THE AFRICAN ‘DEVELOPMENTAL STATE’ IN THE AGE OF GLOBAL ACCUMULATION CRISIS

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ABSTRACT

The 2008 global accumulation imbroglio, popularly reffered to as ‘global meltdown’ in journalistic and popular parlance, unabashedly exposed the African states and their structurally defective economies to the vagaries of global casino oligarchs whose speculative instincts gingered the crisis. During the crisis, the ‘African developmental state’ was shaken to its foundation and this development has made many observers to ask: where is the developmental state in Africa? Indeed, this poser has generated debates on the suitability of the neo-liberal developmentalism model for Africa.

Given this background, this paper sought answers to this question in a discursive cum historical fashion. It argued that the neo-colonial African state, unlike the Asian Tigers that defied neoliberal logic, is not developmental in form and content but rather prebendal or rent-seeking. This makes it vulnerable and unable to respond to the vagaries of global environment.

The paper submitted that since the state is at the centre of the developmental imbroglio in Africa, it needs to be restructured anew through a process of relegitimation.

Keywords: Reconstitution, Decentralization, Developmentalism, Neoliberalism, Prebendalism, Asian Tigers.

INTRODUCTION

That the state exists in furtherance of good life presuppose that it exists as a mechanism for driving socio-economic policy that would promote human development. Indeed, in ancient Greece, the Athenian polis acted as the custodian of the good life (Aristotle, 1981) but with the eclipse of Greece by the Romans, this ideal evaporated. However, with the emergency of the nationalistic state in Europe courtesy of the Westphalia arrangement of 1648, the moribound developmental state paradigm resurfaced. Unfortunately, by the eighteenth century, the philosophical underpinning of the developmental state was undermined by Smithian liberalism which according to Ohiorhenuam (2000) became the reigning developmental ideology until it was smashed in the 1930s following the Great Depression.
Following the recovery of the global economy from this major catastrophe, a new paradigm, that granted the state a central responsibility in managing national economy, Keynesianism, emerged and it became the dominant national development strategy for decades. But it is instructive to note that different nations showed varied attitude to it. For example, the Soviet Union, under the leadership of Joseph Stalin, saw it as a capitalist driven developmental strategy (Hettne, 1995) but irrespective of the behaviours of the eastern policy makers, Keynesianism, remarks Altvater (2009:73) became entrenched, in global developmental discourse, until it broke into pieces in March 1973.

In Africa beginning from the 1960s, the national elites compelled by the realities of integration and development, had no choice but to embrace state-led development model ( see Young, 1982). Indeed, in many countries, state enterprises competed with private concerns; prices and exports were largely controlled centrally, the government dominated the marketing of cash crops; and there was considerable investment on welfare programmes. Truly, via this model, Africa economies witnessed modest growth but disappointingly, the economic crisis of the late 1970s and early 1980s, following the oil shock of 1973/74 eroded this (Chisanga, 2010:7).

Thus, from being glorified as a catalyst of development, the state in Africa was ‘condemned’ as the major impediment to sustainable economic growth and development by the monetarist apologists, at the World Bank and International Monetary Fund. As Mkandawire (2001:289) pitilly remarks “the state in Africa became the most demonized institution, vilified for its weakness, its over - extension, its repressive character, its ubiquity, its absence e t c”

The implications of the relegation of the state in Africa was the opputunity it gave to the dominance of the market but despite the euphoria that greeted the ascendancy of the market-oriented Structural Adjustment Programmes (SAP), it was not too long when the faith in it soon degenerated into disappointments(see Mkandawre, and Olukoshi,1995;Olukoshi,2003). In fact, the most familiar conclusion, drawn from various evaluational studies was that, it was associated with a huge drop in living standards and a huge rise in inequalities (Onimode, 2000)

The disappointing track record of SAP, in Africa, in the 1980s and early 1990s invariably led to the rethinking of the role of the state in spurring development in the region. Leading in this regard, was the World Bank, which in its 1997 report, ‘unrolled’ back the state (World Bank, 1997). Expectedly, the bank’s position tremendously amplified the UNDP’s position adopted a year earlier. Read together, the two institutions advocated for the reinvigoration of state institutions and capabilities if people needs were to be effectively addressed.

