continent where almost halve of the people live in poverty, HIV/AIDS needs to be taken seriously and be prioritised (Bond, 2003:16).

Other major challenges such as food security, education, empowerment of women and poverty are closely linked to HIV/AIDS. The region has 34 of the world's 50 least-developed countries and it will need a special effort from both the continent and the developed countries to make major progress towards reaching the Millennium Development Goals (UNFPA, 2005). Africa is the poorest region in the world, with the sub-Saharan Africa per capita GNP one-tenth of that of Latin America (Mboweni, 2003). Although Africa has a positive growth rate, it will not be enough to meet the Millennium Development Goals by 2015. The International Monetary Fund (IMF) has estimated that the sub-Saharan region should have a growth rate of about 7% per year if the MDGs are to be achieved (Mboweni, 2003).

Gender equality is still a massive problem in Africa. It is being feared that women will be affected the hardest when African economies are liberated as they are mostly found in vulnerable sectors such as textile, clothing, food and leather. With the threat of HIV/AIDS it is the woman and girl child who will be affected the worst, as they are the natural care-givers of the young and ill. It is also the girl child who is taken out of school to assist at home when difficulties start. It is well known that micro-credit may assist in poverty alleviation, but experience has shown that women are not usually the ones benefiting from the mechanism (Naledi & Alrn, 2003,:61).

Table 5.4:   Development and Millennium Development Goals information in 10 sub-Saharan African countries close to South Africa

Country	Total population in millions	Human development index rank	Human poverty index rank	Life expectancy at birth - years	Infant mortality rate (per 1 000 live births)	Maternal mortality rate (per 100 000 live births)	MDG - % population below $2 per day	Estimated national HIV prevalence 15-49 years	Estimated children HIV+	Estimated number of orphans	GDP per capita (PPPUS $ 2003)
Angola	15,94	160	83	40.8	153	1,700	no data	3.7	35,000	160,000	2,344
Botswana	1.765	131	94	40	no data	100	50.1	24.1	14,000	97,000	8,714
Lesotho	1.795	149	91	41.5	no data	550	56.1	23.2	18,000	100,000	2,561
Malawi	12.884	165	85	41.5	131.5	1,800	76.1	14.1	91,000	550,000	605
Mozambique	19.792	168	96	45.0	187.7	1,000	78.4	16.1	140,000	510,000	1,117
Namibia	2.031	125	60	53.5	35.8	300	55.8	19.6	17,000	85,000	6,180
South Africa	47.432	120	56	48.0	61.6	230	34.1	18.8	240,000	1,200,000	10,346
Swaziland	1.032	147	97	37.5	no data	370	no data	33.4	15,000	63,000	4,726
Zambia	11.668	166	90	40.0	115.2	750	87.4	17.0	130,000	710,000	877
Zimbabwe	13.01	145	89	35.5	59.1	1,100	83.0	20.1	160,000	1,100,000	2,443

Total out of 177 countries

Sources: United Nations Development Programme. 2005a. *Human Development Report 2005.* New York: UNDP.
PlusNews. 2004. *Country profiles.* [Online] Available at: http://www.plusnews.org [Accessed: 29 May 2006].
UNAIDS. 2006. *Report on the global AIDS epidemic. An UNAIDS 10th anniversary special edition.* Geneva: UNAIDS.

The impact of HIV/AIDS on sub-Saharan African governments will most probably directly affect fiscal policy on some key areas of government spending, such as the health and social budgets. Some of the indirect effects will come from the collective economic impacts, the increase of poverty, distorted development spending, and the increased demands on government to alleviate poverty (De Waal, 2003b:4). Table 3 gives a view of some human development indicators, poverty and gross domestic product (GDP) *per capita* figures of the southern part of sub-Saharan Africa. It is clear from the figures that, although some of the countries have a high GDP *per capita,* the overall low ranking of human development index and poverty, high HIV prevalence rates, high infant and mortality and maternal mortality rates will have a huge impact on governments' spending.

5.5 International environment in which public administration functions and the impact of international goal-setting

The incredible development of telecommunications technology has created a global village effect around the world, with the result that news of events which in the past may have taken days or even weeks to reach the international arena, now reaches the world much faster. Globalisation depicts a world that is interconnected and smaller because of interrelated trends and conditions such as communication, transport economics, violence, war, natural disasters, epidemics and climate change to name some. Governments' decisions have far-reaching consequences, especially if decisions infringe on the rights of its own citizens or those of neighbouring countries. The globalisation of events has also created a platform for international goal-setting and reporting, especially in the development field. Globalisation as a phenomenon has far-reaching implications for public administration and forever changed the international, political, economic, social, technological and developmental environment in which it operates. The globalisation of events has also created a platform for international goal-setting, especially in the development field (Whiteside, 2006:328). The nations of the world have created several forums to deal with goal-setting and its implementation. Of these, the United Nations was one of the first organisations to be established.

