

**Towards the Social Architecture of the Rising Developmental State of Africa:
Implications for Higher**

Tenkir Bongor¹

Abstract

Since its inception in the post war period, economic development abstracted its major theories from neo-classical economics and its anti-thesis Marxist paradigm and sub-branches thereof. While profit was the overt and implicit driver of the former, classless society was the ultimate goal of the latter. Empirically, from a major departure in the development of capitalism in the West, in Asia, capitalist and socialist developed and developing economies emerged short of the leadership of the historical landlord and capitalist social classes. This prompted the theory of the developmental state. Today, with the demise of command economies such that of the Soviet Union and the economic, social and political crises of the capitalist state, there is a dire need to construct an alternative theory of development for countries coming from behind in the development process. The more so, in the specific situation of sub-Saharan Africa, save for South Africa, Kenya and Zimbabwe its social formation is bereft of the historical leadership of the landlord and the bourgeoisie, whose role has been taken by the state as in the development of the so-called 'Asian Tigers'/Miracle economies'. The article is a first step towards the construction of the social architecture of the developmental state. Towards this end, the article first examines the socio-economic infrastructure of African societies in their own terms and proposes five broad developmental goals – sustainable human development, the construction of multi-ethnic nations, expanding physical infrastructure, seizing and expanding the frontiers of science and technology and cultural engagement as part of the global village. Given these goals, Africa needs Articulated Vision and Action Plan, Functioning Sovereignty, Social Stability, Appropriate Policies and Institutions and Reducing Temporal Distance from and to the world economy. Finally, it needs to garner best practices in global development in space and time, identify and deal with global and continental challenges and opportunities.

Key words: Social architecture, rising Africa, economic developmental state, world economy

¹ St. Mary's University, Addis Ababa

1. Introduction

At last, it appears that Africa is joining Asia the bandwagon of fast economic growth, if not sustainable human development in all cases. In 2013/14, seven of the fastest growing economies in the world were from Africa⁴⁵. In the same period, Africa's economy grew by an average of 5-7% per annum, a trend which is projected to continue at least in the medium term. The narrative about African development has now been weaned from the so-called Afro-pessimism. This is portrayed by none other than the discourse in the global London weekly, the **Economist**. The paper, which in

⁴⁵ World Bank. World Development Report. Various years. This rather rosy continental level picture needs to be moderated by the low starting base of the economies and wide variations within countries.

2000 had in one of its covers, 'Africa: a Hopeless Continent', has in the same space recently editorialized 'Africa: a Rising Continent'.

The drastic change in the developmental fortunes of Africa has mainly been driven by the transition of the pillars of world economy and development from the West to that of Asia especially China and its BRICS [Brazil, Russia, India and to a lesser extent South Africa] allies. Export of capital by China⁴⁶ and India, loans for infrastructure development, increased demand for and rise in the price of commodities⁴⁷ and domestic macro-economic reforms have all been contributing factors towards Africa's integration into the restructuring global economy from the Age of the West to that of Asia. The major threat to African economies in this scenario is cheap manufactured exports from China/Asia which might hamper African industrialization, the critical linchpin of growth and structural transformation in the development process⁴⁸.

While the emergence of the BRICS can be conceived as an opportunity like waves washing the shores of arid lands, the seizure of the opportunities to embark on and nurture development will vary between countries. Those with the vision, mission and operational capability embedded in **appropriate institutions** and **policies** can translate the opportunities into concrete developmental outcomes. In this process, at the macro/national level, the state and its governance system will play a pivotal role. This will in turn depend on the nature of the state, the social foundations on which it is socially erected⁴⁹ - its political, economic and social institutions and the ensuing capacity to plan and implement policies embedded in what has recently come to be known as **developmental state**⁵⁰.

Now that the world has experienced waves of developmental transformations under different **ideological** [capitalist, socialist, populist], **political** [liberal democracy, military dictatorship, authoritarian democratic ...] and the associated **policy** regimes, we may need to revisit aspects of development theories which were implicitly or explicitly informed by Western and Eastern

⁴⁶ This in turn is driven by the unusually high rates of savings which also constitutes a major portion of US external debt among others.

⁴⁷ A situation which has somewhat changed with significant fall in their prices following the financial crises.

⁴⁸ Due to rising wages, China has recently been relocating some of its basic manufacturing industries to developing countries which will to some extent counter this trend. The gains from the receiving end will depend on the development of an appropriate **industrial policy**. Ethiopia appears at last to be developing such a strategy moving from the previous period 'agriculture led' development strategy. See Arkebe Ukbubaye. 2015. Made in Africa: Industrial Policy in Ethiopia.

⁴⁹ For the ideology driven inappropriate conceptualization of the Ethiopian state and agrarian reform grafted on it on the throes of the Ethiopian Revolution and some of the negative outcomes, see Articles I and II in Tenkir Bongor. 2017. Some Aspects of the Socio-economic/institutional Bases of Rising Africa. Forthcoming.

⁵⁰ See note 30 about the concept and its origin.

ideological and political dispositions⁵¹ to the almost total exclusion of indigenous social formations which were at least implicitly presumed to be "primitive". Martinussen:1997 writes:

The specific models and proposals varied, but the same ideological conception characterized - explicitly or implicitly - most theories which were elaborated in the North-Western industrialized countries and the USSR [Union of Soviet Socialist Republics] and Eastern Europe for many years after the Second World War. ... within research as well as economically (sic), **these distortions and ideological conceptions came to characterize the developing countries' own research and self-understanding for several years.**" [Martinussen,1997, pp. 6-7]

One of the major aims of this article is to provide indigenous inputs towards economic, political, social and historical contexts to assist the generation of creative macro and micro level institutions and policies for development. Towards this end and for pragmatic policy making reasons, there is a need to free development theory from the prisms of dogmatic ideology and rigid political discourses. Instead, we may need to adapt and fine tune ideology, politics and institutions for development⁵². Coming from behind, if it indeed rises, in its ensuing development path, Africa needs to interface its local socio-economic conditions with a variety of global past and current institutions and policies unfettered by ideology.

In order to situate the developmental state within a wider historical, social and geographical trajectory, section two below brings to the fore the evolution of the global economy in space and time. It is meant to be a preview to distil both negative and positive experiences in the construction of the developmental state. This is followed by a brief attempt at re-examining the theory of underdevelopment from **inside** and its implications for Africa. Section four attempts to lay down the social architecture of the developmental state.

