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# Legacy of Colonialism, Foreign Aid, and Poor Governance in Africa: Case Study of Togo

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The economic situation of Togo today is the product of a political history since 1884. After the Berlin Conference the same year, a German explorer signed a protectorate treaty with a local chief Mlapa III making this territory a German possession until 1916. As a consequence of its defeat in the First World War, Germany lost Togoland to France and Great Britain. Paris and London divided and occupied the territory under a League of Nations mandate. The idea was to entrust this territory for administrative and management purposes to these two colonial powers.

During the Second World War, many indigenous people participated in the war effort by providing military personnel and food supplies. After the liberation of France, many in Togo claimed they deserved independence too. A struggle for freedom began, culminating on April 27, 1960 with Togo's declaration of independence. It was not an easy fight. France and Britain did everything possible to stop the freedom fighter. They were only concerned with the natural resources such as iron, phosphate rocks, cement, and the agricultural potential of the colony and paid scant attention to the demographics of the colony when partitioning the land. Ethnic political parties were created in the north of the country to counterbalance the struggle for independence in the south. This deepened the division of the country between the north and the south. Moreover the two parts of Togoland were never reunited. The British administrated part was attached to the Gold Coast, known today as Ghana. The French portion became Togo.

Therefore, the focus was on exploiting these resources without any consideration to the inhabitants and was a typical pattern for any colony in Africa. Brautigam and Knack comment, "The newly independent nations of Africa were not well prepared for self-government, and many faced ethnic tensions that have been exacerbated by colonial rule," (2004, 259). Going further, Mahmood Mamdani believes that, "the colonial state divided the population into two: races and ethnicities. Each lived in a different legal universe. Races were governed through civil law. They were considered as members, actually or potentially, of civil society. Civil society excluded ethnicities. If we understand civil society not as an idealized prescription but as a historical construct, we will recognize that the original sin of civil society under colonialism was racism... ethnicities were governed through customary laws. While civil law spoke the language of rights, customary law spoke the language of tradition," (2001, 654). The only way to rule the colonies was to keep the tribal components divided. Through tribal tensions

among the population, the background was then set for economic exploitation, the main goal of colonialism.

The colonial economy was based on the exploitation of the indigenous population and its resources. The indigenous were used to build roads, railways, and buildings for the exclusive use by the colonizers, and in some cases colonial corporate such as *Compagnie Francaise d’Afrique Occidentale (CFAO)* and *Societe Commerciale Ouest Africaine (SCOA)*, to move products from the interior to the coast, and to Europe. Coffee and cocoa were the main agricultural products exported to Europe. Most of the work was done without remuneration as *corvee* labor. Taxes were levied on the population leading to the emigration of thousands of people to the neighboring countries. As Walter Rodney argues, “all expenses were met by exploiting the labor and natural resources of the continent; and for all practical purposes the expense of maintaining the colonial government machinery was a form of alienation of the products of African labor. The French colonies were especially victimized in this respect. Particularly since 1921, the local revenue raised from taxation had to meet all expenses as well as build up a reserve,” (1972, 165). He further adds:

Colonial Africa fell within that part of the international capitalist economy from which surplus was drawn to feed the metropolitan sector... Exploitation of land and labour is essential for human social advance, but only on the assumption that the product is made available within the area where the exploitation takes place. Colonialism was not merely a system of exploitation, but one whose essential purpose was to repatriate the profits to the so-called ‘mother country’. From an African view-point, that amounted to consistent expatriation of surplus produced by African labour out of African resources. It meant the development of Europe as part of the same dialectical process in which Africa was underdeveloped, (1972, 149).

The colonial experience deeply handicapped many African countries including Togo and would impact their economic development.

### From Independence to Political Turmoil

Welsh points out that:

It is no doubt true enough as an indictment of colonial rule that it did too little to create firmer bases for a durable territorial nationalism. In Nigeria, for example, the north and the south were deliberately kept in relative mutual isolation so that there was little or no chance of a sense of Nigeria-wide identity emerging. In Sudan, another scene of intractable violent conflict, the Arab north and the African south were separately administered, the three southern provinces enjoying a special status. Islam dominated the north, missionaries converted some 25 percent of the southerners to Christianity and restricted entry by the northerners to the region. In the negotiations that led to independence in 1956, the British dealt separately with the northerners who, in the view of southerners, persuaded the colonial power to renege on its commitment to protect the special status of the south. The consequence has been persistent civil war, (1996, 482).