5.5.1 United Nations system

In September 2000 the General Assembly of the United Nations adopted Resolution 55/2: the **United Nations Millennium Declaration** (United Nations, 2000b:1). World leaders agreed at the subsequent United Nations Millennium Summit on the Millennium Development Goals, a set of time-bound and measurable goals for fighting hunger, poverty, illiteracy, disease, discrimination against women and environmental degradation. During 2002, at the International Conference on Financing for Development in Monterrey, Mexico, developed and developing countries committed to these **Millennium Development Goals** (MDG) by corresponding these commitments with resources and action. These MDG gave recognition to the world's collective responsibilities as well as to nations' individual

responsibilities to uphold the principles of human dignity, equality and equity at global level (United Nations, 2000b:1).

There are a number of United Nations reports that feed into the millennium development goals reporting mechanism of which the most important are the Human Development reports, the Regional Economic Commission reports and the Secretary-General's MDG reports. The Millennium Development Report (2005) is the most comprehensive and updated of these reports (Whiteside, 2006:332). This report emphasises the importance of the MDGs and states that it is the most broadly supported, all-inclusive and explicitly poverty-focused targets that the world has ever established (United Nations Millennium Project, 2005:2). These goals represent a fruitful existence for the billion-plus people living in severe poverty worldwide. The report provides overall figures of progress worldwide, such as the average income increase by about 21%, a declined number of people living in extreme poverty, declined child mortality rates and a rise in the average life expectancy from 63 to 65 years (United Nations Millennium Project 2005: 8). This progress is not uniform across the world. Sub-Saharan Africa in particular is feeling the brunt of the development crisis with food insecurity, a rising HIV prevalence rate, rising numbers of people living in abject poverty, a rising child mortality rate and a decline in life expectancy.

The report identifies a number of reasons for the underperformance in achieving the MDGs. One of the reasons is that delays in development occur with the failure of governance when governments do not uphold the rule of law, manage sound public administration, respect human rights and follow good economic policy. Another reason is that many countries fall into the poverty trap and are so poor that they cannot lift themselves out of severe poverty. The discrepancy in one country can be so large that there are pockets of poverty that urgently need investment in infrastructure, human capital and public administration. The last reason is policy neglect, where policy-makers are not aware of what to do, or neglect public issues (United Nations Millennium Project, 2005:22).

One of the core issues in sub-Saharan Africa is the effect that HIV/AIDS will have on development and the MDGs. With more than half of the world population living with AIDS in the region, many of the MDGs will not be met due to the impact of HIV/AIDS. The first six goals, namely to eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; and combat HIV/AIDS, malaria and other diseases are all in the balance should the AIDS epidemic not be dealt with and given the attention it deserves. Recommendations are made in the report, and AIDS is mentioned as a bullet point under the Quick Wins section (United Nations Millennium Project, 2005:xv). The question is: is this enough?

One of the organs of the UN that have a substantial impact on developing countries is the **Organisation for Economic Cooperation and Development**, and its sub-committee, the **Development Assistance Committee** (OECD – DAC).   The Organisation for Economic Co-operation and Development (OECD) was established in 1961 with 20 original members, mostly west European countries, the United Kingdom, Canada and the United States (Organisation for Economic Co-operation and Development (OECD), 2003).   Since then, many countries have joined the OECD and even South Africa is contemplating membership. The OECD has set up several specialised committees to achieve its goals of which the Development Assistance Committee (DAC) was established to oversee aid, aid effectiveness and also to harmonise aid.

The goal of the **United Nations Development Programme** (UNDP) is to accelerate sustainable development, secure social support and attract foreign direct investment to Africa. UNDP is assisting in the simultaneous development of NEPAD and the AU by supporting the involvement of African civil society in NEPAD and encouraging the industrialised world to support the programme (Bekoe & Landsberg, 2002:14). The UNDP also assisted with the development of the OAU's legal and political tools in its transformation into the AU, thus supporting the integration of NEPAD into the AU. NEPAD's objectives are in alignment of the Untied Nation's Millennium Development Goals and in most cases they overlap. The UNDP is actively involved in securing investment from non-G8 countries. The organisations also assist African countries to

obtain sovereign country credit ratings to help attract private investors (Bekoe & Landsberg, 2002:15).

During the **2005 World Summit,** the promotion of international security and ways in which to achieve the Millennium Development Goals were discussed. The main discussion points were: freedom from want, freedom from fear, freedom to live in dignity and the strengthening of the United Nations (United Nations General Assembly, 2005). The World Summit should have been used to measure progress and achievements of internationally set development goals. Concern was voiced that the summit did not deal with important economic and social issues in the developing world (Rizvi, 2005). Development needs resources and if the necessary resources are not made available to achieve the MDG, poverty reduction will not take place.

5.5.2 Bretton Woods institutions

The World Bank has adopted a more consultative approach to African countries, especially where development is concerned. The development of the programme to reduce debt for heavily indebted poor countries (HIPC) and the Poverty Reduction Strategy Papers (PRSP) were done in consultation with governments in partnership with civil society organisations (Bekoe & Landsberg, 2002:15). The World Bank has adopted a regional approach to Africa and NEPAD is the ideal platform from which it can support regional issues such as poverty, HIV/AIDS and debt reduction. The World Bank welcomed the African peer review process, which will help assessment of Africa's own programmes.