In fact UNDP specifically pointed out that “a poverty eradication strategy requires not a retreating, weak state but an active, strong and the strength should be used to enable the poor rather than disable them (see UNDP, 1996). Aside from reinvention of the state by these institutions, the experience of the countries in the Pacific Rim, in the wake of the financial crisis that rocked the region in 1997, further demonstrates the centrality of the state not only in spurring economic growth but also in coping with external shocks emanating from the crisis in the global casino economy (Meyns. and Musamba,2010:7)
At this juncture, some questions are apt: why despite the embracement of the developmental state model, African people have not benefitted materially? What were responsible for the eclipse of modest growth experienced in the 1960s and early 1970s? What lessons are to be learnt by Africa and Africans from the East Asian Experience particularly in the wake of recent global economic crisis? How can the state in Africa be reconstituted to act developmentally in a neoliberal globalized world that is prone to meltdown?

Really, this paper seeks answers to these questions in the context of Africa. Although many factors have been offered in scholarly and policy circles to explain why the state in Africa has not succeeded in spurring sustainable development policy viz colonial legacy, clientelism, bad stewardship, structural dependency but we contend that these factors are plausible but alternatively, we argue that the problem should be located in the crisis of the African post-colonial state and the forces that incubated it.

It is against the foregoing that this paper situates the African weakness during the recent global economic meltdown. Thus, in order to set about its objectives, the paper is structured into five broad sections. The first section sets the background and the main thesis of the paper. The section that follows, attempts to perform two tasks. First, to put developmental state in clear conceptual frame. Second, to set, the framework for this study, by linking the state, development and global economy. Section three, in a narrative fashions, traces Africa’s development efforts since the 1960s. The fourth section put the East Asian miracle in a proper perspective. Section five concludes the paper with a number of recommendations.

THE DEVELOPMENTAL STATE: THEORETICAL AND DISCOURSIVE CONTEXTS

In the new political economy literature, it is common to trace the origin of the concept of developmental state to Chalmers Johnson who first introduced the concept in his path-breaking book, *MITI and the Japanese Miracle* in 1982 but as briefly presented in the introductory paragraphs, this is not the whole truth as the state in all its historical forms—the polis, principality, kingdom e.t.c- has had development as its raison de‘tre. Thus, like most human-crafted institutions— the family, the school, the city, the state, customs, laws, the developmental state was born long before anybody thought of naming it. As Bagchi (2000:4) remarks ‘there were developmental states long before economists, political scientists or historians recognized them as such’.

It is instructive to note here that whether developmental state is discerned classically or contemporarily, the concept is paramount in today’s development literature but clearly two development scenarios laid the foundation for the debates on developmental state in the twentieth century. First, the advent of Fordist state in the Scandinavia countries and second, the rise of Stalinist orthodoxy in much of the communist world. Needless to say here that the Scandinavia world could have played a major part in promoting the idea of developmental state, but Japan and other Asian tigers are seen as the models. Following the second world war, Japan in an attempt to catch up with the west embarked on a developmental path that subordinated the market to the state. To the elites in Japan, at this point in time, the *lassez faire* approach might be inimical to growth and development. Therefore, a strong state bureaucracy is required to bring coordinate the market. To this end, the
Japanese policymakers made a distinction between plan-rational system and market-rational system. The former, the policymakers argued, while different from Soviet-command system, offered the best prospects for growth. In fact, based on this distinction, Johnson (1982) identifies three features of the Japanese developmental state. First, the markets do not exist in isolation but that they are a creation of the state and politics. Second, the creation of a developmental state comes first before development priorities are put in place. Third, the most crucial element, the developmental state must ability to mobilize the nation around economic development within a capitalist system.