Ethnic division was the blueprint for most African colonies, including Togo. While a divide and conquer strategy worked for the colonizers, it did not provide for a harmonious transition to sovereignty. Most of the people that spearheaded the independence struggle came from the south especially from the Ewe ethnic group. They were first in contact with Europeans and most of them received western academic education. The majority of the people that served in the colonial army were mostly from the north part of the country and mainly from the Kabye ethnic group with little or no education. It is worth noting, the 56,000 km<sup>2</sup> land is home to more than twenty tribal groups, each distinct with its own language, customs and traditions. The loyalty to the nation-state was already compromised by that fact. People are more attached to their tribe than they are to the state, (Levinson, 1998, 175).

After the independence, France decided to decommission all the Togolese from French army. Most returned to Togo. Sylvanus Olympio, Togo's first president and economist by training, decided the country did not need an army. Instead, he believed it was better to invest in education, agriculture, and industry for the well being of the people. On January 13, 1963, these soldiers from the colonial army set up a bloody military coup and assassinated Olympio because he did not want to create a national army. The military put a civilian government in place until a second, bloodless, coup on April 13, 1967. After the second coup, Gnassingbe Eyadema, a military leader ruled Togo until his death in 2005. Ironically, he died in a plane while travelling to Europe for medical treatments. Owing to mismanagement of the economy, he could not obtain treatment in Togo and was forced to go abroad.

During his tenure, Eyadema instituted one-party rule. Any dissidence was discouraged either through persuasion or violence. Each Togolese was forced to be member of the soviet style party, the Togolese People Rally (RPT) set up in 1969. Outside this party, any political activity in the country was deemed subversive. In the words of Gogue and Evlo,

The President [Eyadema] took advantage of the population's compassion when he survived a mysterious plane accident in 1972 to quickly consolidate his power base, achieve his goals, and make the public idolize him through the party. The regime became more and more autocratic and repressive; through manipulation, persecution, and persuasion, the regime organized youth, women, and labor associations under the party's umbrella. Because of the prevailing Cold War climate the regime was quite popular internationally," (2008, 498).

In addition, Gogue and Evlo claim, "in the sub-region [of West Africa], Cote d'Ivoire and Togo were the main defenders of western countries' interests, and their governments therefore enjoyed the support of the West," (2008, 499). Eyadema's regime maintained a very close tie with France and enjoyed the support of western countries without any regard to human rights violations and the economic disaster that followed until the 1990s. The end of the Cold War shook the regime until Eyadema's death in 2005 because of the lack of interest of western countries to support dictatorships in the face of unipolar world.

Aided by the military, Eyadema's son, Faure Gnassingbe seized power after his father's death in 2005. According to the United Nations, more than four hundred people were assassinated protesting a fraudulent election organized after the military coup to legitimize his presidency ([http://www.letogolais.com/pdf/Rapport\\_ONU\\_Togo.pdf](http://www.letogolais.com/pdf/Rapport_ONU_Togo.pdf)). Negotiation between his supporters and opposition parties led to the organization of a more or less transparent legislative election. In March 2010, the government and the opposition parties organized together a presidential election. All the agreements, signed before the electoral process, were later discarded by the government. For example, it was agreed to use a VSAT (small satellite system) to transmit the election results from local electoral commission to the national electoral commission to avoid any fraud. It was also agreed that each political party will compile its own result and compare it to that of the national commission. The police force raided the main opposition party compilation center and ransacked the computers. As a consequence, many outside observers found aspects of the

election questionable. European Union which financed the whole process with US\$16 million declared the election not totally transparent. Despite these concerns, Faure Gnassingbe was declared a winner again.

The military coup of 1963 crushed any hope of real independence of Togo and at the same time, that of any African country. It was the first coup in sub-Saharan Africa and served as an example for “power transfer” in other countries. Even though Togo is a small country in Africa, it always seems to give the first bad example in political governance. Eyadema’s son was the first in sub-Saharan Africa to succeed his father in a republic in conditions that was described above. Some countries are already following suit. Ali Bongo in Gabon succeeded his father in similar conditions. Some observers are suspicious same things are going to happen in Senegal and Egypt for example. While the political process is totally corrupt, the economic situation is in total chaos.