2.0 Evolution of the World Economy

Looking back, the stronger pre-established economic systems and their political, social and cultural derivatives were among the external constraints faced by late comers to growth and development. When most of Europe was engaged in fratricidal wars, the relatively small sized maritime England and to a lesser extent Portugal and Holland, more easily and much earlier set up well defined **sovereignty, stable governance** under formidable naval powers and **market led** economies.

⁵¹ For detail surveys of various development theories and their ideological and political underpinnings, see Hunt, D: 1982. **Theories of Economic Development**, Roxborough, I. **Theories of Underdevelopment** and Martinussen, J: 1997. **Society, State and Market**.

⁵² Since development policies need motivational principles to drive them, Nationalism to garner support among the masses and sustainable human development [SHD] goals can be construed as drivers and ends of the development process respectively.

Seeking opportunities for resources and markets, Britain slowly but firmly colonized vast tract of the globe including today's giants such as the US and India⁵³.

From its strengthened global vantage point, it opened markets to its advantage employing such measures as **unequal treaties, taxes, subsidies, tariffs, non-tariff barriers and outright military intervention** of which the latest edition is Iraq. Through such measures, the relatively developed textile industries in India were forced to close and export raw cotton to the UK in order to make way for finished textile exports from Manchester. Concurrently, when it was a colony, the USA also reeled under similar policies by Britain⁵⁴.

Thus, the earlier developed and militarily strengthened Britain deposited a *backlog* of underdevelopment both in India and the US. The late comers in this process which followed Britain, France, Germany, Portugal, Spain and others absorbed a chunk of the remaining colonial space and in turn adopted policies similar to that of Britain. Except in the US, the home path of the early developers was counterpoised on rigidly embedded class system well captured by feudalism with some modifications in its specificity⁵⁵. Today, as a result of sustained struggle between capital and labour, at varying degrees, the European governance systems have evolved into social democracy with such policies as minimum wages and social security including unemployment and health insurance schemes⁵⁶.

The first major country to throw away the yoke of the modern colonial burden was USA. Unlike Europe with its pre-capitalist established classes, US capitalism through brute force disposed off the resource rights of Native Americans⁵⁷ and relatively easily built itself on an almost *tabula rasa* socio-economic environment. Its relative access to capital and wealth including from institutionalized slavery weakened the political bargaining power of the subordinate classes. Hence, a social protection policy long established in Europe, health insurance [Obama care], has come to be characterized as 'controversial' by the media of the Western world.⁵⁸

⁵³ Until as late as the early 1950s, the global sweep of British colonialism was captured by the saying, "the sun never sets in the British Empire"

⁵⁴ Details of these processes as successively implemented by the dominant economic systems of the day and their implications for today's developing countries coming from behind see the two influential works of Chang, Ha Joon. 1995. Kicking Away the Ladder and 1997. The Bad Samaritans.

⁵⁵ For more on these, see the excellent work of Anderson, Perry. 1980. *Lineages of the Absolute State*, New Left Books; Moore, Barrington. 1980. *The Social Origins of Dictatorship and Democracy*; Dobb, Maurice. 1981. *Studies in the Development of Capitalism*.

⁵⁶ Regarding the historical social outcomes, references to the US economy for aspects of development have to consider such departures from the West European models.

⁵⁷ Some refer to it as one of the major genocides in modern world history.

⁵⁸ If the incoming party following the 2016 election is Republican, they have threatened to scrape it off altogether.

While clearing its backlog of economic underdevelopment earlier, the US charted its own **industrial policy** along similar lines by Britain albeit without significant direct colonies⁵⁹. Subsequently, high economic and population growth rate including via immigration enabled it to have a much larger GDP to establish a global economic hegemony and attendant military power. It sidelined the former colonial powers especially following the Second World War when the colonies of the former global powers became independent. The sheer size of the US economy opened up larger markets than the previously dominant European powers which were now relegated to medium sized powers and economies.

Early in the 20th century, Western lone global power was challenged by the emergence of Soviet Union and its allies which rivaled the US albeit mainly in ideological, military and political clouts but with less economic muscle. The command economy⁶⁰, which came with it, gave an alternative global model towards accumulation for industrialization. Apart from the space race in which the Soviet Union excelled, the US and its allies superseded in terms of economic growth, technological advance in production, consumption and innovative structural and marginal adjustments in the management of economy and society.

The command economies under state socialist systems **accumulated institutional backlogs**⁶¹ when their superstructure failed to confront head on the changed technological advance on the supply side and the sophisticated consumption demand of new generations. In the Western countries, the continuous dialogue between the state, economy and civil society, albeit managed by the dominant classes, cleared emerging institutional backlogs step by step. The change from blue to white collar work in occupations drastically changed the class structure of these societies. The middle class, rather than the working class in the traditional mould, became the majority electorate⁶².

In the context of the currently rapidly restructuring world economy, 1949 and 1975 stand out as epoch making years of the 20th century⁶³. Among others, following the success of a protracted liberation struggle, 1949 established indelible full **sovereignty**⁶⁴ to China, a country with about one

⁵⁹ In lieu of that, via the dependent bourgeoisie and the European landed classes of European descent, US imperialism continued to keep Latin America as its 'backyard', a situation which is rapidly changing. In the path opened up by the likes of Fidel Castro and Hugo Chavez. Today, the indigenous people of Latin America are marching towards real sovereignty; a process earlier began by revolutionary Cuba.

⁶⁰ While currently discredited including for good many reasons, it is instructive to note that in its earlier phase, the model shortened the period of industrialization including the development of military technology which among others enabled the Allied Powers, with the Soviet Union as one of its pillars, to defeat a bulk of the Nazi army.

⁶¹ See the following section for its elaboration in the context of development from below.

⁶² A situation which again is radically changing with the shrinking size of the middle class by a tiny upward mobility but large downward sliding leaving a much higher asset and income inequities resulting in the crises of unemployment and deskilling. It has shaken to its root the post War governance and development model of the Western state and society. Among others, this has also given rise to the emergence of extremist parties on both sides of the political spectrum. The rise of Donald Trump in the US and the ruling party in Greece from the right and left respectively are cases in point.