5.5.3 Group of Eight (G8)

The Group of Eight (Canada, France, Germany, Italy, Japan, the United Kingdom and the United States) is the heads of state or government of the major industrial democracies who meet every year to deal with economic and political concerns facing their own societies and the global community (G8, 2005). The G8 summits are also attended by heads of international organisations and some heads of state of developing countries. This provides the heads of state of developing countries an

opportunity to influence the G8 leaders on developmental, political and economic issues. The agenda of the July 2005 summit in Scotland was dominated by the Millennium Development Goals, development challenges facing sub-Saharan Africa and debt relief for the world's poorest countries (G8, 2005). The G8 leaders, together with the leaders of Algeria, Ethiopia, Ghana, Nigeria, Senegal, South Africa, Tanzania as well as the heads of the African Union Commission, the International Monetary Fund, United Nations and the World Bank discussed Africa and its development issues (G8, 2005). Other issues that were discussed are peace and security, democracy, growth and action to combat HIV/AIDS and other diseases, as well as the promise to double aid for Africa by 2010 and write off the debt of the eligible heavily indebted poor countries. The summit stated that a comprehensive plan is needed to support Africa's progress where issues such as peace and security, democracy, growth and action to combat HIV/AIDS and other diseases, were given special attention. The G8 agreed to double aid for Africa by 2010 and write off the debt of the eligible heavily indebted poor countries. The G8 was criticised because most of the aid was earmarked for emergency relief rather than the development aid needed for investment in growth (Lake & Whitman, 2006:105).

The G8 plays an important role in setting the international economic and political environment. At the 2002 G8 summit in Kananaskis in Canada, the G8 adopted the Africa Action Plan in response to the New Partnership for Africa's Development (NEPAD) (Institute for Security Studies, 2005). The Africa Action Plan is interlinked with NEPAD and together they form a partnership based on African priorities for the African people.

5.5.4 European Union

As the European Union (EU) changed its name from the European Economic Community (established in 1957 with the Treaty of Rome) and then the European Community, so it has changed from an initial economic union to a more political one (Europe Cares, 2006).
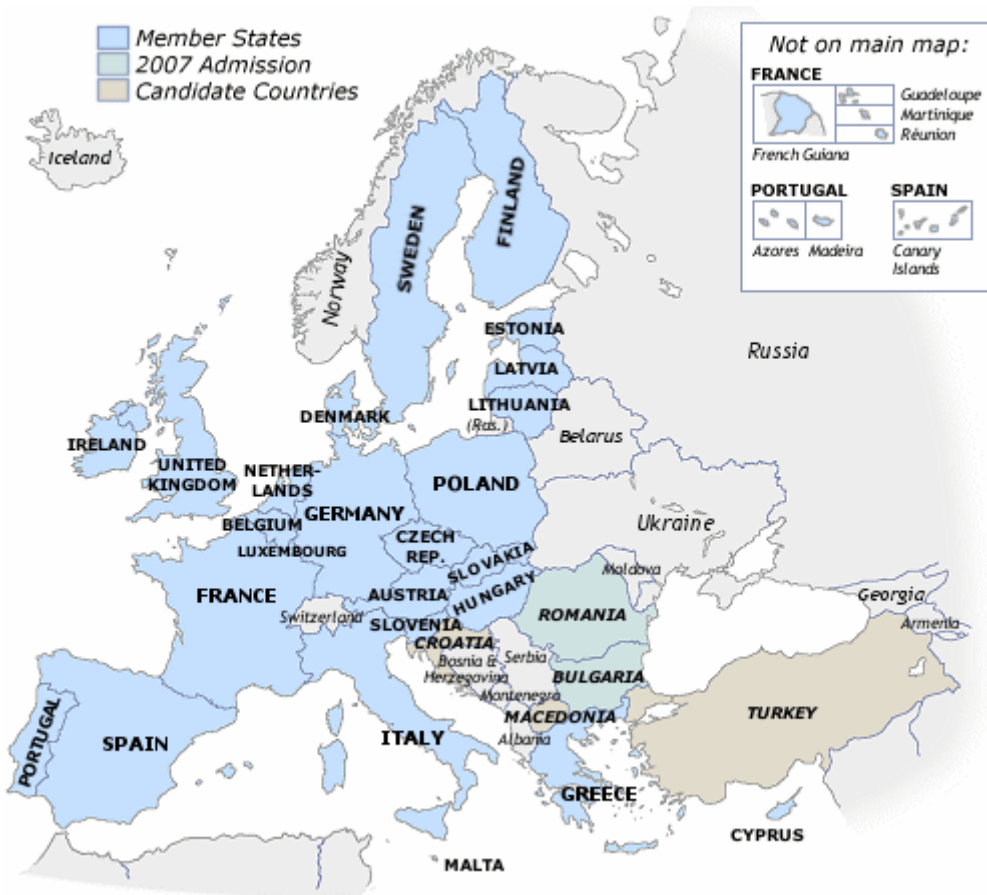
Figure 5.1:   A graphic representation of the history of the European Union
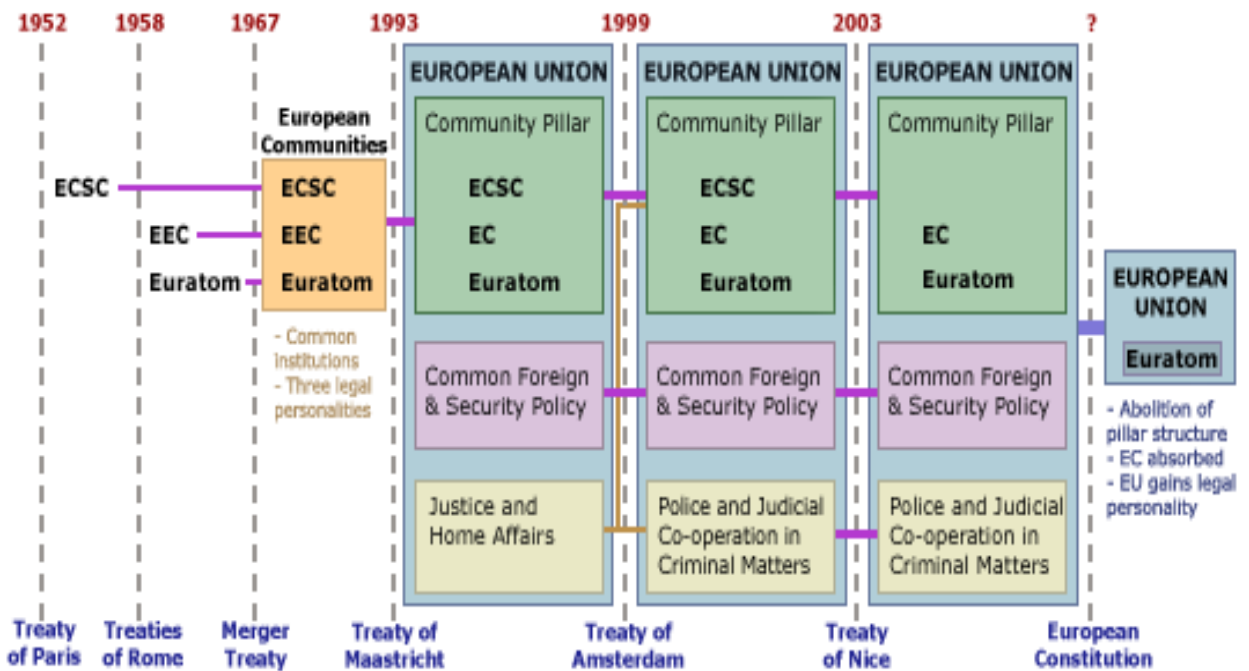
Source: Wikipedia. 2006b. *The European Union*. [Online] Available at: http://en.wikipedia.org/wiki/European_union [Accessed: 8 August 2006].