#### Empty Independence to Economic Disaster

The violent autocratic political process since the independence has a very negative impact on the economy. After the independence, president Olympio had hoped to build a prosperous country. He decided to create Togo’s own currency and to focus on agriculture. He wanted to have a small public sector and to develop a private sector that would constitute the engine of economic growth. Gogue and Evlo acknowledge that “concerning monetary policy, the most important development was Olympio government’s refusal to join the West African Monetary Union (UMOA), created in 1962. Olympio opted for relative monetary independence although he negotiated an individual arrangement with France. France agreed to provide the Togolese currency (to be created) with some support similar to that given to the CFA [French Colonies of Africa and later Financial Community of Africa] franc. After the 1963 coup, Togo joined the UMOA in November 1963,” (2008, 474). Some suggested that was one the reason for his assassination. The Franc CFA was directly attached to the French Franc with no fluctuation and no monetary discipline to maintain a post colonial domination. The franc CFA was devaluated in 1994 since independence to fifty percent of its value. It was later attached to the Euro with a completely diluted purchasing power for the general population. Compared to the cities elites, the rural populations are the most penalized because the Franc CFA is overestimated for their exporting produce.

In the 1960s, Togo's economy was stable but stagnant. According to Gogue and Evlo, "since 1973, the growth performance worsened consistently, with growth rate of GDP per capita declining from 6.2 percent in the 1960s to 0.4 percent in the 1970s, to -0.3 percent in the 1980s and to -0.96 percent in the 1990s," (2008, 472). This decline was essentially due to poor governance of an authoritarian regime that did not pursue sound economic policy. Different government agencies were created to control each sectors of the economy but only succeeded in freezing free enterprise. From the major employer to the control of prices, government was everywhere. According to Gogue and Evlo,

The Societe Nationale de Commerce (SONACOM) was founded in 1973, with the objective of importing essential consumer goods. SONACOM soon became a monopoly, as it was the sole company granted the right to import these commodities. Its monopoly was later extended to other commodities, including cigarettes and alcohol.... The price control system set up for agricultural export commodities by OPAT (Office des Produits Agricole du Togo) from the mid-1960s continued, and was reinforced... Finally, the government implemented a broad-based program of nationalization of private enterprises. The most publicized case was the government takeover of the Compagnie Togolaise des Mines du Benin (CTMB), which became the Office Togolais des Phosphates (OTP)... However, it led to increased corruption because it benefited party leaders, (2008, 485).

The lack of good governance also led to a host of practices that were detrimental to the economy. Nepotism, favoritism, corruption, and tribal politics were commonplace. The result was devastating: a plethora of public servants, a tribal army of thirteen thousand to protect the regime, staggering internal and external debt, lack of basic services, unproductive investments like hotels, bank buildings and a huge budget deficit. The government found it unable to pay the salary of all the bureaucrats and to honor its debts. Instead of adopting sound financial practices, the government decided it was easy to borrow money from international institutions. The International Monetary Fund (IMF) and the World Bank intervened to restructure the economy and balance the budget. These agencies, however, offered assistance on the basis of conditionality and ended with a lot of sacrifices from the population.

### International Aid and the Structural Adjustment

In the 1980s, Togo's government was obliged to implement the structural adjustment programs (SAP) in order to qualify for loans to change its economic

policy and to avoid defaulting on its debts. The structural adjustment program consisted of: control of government expenses, trade liberalization, promotion of exports, privatization and removal of price control and state subsidies. Referring to the complexity of international aids, Shimko noticed:

In blaming misguided policies for poor growth, the IMF stepped into the centre of the most enduring debate in development studies: the relative importance of domestic versus international obstacles to development. For the last several decades, debates about the causes of underdevelopment have been defined by two basic positions. One perspective contends that the capitalist global economic system presents obstacles to genuine development, if not impossible, at least extremely difficult. The dynamics of global capitalism ensure that the rich get richer and the poor get poorer. From this perspective, the international economic order as a whole needs to be reformed to achieve development. An alternative analysis locates the obstacles to development in the policies of developing states. The IMF sided with this position, (2010, 168).