⁶³ The others are arguably the two World Wars, the Bolshevik Revolution of 1917, its demise 70 years later and decolonization in the middle of the century.

quarter of the human race. With the death of Chairman Mao in 1975, the fall of the so-called Gang of Four and the attendant reforms, the ideological debate between the relative role of the **market** and the **state** as the major agent of rapid growth, if not always sustainable development in the case of the former, was settled in favour of a flexible synergy of the two, a situation reinforced with the demise of the hitherto mighty Soviet Union in the early nineties. The policies and institutions derived from the above two events have unleashed forces with far reaching consequences for the global economy, politics, international and even race and cultural relations for generations to come.

Blending the dynamism of the market with meeting social needs⁶⁵, under a unique **policy** and **institutional** interface of the market and the state, China has attained an average growth rate of about 10% for over a period of thirty years, unparalleled by any country at any time. It is slated soon to overtake the USA⁶⁶, as USA did of European powers in the middle of the 20th century, to be on top of the global economy. China is already ahead of Japan and Germany. In the last six years alone, its GDP has nearly doubled while its export has been growing at more than 20% per annum. By 2020, the combined GDP of three of the BRICS - China, India and Brazil is projected to overtake that of the US, Germany, Britain, France and Canada put together⁶⁷.

China has now become the power house of the world, reminiscent of the position of Britain in the early period of industrialization. China's perception by the dominant powers of the world has changed from being that of a 'Yellow Peril' in the fifties to a formidable competitor in a world dominated for the last 500 years by the West. Together with India, Russia and Brazil, it is at the core of the so-called BRICS which now have a lion's share of the world economy.

The march of China can be explained in terms of induced cumulative return to sovereignty, independent policy making social space, the inherited culture of hard effort for survival enveloped by late technical progress. The successive outcome of these under an independent national policy making social matrix has enabled massive dent on poverty and overall increasing standard of living⁶⁸. Unlike today's China, in the early developed capitalist economies, the bulk of the efforts of workers from improved productivity was appropriated by capital. For many hundreds of years,

⁶⁴The degree of sovereignty varies from direct colonialism which completely subsumed policy to the interest of the colonial power, to neocolonialism – indirect rule via comprador indigenous social classes which curtails the articulation and implementation of national economic interests. For the critical role of sovereignty as bases for development in the context of Ethiopia see the work of the great early 20th century Ethiopian political economist, *Nagdras* [Chief of Commerce] Gebra Hiwot Baykedagn.1995. **State and Economy in early 20th Century Ethiopia**. Karnak House and Red Sea Press, London.

⁶⁵ Some have termed this as 'market socialism'.

⁶⁶ In purchasing parity terms, some say it is already ahead. See Martin, Jaques 2011. **When China Rules the World**.

⁶⁷ UNDP. Human Development Report. 2013.

⁶⁸This is notwithstanding the increasing income disparity in the course of growth and development... However, it is also a demonstration that the noticeable pace and quality of successive improvement in the standard of living depends on the political, social and cultural institutions shaping the depth, width, sustainability and direction of growth.

economic growth reproduced misery for the masses and opulence for the very few.⁶⁹ Among today's developing countries, if there are any who are able to chart sustainable human development [SHD] as their goal, they face a dual task of delivering high growth rates without the reproduction of the historical poverty and misery underwent by working people in the early developed countries.⁷⁰

Unlike the current European and the US macro-social models outlined above, the Indian drive towards accumulation is posited on a feudo-bourgeoisie social structure, not much unlike early Europe before gains were made by the working class in its struggle with capital. The deeply entrenched caste system makes social cohesion and equity insurmountable tasks. The efforts towards development in India are thus an unenviable task. On the positive side, India stands as the world's largest multi-national democracy which bears within its womb the possibilities of reformist socio-economic changes towards the attainment of human and not just economic development.

In these respects, China is the obverse of India. The power of the landed and the dependent bourgeoisie was irreparably done away with following the seizure of power by the Communist Party. With the retention of the right for the use of land by the masses of the rural population, apart from urban clusters, the expansion of industrialization and services have opened up *new* and *incremental* employment opportunities on and near farms too. This is unlike the early industrial revolution in most of Europe when the peasantry was virtually 'cleared' to make land for capitalist agriculture exposing the displaced and dispossessed labour to below living wages in the nascent industries.

When the recent deep recession driven by the so-called derivatives dragged down most of the world's economy, led by the market but with the participation of the state in the commanding heights of the economy including banking, the Chinese model has contributed not only towards stabilization of its own economy but to some extent that of the world too. While not fully protected from the vicissitudes of the global economy, in the middle of global recession, not only did the Chinese economy continue to grow by about 7%, millions of the unemployed got temporary relief out in their rural agricultural and other ventures.

It can be argued that the demise of the command economy of the Soviet Union and its allies, the rise of China as a dominant economic power with its "market socialism" and the unscrewing of state controls of the economy in India attest to the critical role of the **market** and its steward, the **private sector**, to speed up the development process. On the other hand, the current political and economic crises unleashed in the early developed countries bring to the fore the need for a dynamic and well

⁶⁹ It is coming from such background with entrenched interest groups in the health and insurance businesses that today, in the second decade of the twentieth first century, there is a 'debate' about health cover for 30 million mostly black and poor American citizens.

⁷⁰ This in turn is incumbent in shaping policies and institutions for sustainable human and environmental development. In fact, the social value of a growing economic system can be measured by the degree of its shortening/doing away with the period of misery on the one hand and narrowing in the process the human development gap between social classes.

calculated role of the state to guide economic growth towards stabilization and the attainment of sustainable human development goals.

3.0 Underdevelopment as a Backlog and Its Implications for Africa

Given the above varied trajectories of the world economy in space, time and policies, we need a new perspective of development and underdevelopment. Following Amartya Sen, there is a great deal of consensus in defining development as the **expansion of the frontiers of sustained human choices in consumption, political freedom, enhanced security, environmental balance, gender equity ...**⁷¹ Its obverse, underdevelopment [UD] can be perceived as a **backlog**⁷² which requires clearing and cleaning of **institutions** and **policies** via **sustained structural transformation** of economy and society.

When defined as a backlog, UD has multi-dimensional facets enclosed by external constraints of the colonial heritage on the one hand and tackling internal predicaments such as deficits in education, health and fine tuning of policies and institutions on the other. Study of the internal aspects of UD and charting the way forward requires **first** understanding the constraining and potential drivers within the **internal** socio-economic variables and the accompanying institutions in themselves and interfacing them with the external rather than **imposing the external models on the internal** which has been the common practice. In this respect, scholars of developing countries need to begin the narrative and analysis of development and underdevelopment of their own societies **first** and then build their **interface** with rest of the world.