The European Union (established in 1992 with the Maastricht Treaty) consists of 25 member states, with tree countries joining in 2007 and Turkey as a candidate country. The euro is the official currency, but 12 other currencies are also in use.

Figure 5.2:   The member states of the European Union

The relationship between Africa and Europe is deeply rooted in history, with Europe one of Africa's major colonialisers (Commission of the European Communities, 2005). The EU is the world's largest donor in Africa, especially sub-Saharan Africa with over €14 billion in aid in 2004, and it is the African continent's main trade and economic partner. Because of its specific challenges, sub-Saharan Africa receives additional funding from the Revision of the Cotonou Partnership Agreement (Europe Cares, 2006). With the onset of the United Nation's Millennium Development Goals project, the EU decided to increase funding for Africa and also developed an EU strategy for Africa (Commission of the European Communities, 2005:2). The overall goals of the strategy are to support Africa's efforts to achieve the Millennium Development Goals and also provide a comprehensive, integrated and long-term

framework for its relations with Africa. Good governance and peace and security are essential prerequisites for Africa's sustainable development (Commission of the European Communities, 2005:4).

5.5.5 Africa Commission

The Africa Commission stated in 2005 by means of a comprehensive report *Our common interest* (Commission for Africa, 2005) that poverty and stagnation in Africa are the greatest tragedy of modern times, which demands a forceful response. Although Africa has made some improvements in economic growth and governance, the continent needs accelerated reform, both from the developed world and Africa to pull itself out of the cycle of poverty. The commission proposed a 'coherent package' for Africa's upliftment, including governance and capacity building, peace and security, education, public health, HIV/AIDS, growth, poverty reduction and, more and fairer trade. The report called for an additional US $25 billion per year, in aid to implement the package (Commission for Africa, 2005).

5.5.6 Commonwealth of Nations

Queen Elizabeth II is the Head of States of the Commonwealth of Nations, an alliance of 53 independent sovereign states, almost all of which are former territories of the British Empire (Wikipedia, 2005a). The Queen does not have political power over member states and the states do not automatically belong to the British Monarch. The Commonwealth Secretary-General is the chief executive of the organisation and is elected by the heads of states (Commonwealth of Nations, 2006). The main goal of the Commonwealth is to create an environment of economic co-operation between the members, as well as the promotion and support of democracy, human rights and governance in the member nations. Except for the economic co-operation, the member states also discuss social, environmental, health and developmental issues. HIV/AIDS, sustainable development and security issues are regular items on the agenda. Although this is not a political union, matters that have a political impact are discussed and resolutions that emanate from them may

have an influence on a member state. This may create an atmosphere of peer pressure among member states to improve their administrations for better service delivery.

