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**Can Africa Solve its Development Challenges?**

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**Promising start and near collapse**

The world has done just about everything it could do to help Africa to develop but has very little positive results to show for its efforts. While most of the world, especially Asia, is forging ahead in the development stakes, Africa is marking time at best, and marching backwards in some instances.

The breakneck industrialisation of China and India has helped Africa by forcing up raw materials prices that comprise most of Africa's exports. Experience shows however that for Africa, raw materials booms have proved to be more a curse than a blessing.

Africa has not always been about gloom and doom however. In the 1960s soon after their independence, African countries did reasonably well. Their economies grew quite significantly on their own steam. This was the age of massive creativity when Africa produced great works of literature and music. Universities and high schools sprouted throughout the continent leading to vibrant debates about how to propel Africa forward.

No sooner had this flame started to become visible from a distance than it was extinguished. Starting with the murder of Patrice Lumumba; the overthrow of Kwame Nkrumah by the army with a little help from the American government; the detention of Oginga Odinga, Africa soon descended into unimaginable low depths. Africa got into the grip of civil wars in Nigeria, Algeria, Liberia, Sierra Leone, Angola; the two Congos, to name but a few; culminating in genocide in Rwanda and in failed and failing states in Somalia, Zimbabwe, and Ivory Coast. These conflicts caused untold suffering and massive destruction to already underdeveloped infrastructure.

**Age of dictators and donors**

When a person is poor and one gives him or her money, then that erstwhile poor person becomes richer by the amount donated. The rich world took this sensible observation in connection with individuals and extended it to African countries.

If a well-wisher foreign government gave aid to an African country, the expectation was that people in the African country that received the foreign aid would thus become richer. The shock however was that the more aid was poured into Africa the poorer Africans seemed to get.

The flaw in the donors' actions was not necessarily lack of good intentions. The flaw was to equate an individual to a country. Unlike an individual, a country develops and its people become richer primarily by pooling the collective strengths and energies of its citizens so that they cooperate to achieve their common objectives. For citizens to pool their energies and strengths two key factors must be present. These are institutions that facilitate cooperation and leadership that ensures institutions function and deliver on expectations.

For individuals or households to pool their energies and resources with other individuals or households, there must be a mechanism or instrument, known as an institution that makes it possible and desirable for them to want to cooperate. This means that the benefits of cooperating with others must outweigh the benefits of working in isolation. Similarly, the costs of working in cooperation with others must be below the costs of working alone. In short there must be incentives to cooperate. Of course one could be compelled to cooperate as happened during slavery or under regimes of forced labour but even under these circumstances institutions to compel cooperation were necessary but these will be different from institutions that promote voluntary cooperation.

Here we are concerned with voluntary cooperation however. Embedded in our simple formulation of incentives to cooperate and institutions and leadership to advance cooperation, is experience acquired over many centuries of human history. Fairness, justice, rewards, are just a few of the qualities that make individuals and household want to cooperate with other individuals and households. Besides delivering greater productivity at the quantitative level and therefore greater welfare for the households cooperating, institutions that make cooperation possible must thus also deliver on the qualities of equity and social justice.

This is where leadership comes in. Social institutions are created by many circumstances but for them to continuously deliver fairness and equity they must be constantly modified and adjusted to continue to deliver higher productivity, fairness and equity. And as circumstances change yet new ways of cooperating must be found. This is done through trial and error. The leaders who must search for these new ways of cooperating necessitated by changing environment, must thus take the risk of finding these new ways of cooperating. Inherent in all risk taking is the probability of failure and the cost, including the punishment, which goes with failure.

***This is where post-colonial Africa has come unstuck. Post-colonial Africa has failed to both develop new institutions of cooperation amongst its citizens and to produce the leadership or the leaders required to lead society forward in an ever changing global environment.***

The massive social, economic and political upheavals in Africa during the generation from the mid 1960s (overthrow of Nkrumah and crushing of the Convention Peoples Party) to the mid 1990s when elements of multi-party democracy started to appear in Africa, destroyed a key indigenous African institution – the African nationalist party. These upheavals also destroyed most of the leaders who had mobilised the African people to cooperate in the struggle against colonialism. The destruction of the African nationalist party left Africans atomised and therefore stranded without indigenous, legitimate institutions of cooperation to advance their interests.