On this basis, Johnson (1982:54) defines a developmental or plan-rational state ‘as one that is determined to influence the direction and pace of economic development by directly intervening in the development process, rather than relying on the uncoordinated influence of market forces to allocate economic resources’. He therefore closes his case when he avers that: “A state attempting to match the economic achievements must first adopt the same priorities as Japan. It must first of all be a developmental state – and only then a regulatory state, a welfare state, an equality state, or whatever kind of functional state a society may wish to adopt” (Johnson, 1982:58).

Obviously, the classic work of Johnson represents the liberal view on developmental state but other scholars have contended that the experiences of the newly industrialized countries (NICs) violate Johnson’ liberal contention as the push for developmental state was conditioned by different ideological trajectory. In fact, Mkadawire (2001) has argued that discourses on developmental state, particularly after the coldwar, have revolved around two ideological orbits vis the neoliberal state ‘roll back’ and the radical state ‘transformation’. This debate has, indeed, coloured the meanings of developmental state. According to him:

> most of the analyses about African states that have led to so much despondency about prospects of development are based on invidious comparison between African states in crisis and idealized and tendentiously characterised states elsewhere. This invidiouscomparison has occulted the African state, making concrete analysis of its character less important than the normative statements about what it should be. The “ought” has proved more interesting than the “is”; turning debates on the state in Africa into the most pontifical and teleological of any theme in Africa (Mkadawire, 2001:1))

To this end, he defines development state in ideological terms thus ‘A developmental state is one whose ideology is “developmentalist” (Mkadawire,2001:2-3). This kind of state conceives its mission as one of ensuring economic
development and its elite has the capacity to establish an ‘ideological hegemony’ and implement economic policies effectively, something that entails the autonomy of the state from social forces and private interests.

Joining issues with Mkandwire is Edigheji (2003) who adds other elements to the definition: the promotion by the state of market-enhancing rather than market-repressing economic policies and a clear division of labour between the state and the private sector under the overall guidance of a super-ministry or state agency (state-informed public private partnership. Edigheji also highlights the different versions of developmental states according to developmental theorists and scholars. As he points out, ‘while some scholars adopt a strong statist interpretation of the developmental state, emphasising the importance of the state governing the market, others prefer a model based on consensus-building and complementarity between the state and the private sector’ Edigheji (2003:15)

Thus the debate has sometimes shifted from searching for a functional model of development in Africa to debating successful models of development elsewhere, without even agreement on the description of such models and the reasons behind their success. To sum up, African scholars tend to support a leading role for the state in the development process, even while criticising the predatory, elitist and repressive features of the current African state. While support the reinvention of the African state to make it both developmental and democratic. Some recognise that it is not only the role of the state that is decisive in the development process but also its capacity. This depends on strong and effective state institutions with autonomy from special interests that would exploit the state for self-enrichment. Obviously, Mkadawire and other radicals tend to favour an autochtonous developmental state instituted via popular struggle rather embracing a model that is at variance with African experience ( see Tawfik, 2008: 55–70)

THE STATE, DEVELOPMENT AND THE GLOBAL ECONOMY.

As it was established earlier in this paper, the state is the harbinger of development. This presupposes that the state must tap from the external environment as to realize the goal of development. As soon as the state in Europe discovered that wealth creation at home could not sustain domestic development, it realized that it needed to use its power to tap from the external environment via imperialism (Hobson, 1965; Lenin,1939). Thus a link was forged between the national state (obviously a developmental state) and the global economy. For example, the desire of the British state to encircle the world in the eighteen and nineteen century was motivated by the need to develop the British society and not the natives of Africa, Asia and the Pacific ( see Davidson,1974).

So, ab initio, the foray of the European state into the global economy was conditioned by development and exploitation imperatives. Walter Rodney (1974:58) captures the situation this way: “Colonial Africa fell within that part of the international capitalist economy (global economy) from which surplus was drawn to feed the metropolitan sector. Colonialism was not merely a system of exploitation, but one whose essential purpose was to repatriate the surplus to the so-called mother country” (emphasis added)
As the need to further open up the world up for exploitation and plunder intensified, the European ‘developmental states’, in different parts of world, created new states in their own image. As Opello and Rosow (2001:75) write, “it is impossible to understand the development of modern states without taking into account the way European states constructed an interconnected global order by means of conquest, trade, religious conversion and diplomacy”.