5.5.7 Non-Aligned Movement

The Non-Aligned Movement was established in 1961 to express concern that the acceleration of the arms race between the Soviet Union and the United States (US) might result in war between the two world powers (Non-Aligned Movement, 2004a). During the 1964 Cairo conference, the movement condemned western colonialism and the retention of foreign military installations (Non-Aligned Movement, 2004a). Subsequently, the focus moved from political matters to the support of global economic and other problems. Today, the Non-Aligned Movement has about 115 members, representing the developing countries' priorities and interest. The Non-Aligned Movement tried to create and follow an independent path in world politics that will put them on the same platform as the big powers. Another focus of the movement is to work towards the restructuring of the global economic order. The movement works towards the G8 and European Union to exercise influence on these organisations to make decisions benefiting the developing world. The non-aligned countries also endeavour to unify their actions towards the United Nations and other international discussions to form an effective pressure group. During a meeting in 2002, the chair of the Non-Aligned Movement said that the movement today faces a situation that is completely different from its establishment 40 years ago and encouraged member countries to enter into dialogue with developed countries to ensure the developed countries fully understand the situation in the developing countries (Non-Aligned Movement, 2004b).

5.5.8 World Trade Organization

One of the most controversial international, multilateral organisations is the World Trade Organization (WTO), the only global organisation dealing with the regulations

of trade between nations. The WTO's main goals are to decide on rules for the international trading system and resolve disputes between its member states (Wikipedia 2004).

Figure 5.3:   Members of the World Trade Organisation.
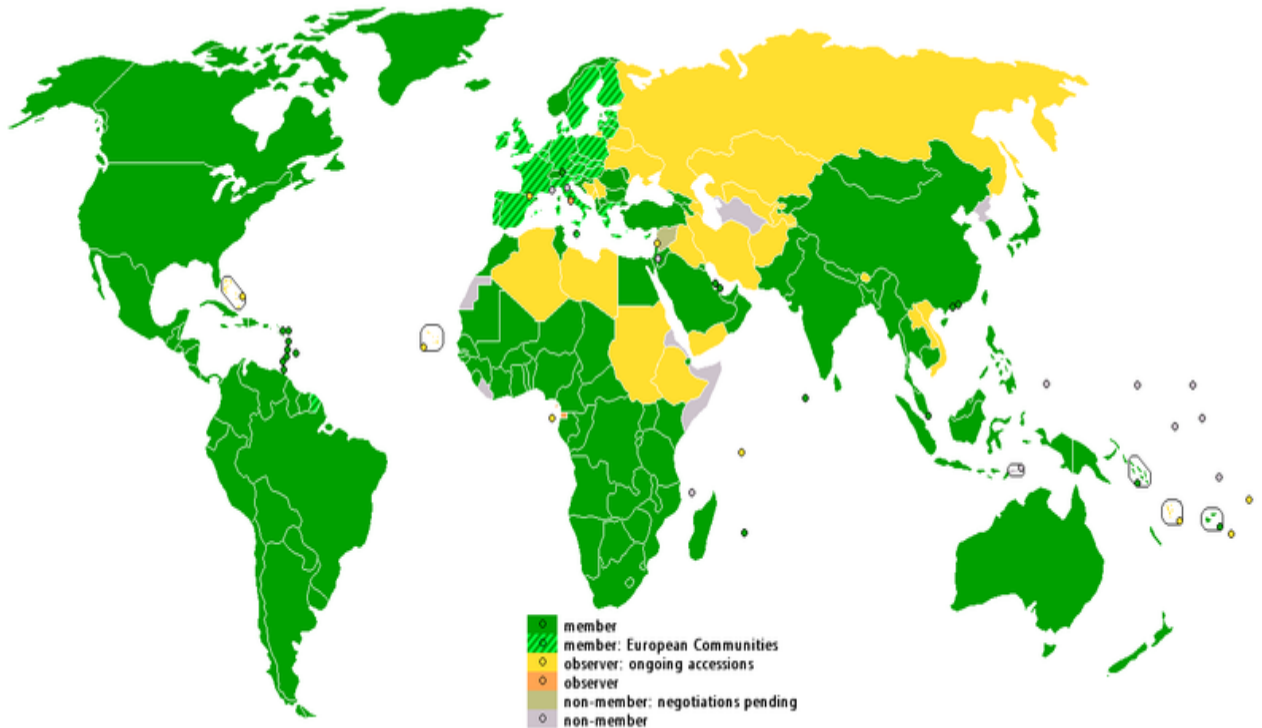
One of the most important agreements which originated from the establishment of the WTO in 1995 is the Agreement on Agriculture (AoA) (Wikipedia, 2004). The AoA is based on three concepts, namely domestic support, market access and export subsidies. A criticism of the AoA is its allowing rich countries to continue to pay their farmers subsidies which developing countries cannot afford. Developing countries have become significantly more involved in WTO discussions, especially in the field of agriculture. They also were actively involved in the ministerial declarations and decisions issued in Doha, Qatar, in November 2001 (Wikipedia, 2004). There has been criticism that the WTO does not run the global economy without bias, and that it has a regular bias towards rich countries and multinational corporations. An example

is rich countries being able to carry on levying high import duties and quotas for particular products, hindering imports from developing countries such as clothing. The protection of agriculture in developed countries, market access and domestic support were a direct consequence of the suspension of negotiations on the Doha Development Agenda on 24 July 2006 (World Trade Organisation, 2006).