The institutions that were left standing and that prospered during the era of dictatorship and one-party rule (in practice, one-man rule) were institutions created by colonialism – the state, the military and police, the private sector, etc. These were the institutions that were re-captured by the dictators and their Western backers from the African nationalists before they, the nationalists, could change them. The dictators once more used these colonial institutions to disassemble and to impose on the African people the interests of the West and those of the dictators and associated elites and cliques. The notion that Africa “works” because it is ruled by corrupt, nepotistic and unaccountable Big Men who are alleged to reflect Africa’s traditional cultural practices is thus a fantasy of its authors. Africa’s Big Men in reality were the creation of neo-colonialism and the Cold War.

Africa’s era of dictatorships and one man rule was simultaneously the heyday of Western donors’ interventions in Africa. The two worked in partnership and reinforced each other. Their central objective was to destroy indigenous, autonomous institutions and leaders that tried to promote cooperation amongst Africans that was not devoted to advancing Western interests but to advancing the interests of the African people.

### **Donor donated democracy**

Africa’s challenge today is that while the era of dictatorship has apparently come to an end, African countries do not as yet have indigenous institutions and leaders that promote cooperation among the citizens. Developing such institutions is a difficult and costly business that takes a long time. It is made even more complex by the fact that firstly, the re-democratisation of African countries from the mid 1990s was brought about to a significant extent by interventions of Western donors rather than primarily by pro-democracy actions of African organisations or parties. The main exceptions which prove the rule being Uganda and Rwanda, and possibly Nigeria.

Secondly, during the three to four decades of dictatorship and neo-colonialism, Africa suffered a massive brain drain, capital flight and deterioration of infrastructure. Not surprisingly African countries now do not have the skilled and experienced people to make democratic Africa more productive. The civil service in Africa is notorious for its incompetence, not to mention its corruption. Most African countries also do not have the popular institutions with the clout to combat the slide back towards dictatorships and unconstitutional practices.

Thirdly, during the era of dictatorship Africa’s manufacturing sector continued to be dominated by Western multinational corporations and by non-African owned – Indian, Arab, and Chinese etc – businesses. Dictatorships stifled the growth of an indigenous entrepreneurial class which it saw as a potential threat to its power. Even the state-owned enterprises (parastatals) that were established during the short lived nationalist era were either sold off at the instigation of donors or rapidly transformed into centres of corruption rather than centres of training for future indigenous entrepreneurs and managers.

Thus despite the recent euphoria about Africa's economic growth by the World Bank and others, the reality is that Africa today is going through a period of de-industrialisation. It is becoming more dependent on raw materials exports. Even the countries that had achieved a significant degree of industrialisation such as South Africa and Zimbabwe are de-industrialising as well. The Zimbabwe economy has halved since 2000, while South Africa's manufacturing sector has declined from 25% of GDP in 1990 to 16% today. China's manufacturing sector on the other hand is 50% of GDP while India's is 35%.

### **Industrial and Green Revolutions for Africa**

The indigenous people of the Americas and of Africa bore the brunt of European imperialism. From the late 15<sup>th</sup> century to the end of the 19<sup>th</sup> century systematic genocide was committed against the native peoples of North and South America and the Caribbean. It was only in recent years that the few peoples that survived the carnage in the Andean States of Peru and Bolivia have started to make their voice audible.

European imperialism was equally devastating in Africa. Vast numbers of people were carted off as slaves to the Americas. Massive conflicts within Africa were generated by the slave raiders most of whom were in fact Africans. Equally important Africa's indigenous manufacturing industries were systematically destroyed and their products replaced with cheap imports from Europe. Africa's arts and craft skills were thus obliterated. Africa was also overwhelmed spiritually and intellectually by European imperialism. Africans abandoned their religions which were marginalized, vulgarized and vilified by missionaries.

The states that the African political elites inherited from the colonialists were thus flawed to start with as they were imposed on the Africans by force by foreign colonisers. The colonialists used these states as instruments not only of political oppression but also of economic exploitation through, for example, poll taxes, forced labour on plantations, mines and infrastructure projects. While poll taxes and forced labour in its many forms, generated cheap labour for the colonialists, the introduction of cash crops provided the colonial state with forms of revenue and profit that were in turn used to consolidate the power the colonial state had over the colonised. Cash crops were bought from the peasants either by state corporations or by favoured private monopolies from the colonial power's home country. Either way, the farmers got the worse end of the bargain as they were paid prices far below world market prices.