Though it had some more or less positive effects in the short term, the negative impacts in the long term are overwhelming. Togo never got out of debt. The problem of poverty worsened with an increasing number of unemployed, health issues, and precarious living conditions.

Short term impacts:

The dismantling of government monopoly freed competition. According to the figures presented by Gogue and Evlo, “The public sector’s contraction- notably the decline in the government budget deficit- had positive effects on the current account, whose deficit fell from 25.4 percent of GDP in 1978 to 2.3 percent in 1989 while the budget shrank from 31.1 percent to 3.2 percent of GDP. An important element of fiscal consolidation was the reduction in public expenditure: in particular, government investment spending was cut from 47 percent of GDP in the late 1970s to 20 percent of GDP in 1989,” (2008, 488).

In the rural area, agricultural investment was increased which in turn improved farmers’ revenues. The diversification of agriculture led to an increase in the production of cotton which became a leading export. According to the figures of US Department of State, “Cotton cultivation increased rapidly in the 1990s, with 173,000 metric tons produced in 1999. After a disastrous harvest in



2001 (113,000 metric tons), production rebounded to 168,000 metric tons in 2002. However, cotton exports have plummeted in recent years due to arrears in payments to farmers, low cotton prices, and poor weather conditions; many cotton farmers have switched to other crops. As of December 2007, the Togolese Government had paid back all arrears to cotton farmers, and the industry is recovering slowly,” (2009, state.gov). Government owned enterprises (electric, water, communications, postal service, banks, construction, etc) were opened to foreign investments and were subject to more transparent management. To control public expenses including the public sector and the army, draconian measures were prescribed. Massive lay off of public servants was requested. Anybody with thirty years of service or fifty five years was forced to retire. The civil service was reduced by 13 percent between 1985 and 1988 (Gogue and Evlo 2008, 487). To have a fair process of civil servants recruitment, civil service examination was instituted.

#### Long term impacts

The lack of improvement of Togo’s economy and the hardship still facing the population are proofs that the intervention of international financial institutions did not change much to people’s lives. Many were affected by the massive lay off for many years to come. In Togo, as it is the case in Africa, beside their own family, any single working person takes care of at least six other members of the extended family. There is no social program to fall on and many people end up with less meal a day. The government subsidized health and education programs were stopped as one of the requirement of the structural adjustment. The disengagement of the government caused a recession in the early 1980s. Gogue and Evlo argue that, the “total debt relief was US\$ 315.4 million. However, this debt relief effort proved inadequate to help the government to pay its debt service on time. Debt service payments were rescheduled eight times by Paris Club, and the flow of financial resources from the IMF and the World Bank increased although the country did not satisfactorily implement the adjustment programs it agreed with these institutions. World Bank loans increased from US\$ 47 million in 1980 to US\$ 400 million in 1990 and IMF loans from US\$ 33 million to US\$ 87 million in 1990,” (2008, 494).

#### Togo after the Cold War

Inspired by the fall of the Berlin Wall, many in Togo began agitating for greater political and economic freedom in the 1990s. Any subsequent economic

activity in the country was put to a halt because of spontaneous street protests; political freedom was suppressed for more than thirty years and the first chance of free expression was an uncontrollable explosion. Economic activities were impacted by almost nine months of general strike to request political reforms. The consequence was “a slowdown of economic activity in virtually all sectors and household savings and private investment decreased, causing a long term reduction of the physical stock,” (Gogue and Evlo 2008, 494). Because of the repressive nature of the regime, many of its economic partners decided to impose economic sanctions which drastically reduced the foreign assistance “from 260 million Franc CFA in 1990 to 71 million Franc CFA in 1999,” (Gogue and Evlo 2008, 495), further deepening the economic crisis. The resumption of any international economic cooperation was linked to political reforms; the country was unable to service its debt. With a population of about 6.5 million in 2007, Togo’s debt was evaluated at US\$ 2,208 million with increasing interest day by day (republicoftogo.com).

After the death of Eyadema in 2005, his son undertook some political reforms which resulted in somewhat fair legislative election. As a consequence, the European Union, the World Bank and the IMF decided to resume assistance in 2007. On June 12, 2008, the Paris Club of creditors canceled US\$ 347 million of Togo’s debt and imposed a moratorium on the remainder until 2011. In addition, on November 26, 2008, the World Bank and the IMF determined Togo to be the 34<sup>th</sup> country to benefit a debt relief under the enhanced Highly Indebted Poor Country (HIPC) program which resulted in cancellation of US\$ 270 million in debt. Combinations of these debt reliefs with bilateral partners’ debt reliefs brought the net present value of the debt from 396 percent of the fiscal revenue in 2007 to 36 percent in 2010, (republicoftogo.com).