Under colonialism emerged the colonial state. This state remarks Ekekwe (1986:36), was the metropolitan bourgeoisie’s chief local agent and its instrument of economic exploitation. In short, the main aim of the colonial state in Africa was not the development of the productive forces for the benefits of the natives rather its main concern was the supervision of the penetration of the pre-capitalist colony for the purpose of exploitation. This invariably, according to Basiru (2010), entailed the restructuring of the pre-capitalist economy. In fact, Onimode (2000:89) captures the scenario thus:

In order to facilitate the exploitative essence of this colonial system, the pattern of production, specialization and consumption in the colonies were deliberately changed. Whereas in the pre-colonial era, European middlemen exchanged Africa products for European goods. After colonization, the colonies were forced to send their raw materials only to Europe. And in order to ensure ready markets for manufactured imports from the metropoles, the colonized “natives” were programmed to consume imported goods and export their raw materials. This is the source of the profound disarticulation and distortions and paradox of the colonial and post-colonial economy to this day.

The above passage has been quoted in extenso to demonstrate how colonialism in Africa created an economy that is totally oriented towards the metropole. At this juncture, it is instructive to note that the discourse so far about the role of the African colonial state only captures part of the story. Neglected so far is the modality of its operation. Although, various accounts about the modality of the African state abound (see Gana, 1985; Ake, 1978), its absoluteness and arbitrariness seem to have been the most dominant. As Ake (2000:17) remarks “the power of the colonial state was not only abso lute but arbitrary”.

In the course of time, the institution of colonialism, like other exploitative institutions nay slavery before it, started showing signs of evaporation after 1945 due to combination of many factors (Ajala, 1998). As independence approached, hopes were high that the post-colonial state would bring about “bread and butter” which the colonial overlords had denied the nation. However, such expectations soon vanished as the inheritors of the new states rather than dismantling the inherited exploitative states sought to preserve them. In other words, the over developed colonial state was further extended (see Alavi, 1972). As Mafeje (2002: 8) lucidly avers:

the easiest option is to maintain the status quo and try to find opportunities for self-aggrandisement within it. Needless to say, this is the option African leaders have chosen over the last 30 years or so. Contrary to popular belief on the left, in the short- to medium-term this is not an irrational choice, given the fact that African economies have been in decline since the end of the 1960s. Neo-colonial arrangements did not only seem to offer African economies a longer lease of life but also created ideal opportunities for African leaders to reproduce themselves.
At this critical historical juncture, the post-colonial state elites conscious of its material weakness sought to use the awesome power of the state for the purpose of primitive accumulation. They not only centralized the state but also ally with the international bourgeoisie to further the impoverishment of the people. Since the goal of state centralization was political, it was met with countervailing forces and thus the state became the arena of intra-class politics. The hegemonic class, in the tussle, responded to the challenge to its class by either initiating further repression or creating clientelist networks (Clapham, 1982)

Thus in such atmosphere, politics became adversarial zero-sum game and as a result, development becomes politicized (Ake, 2000). As socio-economic transformation was not in their agenda, they defined development narrowly and selfishly. With this orientation, the economy in Africa was further exposed to the vagary of the asymmetric global system. As will be demonstrated soon, when global economic crisis beckons, African dependent economy becomes an easy prey. Infact, the 2008 global meltdown further expose the vulnerabilities of African states and even reversed the marginal gains that have been recorded since 2000 (UNECA/AU, 2009:1)

AFRICA’S EFFORTS AT DEVELOPMENT

Factually, African states’ elites had not been been short of development agenda. In deed, as far back as 1955, Kwame Nkrumah, while anticipating Ghanaian independence, had declared that he would transform the Gold Coast into paradise in ten years. True to his promise, after independence of Ghana, he did not only attempt to transform his country but in concert with his counterparts, also attempted to transform the continent, materially. To achieve this goal in the 1960s, the african state elites took two landmark decisions that laid the basis for a broad continental framework in subsequent years. First, having realized that pan-africanism was a sine qua non for the continent’s progress, they formed the Organization of African Unity (OAU) in May, 1963 (see Bukarambe, 2004) and second, the establishment of the African Development Bank in 1964. With these twin institutions in place, African leaders, though divided, believed that their region, was on the path, of growth (Cervenka,1977). Indeed, during the first decade of independence, the African economies showed modest growth as investment and savings ranged from 15% to 20% of the GDP (Chisinga,2010:10).