For Africa to clear its backlog of underdevelopment and build an architecture for its development, there is a need to examine the specificity of its socio-economic infrastructure and most importantly the **state**⁷³, the prerequisites for its development and dealing with the internal and external challenges and opportunities vis-a-vis given set of goals anchored on a given developmental model, in this case, the **developmental state**⁷⁴. The pioneer of the theory of the developmental state based on the experience of East Asia states:

⁷¹ See Sen, Amartya. 2006. **Development as Freedom**.

⁷² Unlike other current popular definitions of underdevelopment which counterpoise it against developed countries in terms of incomes, technology etc, the key term here, **backlog**, implies that its obverse, **development** is doable awaiting late developers, the economic policies of which had been constrained earlier by some of the historical and ideological conditions described above, their limited **structural** global reach to the world economy and the lack of appropriate policy inputs and institutions for expanding and managing domestic resources. In this context, emergence from underdevelopment is natural and need not be termed as "miracle", 'Asian tigers' etc. This approach to underdevelopment is in the process of further clarification by the author including analysis assisted by econometric modeling.

⁷³ States evolve with their specificities at historical moments such as the immediate post-colonial state, post-revolutionary, post-civil war, successions, *coup de et.at* etc. With opportunities and constraint to construct and implement development policies. Part of Section 1.4 below is an attempt towards the construction of the anatomy of the African contemporary states.

⁷⁴ Developmental state started its conceptual career as an ascription to the rapid socio-economic transformation of the so called "Asian Tigers" [some of which have now graduated to become 'Lions'], differing from the two earlier major global accumulation models - capitalist and socialist. For more on the developmental state, see for example Beeson, M.2009. "Developmental States in East Asia: A Comparison of the Japanese and Chinese Experiences" *Asian Perspectives*, Vol 33, No 2, pp 5-39; Woo. Cummings. 1999." Webs With no Spiders and Spiders without Webs: The Genealogy of the Developmental State" *ibid*, pp61-92. Leftwich,

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... a state that is focused on economic development and takes necessary policy measures to accomplish that objective. The state has both regulatory and developmental functions by mobilizing capital into most promising industrial sectors that will have maximum spillover effects for society Chalmers, J. **1982.**

MITI and the Japanese Miracle.

The following section briefly lays down the social architecture for such a state in the context of sub-Saharan Africa [SSA]. The two pillars of the model are the specificity of the socio-economic infrastructure and the pre-requisites for the operationalization of the developmental state. Once the socio-economic infrastructure is identified, the goals and targets of the developmental state can be laid down by society. The next step will be to identify the strategies and policies required to actualize the development goals including garnering best developmental practices and finally assessing the parameters of the global and continental challenges and opportunities in which the developmental state will operate. See the diagram below

4.0 Towards the Social Architecture of the African Developmental State for Rising Africa

4.1 Specificity of the African Socio-economic Infrastructure⁷⁵

In the early developed countries, led by the bourgeoisie, politics, society and economy were geared towards the maximization of **profit and largely spontaneous accumulation.** In the process, the European peasantry and Native American were cleared off their lands. Centuries later with universal suffrage and the share of political power by organized labour first in Western Europe, growth incorporated developmental goals such as universal health, education, social security etc. These were, however largely undertaken within the confines of Keynesian demand management of developed capitalist economies. The dominance of the dependent/comprador bourgeoisie which emerged from the *conquistador* class in Latin America excluded the native population from the process of accumulation. It also hindered the economies to transit to industrialization in the mould of Europe and more recently East Asia⁷⁶. However, compared to Africa, the other two major

Adrian. 1994. **The Developmental State, Working Paper No 6, University of New York.** On the same issue, rebattling neo-liberalism, see Meles Zenawi. n.d." The Case for Democratic Developmentalism". Chang, Ha Joon. 1999. "The Economic Theory of the Developmental State" in **The Developmental State**, Woo Cummings (ed), Cornell University Press. Rather than as an antithesis to neo-liberalism but in similar vein with the East Asian experiences, the case for a developmental state here is derived from the specificity of the local African social formations in congruity with certain historical moments. This subject requires more theoretical attention in its own terms.

⁷⁵ This sub-section on state and society in Africa is gleaned from Addis Hiwot. Ethiopia: *From Autocracy to Revolution*, Occasional Paper No 1 of the Review of African Political Economy, 1975; Arrighi, G. and J.S. Saul. *Essays on the Political Economy of Africa*, MRP, 1973; Bauer, Dan Franz - "For Want of an Ox,.... Land, Capital and social Stratification in Tigre", *Proceedings of the 5th US Conference on Ethiopian Studies*, Chicago, 1978, pp. 13-16; Bradby, B. "The Destruction of the Natural Economy", *Economy and Society*, Vol. 4, No. 2, pp 127-161; Coquery-Vidrovovitch, C. "Research on an African Mode of Production", Seddon (ed). *Relations of Production*, Frank Cass, 1970, pp. 261-288; Kitching, G. *Class and Economic Change in Kenya: The Making of an African Petty Bourgeoisie 1905-1976*, London, 1988.

⁷⁶ See for example Palma, Gabriel. "Dependency: a Formal Theory of Underdevelopment or a Sociology for the Analysis of Concrete Situation", *World Development*, Vol 6, No.7, 1978, pp. 881-924; Laclau, Emesto. "Feudalism and Capitalism in Latin America" *New Left Review*, No. 67, 1974, pp. 19-38.

developing regions, Asia and Latin America, had more durable social structures embedded in the state with reversions to democracy and military dictatorship at one time or another in their governance without endangering the emergence of **failed states**.

In pre-colonial sub-Saharan Africa, with the possible exception of Ethiopia and Eritrea⁷⁷, by and large, shifting cultivation and pastoralist mode of production precluded the emergence and sustenance of formed agrarian social classes and states based on the production, exchange and distribution of agricultural surplus in the mould of the other two developing regions above⁷⁸. The colonial state overlaid itself on mostly loosely inter-connected social structures and states.