5.6   Regional environment in which public administration must function

During the last five years, African leaders have renewed efforts at uniting Africa to face the challenges brought on by globalisation and trade liberalisation. The Millennium Africa Recovery Programme and the Omega Plan which were merged to form the New Africa Initiative and later the New Partnership for Africa's Development, as well as the newly remodelled African Union are the most important of these initiatives. While the African Union (AU) calls on self-sustaining Africa, the New Partnership for Africa's Development (NEPAD) looks at the industrialised world for partnerships to sustain its programme.

These new initiatives face many challenges. On the economic side, there are many economic groupings such as the Southern African Development Community (SADC) in the south, the Economic Community of West African States (ECOWAS) in west Africa, the Maghreb Union of North Africa, the Common Market for Eastern and Southern Africa (COMESA) and the Intergovernmental Authority for Development (IGAD). It may be difficult to bring all these economic groupings together in a single block as some of the economic groups feel they are better off alone. The language issue is still a contentious one and many African leaders fail to see the challenges facing Africa from a wholly African perspective. They see it rather from the Francophone versus Anglophone perspective.

5.6.1 African Union

On 25 May 1963, 32 African government representatives established the Organisation of African Unity (OAU) in Addis Ababa with the signing of the OAU Charter. The main objectives of the OAU were to rid Africa of colonialism, promote unity and sovereignty among African states, promote development, ensure sovereignty and territorial integrity, and promote international co-ordination within the setting of the United Nations (African Union, 2005: Introduction). The OAU has, through the years, embarked on various initiatives to unify the states and to enhance economic and social development. The Lagos Plan and the Final Act of Lagos of 1980 mentioned self-reliant development and co-operation among African countries. Many programmes, charters, agendas and declarations followed, always with the OAU's determination to place the African citizen at the centre of development and decision-making (African Union, 2005). One of the most important treaties established the African Economic Community (AEC), commonly known as the Abuja Treaty, seeking to create the AEC through six stages culminating in an African common market (Leshaba, 2004:5). The OAU has laid a solid and firm foundation for the unity and solidarity of Africa.

The African Union (AU) was established through four summits of the OAU: the Sirte Extraordinary Session in 1999 which decided to establish the AU, The Lome Summit in 2000, which adopted the Constitutive Act of the Union, the Lusaka Summit in 2001, which drew the road map for the implementation of the AU and finally, the Durban Summit in 2002, where the AU was launched and the first Assembly of the Heads of States was convened (African Union, 2005). With the establishment of the AU, the OAU and the AEC were unified into one institution. During the celebrations of the 40th anniversary of the Organisation of African Unity on 23 May 2003, the South African President and the President of the African Union, Mr. Thabo Mbeki, stated that the new issues on the continent's agenda are issues of democracy, peace and stability, good governance, sustainable development, human rights, health, gender equality and computer and information technology (Mbeki, 2003). These issues are quite different from the ones that the OAU had to face 40 years ago. The HIV/AIDS epidemic as one of the most important and daunting challenges that sub-Saharan Africa faces, had not been not singled out.

5.6.2 Millennium Africa Recovery Programme, the Omega Plan and the New Partnership for Africa's Development

In Africa, leaders developed their own development goals for Africa. During the past five years, African leaders have renewed efforts at uniting Africa to face the challenges brought on by globalisation and trade liberalisation. The Millennium Africa Recovery Programme (MAP) and the Omega Plan which were merged to form the New Africa Initiative and later the New Partnership for Africa's Development, as well as the newly remodelled African Union are the most important of these initiatives. While the African Union (AU) calls on self-sustaining Africa, the New Partnership for Africa's Development (NEPAD) looks to the industrialised world for partnerships to sustain its programme.

African leadership has taken various steps towards the development of the continent. The Lagos Plan of Action for the Economic Development of Africa and the Final Act of Lagos of 1980 acknowledged that underdevelopment had to be tackled. The major objectives of the Lagos Plan of Action were the promotion of self-reliance, the acceleration of growth, the democratisation of the development process, the eradication of poverty and the acceleration of regional economic integration (Adejumobi, 2002:17). The Lagos Plan of Action (LPA) failed firstly, because the western nations viewed the LPA as a radical choice that must be stalled and secondly, because of the economic crisis that Africa faced during that period. In a sense, the LPA was the predecessor of NEPAD.