If the continent experienced modest growth in the 1960s, the experience of the 1970s was totally different. During this period, the state elites in order to keep the neo-patrimonial machine permanently oiled, borrowed heavily. Thus petrol dollars, accumulated by international banks during the 1973 oil crisis, were off loaded in the form of cheap loans to Africa. By the end of the 1970s, cheap loans turned into heavy debt burdens. By this tune, the limits of the early growth were reached and the economic shock of the late 1970s plunged African economies into a deep crisis (Onimode, 1987; Shivji, 2009: 121). This fact became too evident when African states began to default on accumulated loans and inevitably needed to negotiate concessionary repayment terms. This gave the Bretton Wood Institutions significant leverage to administer development in Africa.
By now, having acquired the status of a special international economic zone, African states became the object of development initiatives either through African designs or through the activities of the UN system. Right from the Lagos plan of Action (1981) to the latest NEPAD, attempts have been made to idealize and concretize development. A review of African development plans before NEPAD reveals that there were significant gaps in dealing with these elements. When the African development predicament emerged at the end of the seventies and the beginning of the eighties, African governments responded with the Lagos Plan of Action (LPA).

As a product of its historical moment the LPA reflected the African development thought of that time, with its emphasis on collective self-reliance and state-led development. In this view, the state was the leading actor and should bear the burden of elaborating the social, economic and cultural policies that enable the mobilisation of the resources and capabilities of the country. The LPA also emphasised the role of the state in the fair distribution of both development burdens and benefits (Tawfik, 2008).

Although it did not explicitly discuss the role of the state in development, the LPA made it clear that the state was both part of the development crisis and the main agent for its resolution. The strategies that had been adopted by African states were, according to the LPA, mainly responsible for the crisis. Although the LPA provided for African integration, it did not adequately address the crucial elements for African development discussed above, namely, capacity, autonomy and partnership. While concentrating on sectoral programmes, the Lagos plan did not adopt a detailed strategy for building the capacity of domestic institutions in African countries. The plan also dealt with the African development predicament as a mainly, if not purely, economic crisis; corruption and clientalism were not major concerns.

The United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD) emphasised the central role of the state in the development process but added the need for building the capacity of state institutions to enable it to perform this role. UNPAAERD also asserted the importance of the private sector, but confined itself to stating that ‘[t]he positive role of the private sector is also to be encouraged through well-defined and consistent policies’ (ECA, 1989).

At the end of the 1980s, the United Nations Economic Commission for Africa (UNECA) proposed the African Alternative Framework to Structural Adjustment Programme (AAF-SAP), one of whose main arguments was to debunk the SAPs’ promotion of a minimal role for the state. It argued that privatisation was failing due to the lack of an efficient, robust private sector in most African countries and the resulting danger of domination of African economies by foreign capital. Four imperatives needed to be applied, the framework stated, to the path of adjustment: strengthening and diversifying Africa’s production capacity, improving the levels and distribution of people’s incomes, adjusting public expenditure to meet people’s essential needs and providing institutional support for adjustment with transformation (see Africa Recovery, vol 2, 1990).
While many African scholars celebrated AAF-SAP for its critique of SAPs and its attempt to elaborate an alternative plan based on mobilising national resources and supporting regional integration, others did not regard it as a real alternative framework and criticised it as state-centered. In response Adebayo Adedeji, then General Secretary of the UNECA and the main architect of AAF-SAP, argued that it proposed a balanced non-ideological vision that neither called for wholesale state intervention nor promoted total reliance on markets.