In this social scenario, the critical social class for development in contemporary SSA is the **Modern Elite** [the Middle Class(s)] which emerged with and from the post-colonial state⁷⁹ during the 1960s and 70s. This modern elite may be segmented into the political, bureaucratic, military, technocratic and intellectual. The first generation of this governing class emerged from the peasantry educated mostly at primary and secondary level⁸⁰ with significant number among the children of traditional chiefs and teachers to serve at the lower echelon of the colonial state. They were constituted neither from those rooted in a landed aristocracy or the bourgeoisie to embed some form of solidity for the continuity of the state in the post-colonial period. Such social formations have given rise to mostly **fragile and in some cases failed states** with serious shortcomings to serve as locus for economic development.

At independence, the core **Business Class** was formed from among Asians in Eastern and Southern Africa and mainly Lebanese in West Africa. The emerging business class among the indigenous peoples, wanting policy to be solidified by the state in a dynamic economy, is both tiny and vulnerable for capture by international capital. Both sub-segments lacked security, especially in the post-colonial period of instability, attenuating their desire to invest for medium and long term returns. Notwithstanding a few such as Dangote, the Nigerian magnate, they are noted for serving in intermediary position for the collection and offer of rent and massive repatriation of such surplus and ___ potential national saving.⁸¹ By far the largest social class is the **peasantry**⁸² without a

⁷⁷ Although the northern and central highlands of Ethiopia have had a long period of state formation based on the Orthodox Christian ideology, the *gultegna* and later including the *neftegna* systems which synthesized access to land, labour and state power, governance was predicated on a very unstable tributary polity. Continually engaged in looting, it could not lay down any bases for a developmental state. See Articles I and II for details of this process in Tenkir Bongor. 2017. Forthcoming

⁷⁸ A fuller contrast with the other developing regions is found in Article VI.

⁷⁹ Except in Ethiopia which had to wait until 1974 with its military variant.

⁸⁰ There were some who circumvented the limitations posed by the colonial state who educated themselves at higher levels [Kamuzu Banda, Kwame Nkrumah ...] Black 'Frenchmen' educated among the colonized were Better in this respect [Senghor, Boughny ...].

⁸¹ For an excellent analysis of the evolution of this class in Kenya in the postcolonial period, see Kitching, G. 1988. *Class and Economic Change in Kenya: The Making of an African Petty Bourgeoisie 1905-1976*, London.

significant landed land lord and capitalist class base⁸³. It has been gaining exposure to the urban economy and increasingly acquiring the social attributes of the proletariat becoming what has come to be known as a 'peasantariat'. Reflecting the underdevelopment of the economies and subsequent low levels of accumulation, the **Working Class**⁸⁴ is incipient though by no means docile as it has at times ignited unrest prompting change. When conflict arose because of intra and inter rifts among the political and the bureaucratic sub-sections of the modern elites and unable to govern in *unison*, the military segment intervened almost always purporting their actions to be a temporary measure⁸⁵. Further fissures within the military, partly arising from ethnic tensions and divisional rivalries gave rise to the collapse of the state resulting in failed or near failed states. In such social circumstances, whether the military or its civilian variant, instead of becoming instruments for accumulation and development, the post-colonial state became an *ad hoc* institution to maintain the *status quo* and in the process a haven for the collection of 'positional rent'⁸⁶ and subsequent repatriation of scarce foreign exchange by the modern elite.

Lack of autonomy for the technocratic/managerial sections in the search for rent by the collusion of the political and bureaucratic subsections and/or violence unleashed in power struggle often deprived many countries the possibility of the emergence of what might be called **developmental elites** from among the national technocrats such as those in Botswana.

⁸²Theorization and empirical data about the political economy of the African peasantry hereunder is derived from the cited works of eminent scholars of Africa. The specificity of the African peasantry and its implication for economic development is found in Sandbrook, Richard. 1986. "The State and Economic Stagnation in Tropical Africa" **World Development**, 13(4): Roth, G. 1968. "Personal Rulership. See also articles I and II for the specificity of the Ethiopian one and articles VI and VII for the Ugandan case in **Tenkir Bongor 2017**; Bemstein, H. "Notes on State and Peasantry: The Tanzanian Case", *Review of African Political Economy*, No. 50, 1977, pp.60-73; Bernstein, H. "African Peasantry: a Theoretical Framework", *Journal of Peasant Studies*, Vol. VI, No. 4, 1979, pp. 421-443; Bradby, B. "The Destruction of the Natural Economy", *Economy and Society*, Vol. 4, No. 2, pp 127-161; Cliffe, L. "Labour Migration and Peasant Differentiation: Zambian Experiences", *Journal of Peasant Studies*, Vol. 5, No. 3, 1978, pp. 326-336; Coquery-Vidrovitch, C. "The Political Economy of the African Peasantry and the Modes of Production" in P. Crummey, D. "Abyssinian Feudalism", *Past and Peasant*, No. 89, 1980, pp. 113-138; Howard, R. "Formation and Stratification of the Peasantry in Colonial Ghana", *Journal of Peasant Studies*, Vol. 8, No. 1, 1980, pp. 60-79; Hultin, Jan. *Man and Land in Wollega*, Working Paper of the Department of Anthropology, University of Gothenberg, April 1972; Kitching, G. *Class and Economic Change in Kenya: The Making of an African Petty Bourgeoisie 1905-1976*, London, 1988.

⁸³Excluding South Africa, Kenya and until recently Zimbabwe which was settlement colonies with varying levels of the development of capitalism in agriculture. The obstruction of the agrarian bourgeoisie to reform the agrarian base in Zimbabwe and the current impasse on land reform in South Africa demonstrate the limits for the emergence of developmental states in such countries. The bold agrarian reform effort by Zimbabwe has yet to bear fruit in terms of developmental outcomes. The *gultegna* and *neftegna* systems in Ethiopia were in the process towards agrarian capitalism which was reversed by the great agrarian reform of 1975.

⁸⁴ A large segment of it is made up by the urban unemployed youth reproduced mostly in the urban areas.

⁸⁵Some such as J. J. Rawlings in Ghana, Thomas Sankara in Bukina Faso and Marian Nguouabe in Congo Brazzaville were patriotic and even developmentalists. Most military regimes were, however, stopgap interventions to forestall anarchy arising from conflict among the governing civilian elites and/or motivated to grab power for self-enrichment.

⁸⁶Most such rent, instead of expanding the domestic economy leading towards quantitative and qualitative change in the economy, surplus acquired is spent in conspicuous consumption [Victoria Island in Lagos is a case in point], and draining the economy via repatriation.