NEPAD is the end product of three initiatives that started in 2000 in Africa and ended in 2001 with the inception of the New Partnership for Africa's Development. The Millennium Partnership for Africa Recovery Programme (MAP) was the first of these initiatives. The Organisation of African Unity (OAU) gave a mandate to presidents Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria and Abdelaziz Bouteflika of Algeria to investigate ways in which Africa can deal with, and beat its large debt situation (De Waal, 2002:466). The OAU also mandated the three presidents to approach Africa's creditors on the abolition of all of Africa's external debt. They were also given the task to prepare the Millennium Africa's Recovery Programme (Melber, 2003:3). President Mbeki was the inspiration behind MAP, as

he was already promoting his 'African Renaissance' vision where Africa will regenerate economically, culturally, socially and politically to take pride of place in the world. The motivation behind the idea of the African Renaissance is the self-reliance of Africa and African ownership over African affairs (Melber, 2003:2). Many of the MAP ideas were later integrated into the NEPAD documents.

NEPAD is a framework of interaction between Africa and the rest of the world, and is based on an agenda set by Africans for Africa. The primary objectives of NEPAD are to end poverty; place African countries on a path of sustainable development; end the marginalisation of Africa in the global scenario; fully integrate the continent into the global economy; and accelerate the empowerment of women (NEPAD, 2005: Objectives). Although HIV/AIDS is one of the most important issues facing sub-Saharan Africa with potential disastrous consequences, it is not adequately dealt with in strategic plans (De Waal, 2003:3). The rest of Africa is also not immune to HIV/AIDS, but the AIDS issue takes a backseat to other, mostly economic, issues. *Debt AIDS Trade Africa* lists Africa's most pressing issues as being debt, AIDS, trade, development assistance, democracy, accountability and transparency (Debt AIDS Trade Africa, 2004:3). NEPAD mentions HIV/AIDS in its plans, but the lack of political will to implement these plans is evident in the lack of political will of some of the most influential countries that are driving NEPAD. The AIDS epidemic is an opportunity for African leaders to find a uniquely African solution to the problem, but instead it is mostly ignored with token lip service being paid from time to time. Shisana and Letlape (2004:65) argue that, given that NEPAD is the policy framework through which the international community supports Africa's development, it is important that NEPAD should receive all the support it needs to include HIV/AIDS in all its strategies.

During the 2005 Gleneagles G8 Summit, the industrial countries re-affirmed debt cancellation for 14 African countries that have reached the heavily indebted poor countries (HIPC) completion point, but the disappointment of this action is that it seems that most of the promised new aid to these countries will go towards the debt cancellation for the said countries (Landsberg, 2005:9). The G8 committed itself to universal access to antiretroviral drugs for people living with AIDS as well as funds

for peacekeeping. Yet again these pledges were vague, without concrete plans and budgets.

The goal of the United Nations Development Programme (UNDP) is to accelerate sustainable development, secure social support and attract foreign direct investment to Africa. UNDP assists in the simultaneous development of NEPAD and the AU by supporting the involvement of African civil society in NEPAD and encouraging the industrialised world to support the programme (Bekoe & Landsberg, 2002:14). The UNDP also assisted with the development of the OAU's legal and political tools in its transformation into the AU, thus supporting the integration of NEPAD into the AU. NEPAD's objectives are in alignment with the United Nation's Millennium Development Goals and in most cases they overlap. The UNDP is actively involved in securing investment from non-G8 countries. The organisations also assist African countries to obtain sovereign country credit ratings to help attract private investors (Bekoe & Landsberg, 2002:15).

The World Bank has adopted a more consultative approach to African countries, especially where development is concerned. The development of the programme to reduce debt for heavily indebted poor countries (HIPC) and the Poverty Reduction Strategy Papers (PRSP) were done in consultation with governments in partnership with civil society organisations (Bekoe & Landsberg, 2002:15). The World Bank has adopted a regional approach to Africa and NEPAD is the ideal platform from which it can support regional issues such as poverty, HIV/AIDS and debt reduction. The World Bank welcomed the African peer review process, which will help assessment of Africa's own programmes.

5.6.3 Southern African Development Community

The Southern African Development Co-ordination Conference (SADCC) was established in 1980 as a free alliance of nine countries in southern Africa with the goal of co-ordinating development projects to assist these countries with reducing the economic dependence on the then apartheid South Africa (Southern African Development Community, 2006). In 1992 the transformation from a co-ordinating conference to a development community took place with the signing of the declaration and treaty at the summit of heads of state of fourteen southern African countries which gave legal status to the Southern African Development Community (SADC). The headquarters are in Botswana.

The main objectives of the SADC are economic growth, poverty alleviation, promotion of peace and security, promotion of democracy, enhancement of the standard and quality of life of the peoples of southern Africa, sustainable development and support of the socially disadvantaged through regional integration (Southern African Development Community, 2006). The SADC programme of action was developed to assist the organisation to attain its goals.

5.6.4 United Nations Economic Commission for Africa

The Economic Commission for Africa was established in 1958 and is under the administrative direction of the United Nations (UN) headquarters (United Nations Economic Commission for Africa, 2006). It has 53 member states, including sub-Saharan African states, and its mandate is to support economic and social development, encourage regional integration and promote international co-operation for Africa's development. UNECA's main activities include policy analysis, advocacy, enhancing partnerships**,** technical assistance, communication and knowledge sharing**.** The organisation annually produces a report on Africa, called the Economic Report on Africa (United Nations Economic Commission for Africa, 2006), which gives an overview of the economic status of the member countries.