#### Other Consequences of foreign dependence

Dependence on foreign aid has a negative impact on government-governed relationship. Jean Jacques Rousseau defines the government as “an intermediate body set up between the subjects and the Sovereign, to secure their mutual correspondence,” (1762, 43). The citizens and their government are believed then to have something in common, something they agree upon: the common good. In this relation the government depend on the governed through taxation to fulfill its duties. Dependence on foreign aid weakens that bond. Schneider argues that “if the state does not depend on citizens for its revenues, however-as in the case of natural resources rich, or highly aid-dependent states-

the social contract is severed,” (2005, 91). The lack of responsibility vis-a-vis the citizens is evident. In addition he believes, “the sheer volume of money and donors means that governments end up being more accountable to donors and less accountable to their own citizens or to internal government accountability mechanisms such as parliamentary oversight,” (2005, 92). The attitude of Togo’s government reflects this notion. The government cabinet holders care more about serving themselves than serving the people.

It is then hard to talk about independent states when referring to African countries and in this case Togo. Since 1960, Togo’s dependence on foreign aids increased to the point where its foreign donors have to forgive its debts. With that increasing debt, the plight of the population never improved. The question is to know where all these foreign investments went to. Corruption, embezzlement, and mismanagement probably went by. In this context, the poor governance led to the total failure of the state which cannot pay its debts nor satisfy the population need. Plank suggested that,

With the end of Cold War, vassalage has replaced relationships that exhibited features of clientelism, in which nominally sovereign nation-states bartered their loyalty to one ‘bloc’ or the other in exchange for aid and other considerations... Programmes of structural adjustment and sectorial policy reform sponsored by the IMF and the World Bank have been less dramatic, but far more pervasive in their consequences. In their boldness and scope these and related interventions have thoroughly discredited traditional notions of sovereignty in many parts of Africa,” (1993, 408-409).

Foreign aid negatively impacts the capability of the government personnel and institutions. African governments lack qualified workforce and the few qualified civil servants are overstretched. Brautigam and Knack recognize that “colonialism did little to develop strong, indigenously rooted institutions that could tackle the development demands of modern states. Economic crisis and unsustainable debt, civil war, and political instability have all taken their toll over the past 2 decades and more. It is difficult to separate the impact of these problems from the possible impact of foreign aid, which is often high in countries that suffer precisely these problems,” (2004, 255). Moreover, “local skill bases were weak. Only six universities had been established in all sub-Saharan Africa, and in 1960 postsecondary enrollment levels were about one-sixtieth of those in Asia and Latin America. During their occupation of India, the British had

established the Indian Civil Service, providing a dense network of several generations of well- trained civil servants with a growing tradition of meritocracy. Few countries in Africa had any comparable experience,” (Brautigam and Knack, 2004, 259). African countries became independent with a limited capacity to govern. These limited capacities are used by donor organizations leaving most governments with less capable civil servants. To make things worse, the salaries offered by international organizations are higher than the local salaries. Aaron Schneider pointed at a particular program called “project assistance” which severely undermines accountability. With “project assistance”, Schneider argues “line ministries lose their ability to manage sector-wide development strategies as individual departments obtain greater autonomy. In turn, ministries of finance and parliament lose their ability to control and oversee aggregate government activity,” (2005, 94).

### Lessons learned

The problems in Togo are immense and are the same in most of sub Saharan Africa. It is going to take a reform of all sectors and a new mentality to overcome these problems. By now, it is clear the history and the political circumstances are intrinsically linked to any economic growth. Democratic and politically stable country will focus its resources to improving the lives of its inhabitants. To be more efficient, foreign aid must be focused on:

### Education and capacity buildup

More educated citizens make more informed citizens. This allows their participation in the country’s affairs. Informed citizens help build a nation-state by making a reliance on one’s tribe meaningless. In addition, African countries need qualified civil servants who will help construct self reliant countries. Many African nations, including Togo, must also devise policies to address brain drain. The few educated people are fleeing for the West because of inadequate infrastructures, low salaries, and a hostile political environment. This undermines the economic development of African countries. Better and favorable conditions must be created to keep these people in Africa.