In the post-independence period, the fragility of the state has been manifested in military *coup de etats* espousing ethnic hegemony, socialism, Marxism, democracy and other political discourses. However, with the exception of some, most failed to establish a stable polity for economic development. The worst expression of the fragility of the modern state and its negative consequences has been manifested in no other countries than in Uganda⁸⁷ under Idi Amin and currently in Somalia and the Central African Republic. Short of failed states, the post-colonial governing elites shared swerving doors of power between the military and civilians, including those tinged with Marxism [Angola, Ethiopia, Mozambique, Guinea Bissau], all versions collecting various forms of positional rent amidst massive poverty and economic stagnation⁸⁸.

The constraints leading to fragility arising partly from the absence of formed historical social class(es) and the state's **autonomy** thereof may be seized as an opportunity to construct a developmental state. The two principal modern classes in SSA's social formations - the peasantry⁸⁹ and the educated elites are reproduced without significant economic surplus and associated entrepreneurship and accumulation for a modern economy. In such scenario, when coupled with historical moments such as post-civil war outcomes demolishing the *status quo*⁹⁰, the ensuing **triple autonomy of the state from**

- i. otherwise historically constituted landlord class and dependent bourgeoisie elsewhere⁹¹
- ii. autonomy arising from the void left by the rentier class(es)⁹² in post conflict situations and/or protracted democratic processes imbedding developmental goals and

⁸⁷For more on the political economy of Uganda under Amin and the current economic and institutional construction efforts, see Twaddle, M. 1988. **Uganda Now: Between Decay and Development**; Twaddle, M. 1991. **Changing Uganda**; World Bank. 1993. **Uganda: Growing out of Poverty** and Mamdani, M. 1983. **Imperialism and Fascism in Uganda**. See also Articles VI-VIII in this book.

⁸⁸ The latest and hopefully the last version of military dictators, Yaya Jame 'of the Gambia, among other things went into exile with 12 luxurious vehicles.

⁸⁹In the absence of historically established landlords but communal ownership of land under chiefs [see for the process of change in Article VI], some have even questioned the application of the term peasant to rural Africans preferring cultivators.

⁹⁰Earlier cases of Korea and Taiwan and arguably current attempts by Uganda, Rwanda, Ethiopia, Liberia, Sierra Leone, and Eritrea? could be taken as cases in point. The process of course does not have to wait for civil conflicts for the operationalization of the autonomy. Botswana, which is a pastoralist society [with less than USD\$100 per capita income] not unlike Somalia at independence, has now transited to an upper middle income nation under a governance system which interfaced the traditional Tswana institutions with modern ones. Its elites are among those who are transforming traditional pastoralism into ranching. It is also unique in that unlike most of East Asia, the transition has been made under a democratic regime without a single political prisoner. Other cases of developmental states are emerging from protracted process of democratization [Ghana, Tanzania, and Benin]. The coming of Buhari to the Nigerian political scene heralding a serious fight against corruption and expanding infrastructure could be another off shot of a developmental state in the largest economy in Africa. By contrast, Somalia, which was supposed to have become one of the few modern African **nations**, has now been a failed state for more than 25 years. For the case of rent collecting elites and its consequences for development see Tenkir Bongor. 2017, Article IX, where it is shown that while Zambia has more than double the per capita income of Ethiopia, it also has the same ratio of its people living below the poverty line.

⁹¹ For example the likes of those in Latin America which are deeply embedded in the state.

⁹² Subject also to real sovereignty. See Section 1.4.2.2 below.

where possible autonomy from international capital open up a **potential** social space to construct a developmental state by the political elites⁹³. In this scenario, the critical departure will be directing the flow of the economic surplus from repatriation and corruption towards saving for the expansion of infrastructure and human development. Led by the state in conjunction with the private sector⁹⁴ and the market as drivers of the development process, in such an interface, instead of being the site of rent collection, the elite can transform the state into a developmental one. Unencumbered by the economic, political, social and cultural hegemony of the feudal/landlord in Europe and the *conquistador* class in Latin America, the African peasantry has the potential to become rural entrepreneurs⁹⁵ requiring a demand driven reorganization of rural development services.

In the meantime, the acquisitive capitalist spirit and drive needs to be built in the process via the development of the private sector with due reference to the indigenous segment. Delivering timely goods and services in the process to all its peoples arising from a sustained economic growth, an **accountable developmental state can** become solid bases for social stability and ethnic solidarity rather than that of a self-serving one for ethnic rivalry.⁹⁶

Not unlike the capitalist and socialist accumulations, protracted and evolutionary in the former case radical and in a shortened period in the latter, the developmental state can also be **transformational** with primary production giving way to manufacturing and in the context of recent developments services taking the lion's share. In contrast to the 'clearing' of peasants in the European transitions, locking them down in *minifundia* in Latin America and being used as mere **instruments** of accumulation in state led social accumulation of the East European models, when they have legal protection of their hitherto communal lands, with their own family labour and land backed by

⁹³ It is critical that such a political elite is independent and not captured by internal and external political and business classes in the process. It is inconceivable that pre-revolutionary China and contemporary India with strong socio-economic position of the landlord and dependent bourgeoisie could have embarked on such a course of development. Arguably, the current developmental states may be classified as those which

a) did so since independence [Botswana, Senegal ...]

b) emerged from a protracted democratic process [Mauritius, Ghana, Tanzania, Senegal, Benin ...]

c) Emerged from post conflict situations [Ethiopia, Rwanda, Uganda, Liberia, Sierra Leone ...]. Given the large number of countries and barring conflict, future trajectories towards developmental states will depend on the pace and depth of democratic transformations responding to the developmental needs of their respective societies.

⁹⁴ Both enticed for its investments and patriotic zeal but disciplined for corrupt practices such as tax evasion and capital flight.

⁹⁵ This is in contradistinction to their perception as an 'awkward' class. Since Africa has the largest percentage of its population as rural, under universal access to land, expansion of transport infrastructure with feasible input and output price policies, agricultural growth and development can expand the home market. Under such conditions, at an average growth of over 7.5% in the last 10 years, peasant farmers in Ethiopia are emerging as entrepreneurs [EPSS & IFPRI. 2016. Agricultural Growth in Ethiopia (2004-2014). p.1 The author observed similar process in dairy production in Western Uganda towards the end of the nineties. Cases such as these would pose a new mode of agrarian transition opening up new arena of research.