However, it is instructive to note that, though in few instances, attempts were made by African leaders to prioritize the state at the expense of the market but the imperialist dynamics has continued to hamper such efforts (Adesina, 2001).

**RESURRECTING THE DEVELOPMENTAL STATE IN AFRICA: LESSONS FROM THE 1997 ASIAN TIGERS’ EXPERIENCE**

Several observers, mostly the rabid liberals, characterized many economies in Africa in the 1960s as excellent but many analysts have contended that the verdict was a glaring misdiagnosis of the underlying dynamics of the continent’s political economy at that time. They contend that contrary to the liberals’ view that African economies at that time were paragons of a free market, non-interventionist capitalist economies. In other words, the tremendous economic growth that the countries achieved during the first decade of independence was very much state driven akin to the pattern observed in the context of the Newly Industrializing Countries (NICs) in South East Asia – the Asian Tigers (Pryo, 1990).

Indeed, the 2008 global financial meltdown has made many Africanists to rethink developmental state in Africa (Foster, 2008). The resilience of the Asian Tigers (South Korea, Taiwan, Singapore, Hong Kong), in the wake of the 1997 Asian financial crisis made many scholars to bring the Asian miracles to the front burners. As South Centre director and Ugandan political economist, Yash Tandon (2008:1) put it, ‘The first lesson, surely, is that contrary to mainstream thinking, the market does not have a self-corrective mechanism.’

In fact, the experience of the Asian Tigers demonstrates how nation states that have been harassed, for centuries, by foreign imperialists, in the wake of monumental crisis, could salvage their nations and people. During the Asia financial crisis which originated in Thailand (cf. Balaam and Veseth, 2005:78) , the state elites in these four countries and in the larger Pacific Rim region reaffirmed their commitment to the essential role of the state. In deed, Dr Mohammed Maktar, the Prime Minister of Malaysia minced no words at all in expressing his views on the inappropriateness of the market theology for all countries.

Thus with their firm commitment to state intervention, the distressed economies were bailed out. In other words, the state was brought back-in. At this juncture, a question is apt: if the success of the Asian Tigers was due to the faith in state dominance over the market, can’t Africa follow the same trajectory in resurrecting the development state in Africa?

Ordinarily, the answer ought to be in the affirmative but we contend that the successes of the Asians were beyond structures but hinged on civic ethics on the parts of leaders. As Hettne (1995) remarks ‘that the Confucian ethics contributed in no
small measures in firing the civic responsibilities of the national elites in re-asserting their stateness'. Here, some critical questions need to be asked, vis, what structure conditions the attitude of the state elites in those countries? Do African ruling elites have such mindsets?

CONCLUSION

The paper set out to examine the role of the state in the development process especially during period of global crisis. It has thus demonstrated that whether in the period of crisis or not, the state must live up to expectation in promoting the development of the society. Africa, unlike the Asian Tigers, except in the 1960s, and with the exception of Botswana, has not succeeded, in such endeavours. The neo-patrimonial states in Africa due to endogenous and exogenous factors have not lived up to expectations. This explains why during the recent global economic crisis, the continent and its people were adversely affected. Obviously, this has implications human security and sustainable development in Africa or to put it differently, a state that is ideologically bereft of developmentalism cannot meet the expectations of the present generations not to talk of the future generations.

The foregoing suggests that the continent and its people need to resurrect the developmental state. But what sort of developmental state? By following (Mkandawire, 2001; Kasongo, 2003) a transformatory developmental state is recommended. To achieve this, two tasks are germane. First in the short run, the existing states must be reformed as to make them governance and development compliant. Here the policymakers must move beyond rhetorics and must show commitments towards realizing the goal of transformation. Second, in the long run, the state must be reconstituted in a new form. This must aim at institutionalizing a system of decentralization where the locals should be empowered to engineer development. A decentralized state aside from dispersing power to the local actors, would promote local self-reliance and good governance. In the long run, the people must see development and transformation as rights that must be fought for and defended. They must not only demand for development but must also demand for the restructuring of the state which as it is presently constituted is anti-development.

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