5.6.5 Common Market for Eastern and Southern Africa

The Common Market for Eastern and Southern Africa succeeded the Preferential Trade Area for Eastern and Southern Africa in 1993 (Institute for Security Studies, 2006). COMESA has 20 members and its overarching goal is to strengthen the process of regional economic integration. Issues such as sustainable growth, joint development in all economic activity, cross-border co-operation and investment, peace, security and stability are high on COMESA's agenda. Most of the sub-Saharan African countries are members of COMESA.

5.7   The challenges facing sub-Saharan Africa

The African continent faces some daunting challenges in the new millennium, such as crippling national debt, corruption in governments, human rights violations, poverty, conflict and famine. Sub-Saharan Africa is no stranger to these challenges, and with the world's largest number of people living with HIV/AIDS in the region it faces a potential disaster. The UNDP report on development, planning and HIV/AIDS in sub-Saharan Africa states in its introduction that HIV/AIDS is one of the most critical development challenges in the region (Van Donk, 2005:5). The report further argues that it is widely recognised that HIV/AIDS overturns the successes in human development in sub-Saharan Africa with the end result of undermining development and economic growth. The epidemic also creates grave challenges to public sector management and governance (Van Donk, 2005:5).

HIV/AIDS is potentially one of the most serious threats to sustainable development in Africa. As mentioned before, Sub-Saharan Africa is severely affected with approximately 25,4 million people living with HIV, representing about 60% of all HIV-positive people worldwide (UNAIDS, 2005c). Life expectancy at birth has dropped to below 40 years in nine African countries, namely Botswana, Central African Republic, Lesotho, Malawi, Mozambique, Rwanda, Swaziland, Zambia and Zimbabwe (UNAIDS, 2005c). As AIDS affects the most productive sector of the population on a continent where four out of ten people live on less than US $1 per day, HIV/AIDS needs to be taken seriously and become a priority (Bond, 2003:16).

Other major challenges such as food security, education, empowerment of women and poverty are closely linked to HIV/AIDS. The region has 34 of the world's 50 least-developed countries and it will need a special effort from both the continent and the developed countries to make major progress towards reaching the Millennium Development Goals (UNFPA, 2005). Africa is the poorest region in the world, with sub-Saharan Africa per capita GNP one-tenth of that of Latin America (Mboweni, 2003). Although Africa has a positive growth rate, it will not be enough to meet the Millennium Development Goals by 2015. The International Monetary Fund (IMF) has estimated that the sub-Saharan region should have a growth rate of about 7% per year if the MDGs are to be achieved (Mboweni, 2003).

The impact of HIV/AIDS on sub-Saharan African governments' public financial policy will most probably be the direct effects on some key areas of government spending, such as the heath and social budgets. Some of the indirect effects will come from the collective economic impacts, the increase of poverty, distorted development spending, and the increased demands on government to alleviate poverty (De Waal, 2003a:4). Table 5.4 gives a view of some human development indicators, poverty and gross domestic product (GDP) *per capita* figures of the southern part of sub-Saharan Africa. It is clear from the figures that, although some of the countries have a high GDP *per capita,* the overall low ranking of human development index and poverty, high HIV prevalence rates, high infant and mortality and maternal mortality rates will have a huge impact on governments' spending.

5.8   Conclusion

The public administration and management of a country are at best not an easy task. In most developing countries, governments are the major employer and service provider. Governments and public administrations in developing countries play an important role in the pursuit of sustained economic growth and sustainable development. The Global Monitoring Report of 2005 states that one of the most difficult challenges facing sub-Saharan African governments is the scaling up of service delivery and all it entails. Skilled service providers, infrastructure and

resources form indispensable ingredients in the mix of scaling up service delivery. Governments are faced with many international and regional organisations' goals and reporting mechanisms, while they also have to tackle the problems and challenges facing their own administrations. The environment in which public administration functions in sub-Saharan African countries is affected by internal problems and challenges such as national debt, corruption in governments, human rights violations, poverty, conflict, HIV/AIDS and other infectious diseases, and famine. The administration is also expected to report on the many economic, social, health and developmental goals that were set by both international and regional organisations. Most sub-Saharan African countries are poor and dependent on donor funding and assistance. The very issues that they have to report on are the issues they grapple with at domestic level. Although sub-Saharan Africa needs a huge amount of resources if it wants to meet the Millennium Development Goals, the lack of capacity in most countries' administrations and the inability to absorb and spend donor funding only exacerbate the problem. The UNDP report on development, planning and HIV/AIDS in sub-Saharan Africa states in its introduction that HIV/AIDS is one of the most critical development challenges in the region. The report further argues that it is widely recognised that HIV/AIDS overturns the successes in human development in sub-Saharan Africa with the end result of undermining development and economic growth. The epidemic also creates grave challenges to public sector management and governance.

Chapter 6 deals with HIV/AIDS as a global epidemic that has far-reaching consequences. The location and the impact of the epidemic on sub-Saharan African countries will be discussed. The purpose of this chapter is to show that the AIDS epidemic has a direct influence on sustainable development. The Millennium Development Goals and how the AIDS epidemic is already impacting on achievements will be highlighted.