⁹⁶ In such conjecture, the state can become an instrument/venue for the collection of rent by the elite in unison [Nigeria, Angola] or in rivalry between ethnic groups to take a lion's share - Kenya, between the Kenyatta faction mostly of Kikuyu and the opposition leader, Odinga a Luo. But both of their parties came together to vote overwhelmingly to pay a salary of USD13, 000/month for each parliamentarian. Here, discourse about development becomes a lip service. The recent mass media report of USD\$35 million unaccounted for by the ex-First Lady of Nigeria of which two million was spent on medical treatment! is of similar pillage of state funds. The return of 12 Presidential jets by the predecessor of Buhari to the Nigerian air force is in stark contrast with that of the late first President of Botswana, who travelled in hired private jets.

modern technology, peasants in SSA can become bastions of accumulation⁹⁷ and stakeholders in the process itself easing untimely push to urban areas such as in Latin America and most of developing Asia except China. Such a trajectory will have many similarities with the Chinese model of development.

At macro and micro level, improved Investment Climate and the Business Environment [ICBE] and Business Development Services [BDS] will be necessary critical institutions to drive businesses.⁹⁸ See Articles IV and V for the case of Ethiopia in Tenkir Bongor. 2017. Forthcoming. Erected on the foundation of rapid growth, the socio-economic goals of a developmental state can be refined in process.

4.2 Developmental Goals⁹⁹

4.2.1 Sustainable Human Development¹⁰⁰

Instruments to operationalize the goals can be, among others, sustained economic growth of at least 5% and efforts towards expanded infrastructure, universal education, health, urban housing, social security and protection largely captured under 1.4.2.1 above. In due course, the goals and targets can be refined with respect to minimum standards, quality and equity as indicated by the arrows of interaction in the diagram below. There is a dire need to interface cultural practices with science and modernity¹⁰¹.

4.3 Pre-requests for Developmental State

4.3.1 Articulated Vision and Action for Development

Such vision should be able to mobilize the population at large appealing to patriotism and the common good. It requires both political and social inspiration and action aiming to catch up with the rest of the world as Japan did under the Meiji restoration.

4.3.2 Functioning Sovereignty¹⁰²

⁹⁷With a combination of the delivery of green technology inputs, almost universal access to land and agricultural output growing at over 7.5 % in the last decade, there are hints of evidence to this effect in cereal farming in Ethiopia and dairying farming in Uganda. Perhaps because of this, Ethiopia also has had one of the highest rural to rural migration due to opportunities in employment. Todaro. 2012.

⁹⁸ ICBE encompasses aspects of institutions as they relate specifically to the startup, growth, development and performance of businesses and their capacity to drive the pace of economic and social progress.

⁹⁹These can be broken into quantified targets to measure and compare the proximity of countries along the path towards a developmental state and assess the pace of those already characterized as developmental.

¹⁰⁰ See the latest edition of Human Development Report for its widened scope.

¹⁰¹In an extreme case, a critique none other than the Nigerian novelist, Chinua Achebe, discloses the throwing away of twin babies to wild animals among his own Ibo of Eastern Nigeria.

¹⁰² For a political balancing act with respect to superpowers for own development purposes, among others, Lee Kuna Yew [the late Prime Minister of Singapore]. 2000. **From Third World to First**.

The primary prerequisite for development is sovereignty. The colonial state could not have driven development in USA prior to its independence in 1776, India before 1947 and weak and politically fragmented pre-revolutionary China. Radical changes in policy in China first in the post 1949 period to transfer land rights to the poor peasantry and later in the post 1975 period to embrace the market, Russia since the mid-1990s opening up markets were undertaken under sovereign conditions. Once a country is truly sovereign, development becomes a process of clearing a **backlog of institutions and policies in an independent policy making social space to meet SHD goals**. Instead of developing an eclectic model of development, countries in Africa and Asia which emerged from the throes of colonialism in the aftermath of the Second World War, were cajoled to camp under either of the two global systems - Western capitalism or Soviet communism. More often, military assistance, the pillar for the seizure and retention of power by the political elites of the client states, was often allied to either of the development models limiting policy options. In the process, the sovereignty of nations was compromised¹⁰³. The collapse of the Soviet Union in the early 1990s opened opportunities for alternative forms of social democracy and economic management.

The sovereignty attained by most African countries following decolonization was a very limited one. The few which charted independent pathways such as Ghana, Uganda and Democratic Republic of Congo under Nkrumah, Obote and Lumumba respectively were overthrown with the connivance of imperialism, a move which recently failed to materialize in the case of Zimbabwe. The rise of the BRICS may provide opportunities as political and economic countervailing powers to make formal African sovereignty more real.¹⁰⁴

4.3.3 Social Stability

Social stability is both a cause and consequence of sustainable development. Appropriate governance, development goals, policies and instruments to achieve them with equitable outcomes for society can generate and sustain social stability. In this regard, instead of aping the governance systems of Western democracies such as winner takes all electoral laws, African countries need to innovate power sharing mechanisms¹⁰⁵ which distribute **real** political power between elites of **all** ethnic groups, political viewpoints and regions on the road to the formation of **multiethnic nation**

¹⁰³Recently, a major investor in Ethiopia, Turkey, cajoled it to open its financial sector for private investors. The Government refused on the ground that the private financial sector cannot yet competitive enough to stand up to foreign banks. This might be a manifestation emerging from its longevity as a sovereign state.

¹⁰⁴Here again there is a need to exercise real sovereignty. Addis Ababa now has one of the few urban transit railways in SSA built by the Chinese. It is inconceivable why the Ethiopianization of its management and maintenance has to wait for three years. This is in a country which runs and mans the technical and management operations of Ethiopian Airlines, one of the top in the world flying to 90 foreign destinations in all continents except Australia. On the positive side of return to its sovereignty, Ethiopia is building a USD \$4 billion worth Renaissance Dam, the eighth largest in the world and by far the largest in Africa which is expected to generate 6,450 megawatts of electricity, all from its own resources. It is also raising significant amounts of internal funds from its airline, banks, telecom and other state firms to finance significant portions of its development.

¹⁰⁵For example proportional representation can take care of ethnic and regional equities

states¹⁰⁶. If and when successful, the evolution of such nation states will be Africa's contribution to global governance averting the hundreds years of wars within and between today's nation states. Indian federalism and democracy may have some inputs towards this end.