African political elites today sustain and reproduce themselves by perpetuating the neo-colonial state and its attendant socio-economic systems of exploitation devised by the colonialists. The colonial model of exploitation was however parasitic on pre-capitalist African social systems. Colonialism thus did not transform Africa's largely subsistence modes of production. It introduced some modifications to these systems to enable the colonial powers to extract raw materials and small surpluses from these economic systems.

***The societies of Sub-Saharan Africa today are thus fossilised pre-Industrial and pre-Green Revolution social formations. This is what is at the bottom of their inability to grow economically.***

The surge in commodity prices over the last few years has created an illusion that African economies are growing and restructuring. To illustrate the depth of Africa's under-development let me give the example of Nigeria, Africa's largest crude oil producer. Nigeria has no petro-chemical industries and therefore imports most of its refined petroleum products such as petrol and diesel. Nigeria's manufacturing industry is virtually non-existent accounting for only 3% of GDP according to the African Economic Outlook for 2006/2007 published by the African Development Bank and the Organisation for Economic Co-Operation and Development.

Industrial and Green Revolutions transformed the ability of labour to produce a surplus through the application of knowledge especially of science and technology. Labour became capable of producing value many times that it required for its survival and reproduction.

There are many pre-requisites for Industrial and Green Revolutions to occur. Principal amongst these are the liberation of private property from political domination. The second pre-requisite of the Industrial Revolution is the liberation of the great majority from individual access to certain means of production especially land. These pre-conditions have not occurred in Sub-Saharan Africa.

The stunted and fossilised subsistence economic systems established by the colonialists and perpetuated since their departure by successive groups of political elites are unable to absorb new technologies and new management methods. Over time these stunted subsistence systems begin to literally eat up their own foundation leading to all the ills that Sub-Saharan Africa has become notorious for – declining life expectancy; falling school enrolment; capital flight; brain drain; deforestation; desertification; unpredictable conflicts; massive and growing inequalities and endemic and growing poverty; manipulation by outside forces; growing dependence of the states and foreign patronage; dependence on foreign initiated solutions.

Secondly Sub-Saharan Africa does not have an established and stable social class structure and stable ruling classes that are legitimate in the eyes of most of the citizens. Africa thus lacks a leadership with the continuity necessary to sustain and implement developmental economic programmes. This seems destined to carry on for a long time to come because of the mass emigration of African professionals. The World Bank estimates that 20 000 African graduates leave the continent annually.

### **Can Africa solve its development challenges?**

It is only in societies with an independent middle class that possesses significant scientific knowledge and managerial skills where a modernising political leadership has emerged. The origins of such a middle class could be many and varied.

- \* It could be well-traveled merchants, independent artisans and scholars in a feudal society.
- \* It could be ethnic minorities such as the Jews in parts of Europe or the Parsee in India.

- \* In Southern Africa a new distinctive voice is beginning to emerge from leaders of trade unions, civil society organisations and academia that is addressing issues of inequality and poverty and articulating a need for new economic and social thinking.

Depending on the individual case, it is normally such middle strata that occupy the space between the traditional ruling classes and the majority of the people – usually the rural masses – that drive social change especially economic and political modernization.

We have seen that on the whole Africa does not have this independent middle stratum. This class arose briefly during the colonial era and pioneered the anti-colonial struggle. As we have seen, with a few exceptions, this class was decimated after independence during the era of dictators and donors. Kenya provides a graphic illustration of the use of assassination to destroy leaders of the middle strata who questioned the neo-colonial agenda. Within a few years of independence several progressive Kenyans were killed under “mysterious circumstances” in particular Tom Mboya, Pio Pinto, JM Kariuki, Robert Ouku to name but a few.

Africa’s development crisis could therefore be described as the crisis of the non-emergence or more accurately slow and frustrated emergence of an independent middle stratum from the mid-1960s to the present. The question ‘can Africa solve its development challenges?’ could thus be posed in another way. Is a new middle class emerging in Africa which can provide the leadership required to drive the continent’s Industrial and Green Revolutions in the face of foreign interventions that foster Africa’s traditional role in the world economy as a source of raw materials and cheap labour?