### Building democratic institutions

Democratic institutions are suited for more or less transparent management because it allows checks and balances. The separation of power among the executive, legislative, and judicial branches avoids a concentration of power in the hand of one person like it was in the case of Togo. The control each branch exerts on the other allows a transparent management of the country. The foreign aid must involve all three branches in management and the implementation of any project. The general budget support (GBS) which “potential benefits include government-wide ownership of the planning and resource allocation process, strengthening domestic accountability to parliament and reducing transaction cost associated with aid,” (Schneider 2005, 94) is a start. This must be generalized and become the practice if the goal is the development of African countries.

#### Building a strong civil society

Some of the foreign aid should go directly to civil society and grassroots organizations which are close to the population. These organizations know the real problems facing the citizens such drinkable water, infantile mortality, self reliance issues, and grassroots empowerment. For African countries to turn the tide of development, a strong emphasis must be put on woman education. In Togo for instance, women constitute the majority of the population. They are very active in the informal and agricultural sectors. The availability of credit would probably help women into taking charge of themselves and most of the time their whole families. The experience of Muhammad Yunus in Bangladesh can be used into financing micro projects managed by women. Women must constitute the cornerstone of Africa future development because of the central role they play in African families is undeniable.

#### Reorienting agriculture from cash crop to domestic consumption

Even though trade is most of the time good for a country, it is time for African to develop an agriculture that will feed their people. The pattern of today’s agriculture is the one left by the colonial powers and this type of agriculture is never going to help in a self-sufficiency. Moreover African agriculture needs mechanization to modernize and increase its productivity.

#### Good governance

Transparent management of national resources will lead to a sustainable development. A decision making process that involve the three branches of the state will induce prosperity, growth, and attract foreign investments. The public good should be the goal of any efficient government. It can be measured through the participation of the population in the political process, independent judicial system, the availability of services such as education, health, and a minimal well being through decent jobs.

## Conclusions

The history of Togo since its independence is a typical history of most of African countries. Military coup, dictatorship, mismanagement, embezzlement, corruption, tribalism, and nepotism were the main practices. The legacy of colonialism, the weakness of African countries in international sphere, and the division of the world in two blocs did not allow African countries to fully develop to their real potential. The result was staggering debts and inadequate institutions undermining the future of the continent. A complete break from the past is needed to improve people's lives. Democratic institutions must be put in place. Transparent management of African resources and foreign aids is needed. African countries still need foreign aid. International institutions goal is to make a return on their investment. With corrupt leaders, these investments are not going to be productive. It is then very important to involve the population that supposed to be the primary beneficiary of these aids. "Program of proximity development" that is program that engage the population directly are the most appropriate in the difficult situation Africans found themselves today. No need of intermediaries such as corrupt government officials. Moreover, decentralized institutions, local governments with elected representatives are needed to make possible a bottom up development. The existing top down development plan is doomed to failure because all the foreign aid ends up being embezzled.

In the long term and with transparent institutions in place, a system of taxation must be seriously considered. African countries cannot indefinitely be dependent on foreign aid. It is very important in establishing a taxation system that will strengthen the "social contract" between the people and their government. Every citizen will feel to be part of a nation-state. The notion of a common good will carry its full meaning when everyone is financially and politically participating to building and maintaining a nation-state. With respect to this, Jonathan Di John observed:

State legitimacy is in part constructed by the ‘fiscal social contract’- the process by which a responsive and accountable government delivers services to its population while building quasi-voluntary compliance from its population to pay the taxes needed to fund those services. And in turn, state legitimacy is itself important underpinning for enabling the sustainable economic growth on which ending aid dependency will depend. A key plank of governance – accountability – has always therefore emerged only when governments need to raise revenue, requiring those in authority to bargain with its citizenry (“no taxation without representation”). To make significant impact on poverty reduction aid effectiveness needs better to incorporate the importance of taxation for improving governance, (2009, 10).

Only a responsible citizenry will hold its government to a higher standard of governance. A government that knows it derives its resources from its citizens’ contributions will not ignore their grievances. This will make the government very responsive and accountable.

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