4.3.4 Appropriate Developmental Policies and Capable Institutions

As the experience of East Asia has shown, development needs to be anchored under a developmental state and capable institutions to generate a momentum and counter the creation of inequality of the market left to itself. Under an optimum and dynamic synergy of the state and the market across sectors and time in the process of development, instead of creating and then **reducing poverty**, Africa can embark on a policy of **growing without poverty**¹⁰⁷. It can construct the capability to expand the foundation for social stability and nationhood via policies towards universal minimum incomes, health, primary education, social protection, social security and housing policies which evolved from many years of struggle by the subordinate classes in today's developed countries¹⁰⁸. In the meantime, such states need to have an **industrial policy**¹⁰⁹ in the manner of the US after independence and the East Asian countries more recently augmented by seizing and expanding the frontiers of science and technology.

4.3.5 Expanding Physical Infrastructure

Given that by far the vast majority of the population in Africa is rural living in villages under subsistence agriculture to eke out a living, expansion of transport and communication to connect them with national and global grids/markets is one of the primary functions of the developmental state. Together with other policies, by reducing transfer costs, it can provide incentives to accelerate the commercialization of agriculture. More power grids and sanitation can improve the level of living and serve as solid investments for industrialization¹¹⁰.

4.4 Garnering Global Best Practices

In its heydays, Britain opened opportunities for and benefitted from its neighbours later including the US, as a market for import of raw materials and export of value added products. When the US

¹⁰⁶Efforts towards the construction of a developmental state in multi-ethnic societies retaining/acquiring stability requires creative political engineering which is outside and the expertise of this writer.

¹⁰⁷While growing at a rapid rate, in the last decade, Ethiopia has not only halved the level of poverty [about 30% from 60%], but also instituted policies to eradicate absolute poverty in rural and urban areas the later with a World Bank loan supplemented by Government.

¹⁰⁸Their sequencing, least cost configurations and timing need to be worked out carefully as Ethiopia is undertaking in some of these areas.

¹⁰⁹For an insider's insightful research output on the subject, see Arkebe Uqubay. 2015. **Made In Africa: Industrial Policy in Ethiopia**. Supporting his observation, in a popular development economics textbook for seniors and post graduates by a renowned scholar with teaching experience in Africa, covering over 800 pages, there is not a single chapter on industrialization. M. Todaro, M. and S.Smith. 2012. **Economic Development**.

¹¹⁰If counter factual evidence were to be generated, the amount of oil money drained out of the Nigerian economy and part invested in Victoria Island would have transformed the country on a solid road towards sustainable development.

later caught up after independence, it joined the geographically limited global modern islands of commerce and industry focused around north-east Europe largely trading between themselves. Today, China and India and to a lesser extent Brazil and Russia, the so-called BRICS coming from varied socio-economic baselines, their vast populations [nearly half of the human race] and historically unprecedented growth rates, they are becoming the hub of the world's incremental growth of imports and exports. They are absorbing continental Asia and a large part of Africa into their orbit of spiraling demand. It appears that time may have come for Africa, including countries in the studies herein, to clear their backlog of underdevelopment in the Asian Century.

If Africa is to transit from UD to development learning from the various trajectories spelt out above under section 1.2, it needs to strive towards garnering along its path lessons from the entrepreneurial spirit, innovativeness, business development and dynamism of the private sector in the US but mindful of the still stunting social and economic effects of slavery. It can learn from the social democracy and protection policies of Europe while defacing the imprint of the colonial mind challenging the self-confidence of Africa's elites and its population at large¹¹¹.

Africa can also attempt to internalize rapid growth with equitable social base and bring the critical role of the state by China and other Asian countries with import substitution and export promotion as **twin strategies** but without their democratic deficits. While factoring out the shortcomings of its caste system and vast landlessness perpetuating poverty, India can be emulated for its multi-national democratic political space and practice. Africa can also learn from import substitution efforts of Latin America but without neglect of export promotion. Latin America's emergence from being the "backyard" of the US towards social democracy is another positive ongoing global change. Africa can also note the cumulative gains in health and education by Russia and its former allies in Eastern Europe. Africa will have to share the costs and benefits of globalization and climate change in tandem with its developmental objectives.

Either by the absence or infancy of historically formed social classes, Africa can contribute **communality as a social capital**. If and when the time comes, it can also contribute towards the formation of **multilingual democratic nations** such as today's Tanzania and Ghana, in the mould of Switzerland. Simultaneously, Africa has to be aware of the urgent need to come out of its scientific infancy. Given the social trajectories of development under section 1.2 above, for Africa to clear its backlog of underdevelopment, the extent of garnering its **sovereignty**, state format(s) and policies maintaining **stability**, optimum blend of the **market** and the **state** and **appropriate developmental policies and institutions are of critical importance**.

¹¹¹It is a disheartening to see African women [including Ethiopians more recently] almost invariably wear wigs to make their hair look like that of whites as do the judiciaries in many countries to imitate the colonial courts. Recently, the media reported a word by word plagiarism from the inaugural speech of ex-President Bush by the newly elected President of Ghana on similar occasion.

4.5 Challenges and Opportunities of the Broader Socio-economic Environment

4.5.1 Global

Africa will be developing in what has been termed as the Century of Asia. The rise of China and India with a combined global population of over 40% and their economies growing at an annual rate of over 7% is shifting the core of the world market towards Asia offering alternative business deals from the traditional business powers whose relative economic muscle is declining. The latter are themselves scrambling for opportunities in the newly rising economies. Climate change is a global challenge. Coming from behind in development, Africa has the opportunity to structure a green economy. Globalization has opened up the opportunity of learning by doing in the world economy. Today, the returnee diaspora with modern attitudes, ambition, and entrepreneurship and in some cases capital make up an important segment of the business and technocratic classes. The significant contribution of the diaspora in Chinese development is echoing in many 'sunrise' industries in Africa.

4.5.2 Continental

Africa is attempting to transit from subsistence economy to a modern one in the age of ICT and digitalization which confer cheap information and communication opportunities. On the social side, along its road towards the construction of multiethnic nation states, it is challenged by ethnic nationalism. In many countries, remittances from the diaspora now surpass foreign exchange earned from commodities. On the downside, in addition to unskilled labour, migration deprives the technocratic section of the middle classes which are important inputs in the development process. The gender agenda is both a global and continental issue awaiting to be tackled.