There is very little evidence of this happening: I have already referred to the brain drain. What we see happening in Africa today is the recurrence of the scramble for natural resources but this time by both West and East. Africa is benefiting from this new scramble to some extent by way of higher commodity prices, higher royalties, new sources of no-strings-attached foreign aid and soft loans. But this will not necessarily lead to a solution to Africa’s development challenges. It merely entrenches, as in the past, a parasitic bureaucratic bourgeoisie that lives off state revenues. As competition for resources between West and East intensifies, Africa is likely to be caught in another Cold War, the Cold War over resources which predictably, will lead to a new cycle of “hot” conflicts in Africa.

## **Conclusion**

In the four to five decades of its independence African countries have gone through a wrenching period as a result in which a number of negative factors became dominant:

1. African countries lost the key indigenous institutions that had been created by the Africans themselves to fight against colonialism. These were the nationalist parties, the independent trade unions, civil society organisations and independent institutions of learning. These institutions were crushed by the military dictators who took control of African governments in the 1960s in collaboration with Western powers. Even in countries where the military did not take over nationalist parties degenerated into one man rule.

2. African economies failed to breakaway from the economic model created by colonialism. Consequently African producers did not regain their autonomy but continued as had happened under colonialism to be dominated by the political elite that controlled the state. The new political class thus used its dominance over the producers to siphon savings from the producers to the private consumption of the political elite and of the state especially its repressive instruments. According to one source African countries jointly have over 2 billion security forces that cost the continent an estimated \$14-billion annually.
3. The combination of military dictatorships, civilian dictatorships and the subordination of producers to the political elites lead to the underdevelopment of a middle class of Africa as well as to a massive brain drain from Africa.

Can the New Partnership for Africa's Development, NEPAD, change this lethal legacy that afflicts Sub-Saharan Africa? While NEPAD may address some of the worse excesses of the political elites through the African Peer Review Mechanism it does not address the fundamental malaise, that is, the enormous power imbalance between the political elite and key private sector producers.

If the driving force behind Sub-Saharan Africa's underdevelopment is the structural powerlessness of producers and therefore their inability to retain and control their savings, it should be self-evident that until this equation is reversed there will be no development in the sub-region. But how is this to be reversed and by whom?

For Sub-Saharan Africa to develop, it therefore needs a new type of democracy, a democracy that will empower not just the political elite but that will empower Sub-Saharan Africa's private sector producers as well, the great majority of whom are the peasants. The new democracy should be such as to restore the growth of an independent middle class as well as the development of autonomous civil society institutions.

In the first instance, it is necessary that peasants who constitute the core of the private sector in Sub-Saharan Africa must become the real owners of their primary asset, land. This is the only way that there can be land improvements in Sub-Saharan Africa instead of what is happening at present, that is, rampant deforestation and accelerating desertification. This means freehold must be introduced and the so-called communal land tenure system that in reality is state land ownership, must be abolished.

Secondly, peasant producers must gain direct access to world markets without the political elite, through state corporations, acting as the go-between. This means that internationally traded cash crops - coffee, tea, cotton, sugar, cocoa, rubber, etc. - must be auctioned by the producers themselves rather than being sold first to state controlled marketing boards.

Another important innovation that is needed are new financial institutions that are independent of the political elite that will address the financial needs of not just peasants but also other small to medium scale producers. These could be co-operatives, credit unions, savings banks etc. Besides providing financial services these institutions would undertake all the other technical services that are not being provided at present by the political elite such as crop research, extension services, livestock improvement, storage, transportation, distribution and many other services that would contribute to make agriculture in Sub-Saharan Africa more productive.

This is where foreign donors could play a constructive role. Donors could support these independent institutions by providing the expertise to manage them and to some extent help shield them from predators.

These changes would for the first time bring into being in Africa a capitalist market economy that answers to the needs of African producers and consumers. Up to now capitalism in Africa promoted the interests of colonialists, and since independence, it promoted the interests of parasitic political elites which saw its survival as been threatened by the emergence of an independent middle and professional class.

If NEPAD is to contribute to Africa's economic development it should help to re-design Africa's political economy so that it promotes the interests of producers instead of those of the rent-seeking political elites.

An important lesson Sub-Saharan Africa could draw from are the agricultural reforms that took place in China during the past 25 years or so. It was in the first instance changes in the agricultural sector that made it possible for China to embark on its current break-neck industrialisation process. This was followed by the recognition by the Chinese Communists that the state alone could not industrialise China. The Chinese government therefore opened the space for the emergence of an independent private sector driven by the middle and professional class.

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