



Getting the African economy right

May 2019

As we commemorate yet another Africa day, I want to take the opportunity to reflect on the African economy or economies in Africa. To start with, it is clear that part of the reason why development has not been good in Africa is that economies in Africa are constrained by the colonial character of the African economy. The encounter with slavery, colonialism and imperialism negatively impacted the African economy or economies in Africa in many ways. The Africa-China economic relations might exacerbate that, for Africa is becoming a supplier of raw materials again and African economies are depending on China as they might have depended on Europe.

The structure of the African economy remains largely unchanged and most of what has been done since political independence is scratching the surface. Most of southern and eastern parts of the African economy are still largely labour reserves or what has been characterized as an 'enclave economy'.

Thandika Mkandawire views the enclave economy as characterized by an export sector with very weak linkages with other productive sectors of the economy and the late Guy Mhone explains that enclave development is growth based on the exploitation of underemployed labour. For some parts of west Africa, many countries are still under obligation to France for example. And most parts of Africa are still economies of concession-owning companies, given ownership patterns we observe. So, what the late Samir Amin observed in the 1960s/70s is not only still in place but may have worsened. Colonialism suffocated a vibrant economy, as Adu Boahen explained, just like the early African economy was rudely interrupted by mercantilism and slave trade.

As explained previously, a structure of an economy entails: (a) the sectors and their contribution to economic growth, (b) respective capital and labour intensities of the sectors; and (c) the dominant sectors and their linkages. Another important issue has to do with ownership in an economy because ownership shapes the structure of an economy. This is where Karl Marx and his collaborators are very instructive, particularly as far as the concept of surplus value is concerned. In Marxism, surplus

value is what owners of means of production appropriate as profit; that which is value from workers which is generated in excess of what is commensurate to labour cost.

Notwithstanding the lasting impact of the colonial economy, efforts were made to improve economic performance and improve livelihoods in the 1960s until the oil price shock and later structural adjustment programmes reversed the gains. In fact, efforts to restructuring economies in Africa have been ongoing since independence but the interminable global economic crises have derailed the efforts. Ghana, as an example, having attained political independence in 1957, its GDP growth was relatively good in the 1960s (barring 1966). Kenya gained political independence in 1963 and it performed well throughout the 1960s. Nigeria gained independence in 1960 and it performed well for most of 1960s. Malawi and Botswana gained independence around the mid-1960s and performed well for most of the 1960s – Botswana actually performed very well throughout the 1960s. Looking at the period preceding the 2007/8 global financial crisis, many African economies were performing relatively well though still below par arguably. Like the global economy, the African economy is still recovering from that.

As part of dealing with fundamental constraints in the African economy and related challenges confronting Africa, the late Samir Amin proposed delinking. In a 2014 interview, when asked about delinking, Amin explained that “building a sovereign project, diversifying the economy, moving along towards its modern industrialisation, completed by growing food sovereignty is delinking, in the sense of compelling the global system to adjust to it.” Yash Tandon has proposed a single currency for Africa. Ngugi Wa Thiong’o proposed Kiswahili as a lingua franca for Africa while Kwesi Kwaa Prah argues that all indigenous languages should be allowed to thrive. Many have argued for a return to pan-Africanist ideals and African nationalism. Archie Mafeje and Claude Ake – both who are no more – emphasized the importance of agrarian revolution while the late Sam Moyo emphasized that attention needed to be paid on the land question as a critical component of the national question, and he insisted that the peasantry doesn’t die.

In the final analysis, the fundamental question is how to ensure inclusive development in Africa. Linked to this is whether developmental states are feasible (again) in Africa. Of course developmental states would have to be democratic in Africa compared to Asian ones. Democratic developmental states, as explained before, are countries that pursue higher levels of socio-economic development in a participatory manner,

guided by a robust long-term plans... the states that have the requisite capacities, the elite is developmental in its approach influenced by a developmental ideology, and the states are appropriately organised for predetermined goals.

Pan-Africanism implies an agenda aimed at uniting Africans wherever they are and in the pursuit of that which is in the interest of Africa. Together with African nationalism, it achieved one of its important goals: political emancipation. Both pan-Africanism and African nationalism (not narrow nationalism) still have important roles for Africa's development. I have argued that these should be anchors for regional integration in Africa too. The kind of regional integration that could work for Africa must be pan-African, which has to do with regional integration for the political unification of Africa than just developmental regional integration which is about ensuring access to markets and associated factors. The central argument I am making regarding regional integration is that the regional integration approach in Africa has to be more than what many have called 'developmental regional integration'. For Africa to successfully integrate, culturally and otherwise, it is important that the ideals of pan-Africanism and African nationalism guide the processes for regional integration.

Another critical issue, obviously, is the land question. Related to the land question, some scholars have argued that Africa jumped an important stage (i.e. agrarian revolution) in the pursuit of economic development. It is paramount that this important point is not overlooked for Africa is still predominantly rural. As the late Sam Moyo explained, the peasantry remains an important part of African societies. Moyo spoke of a "resilient peasantry of various shapes" which continues to push for the resolution of the national question. This, combined with the argument for agrarian revolution, implies that to fully pursue socio-economic development in Africa, it is important that the countryside is not forgotten, for the countryside remains an important powerhouse of national development, economically, socially and politically.

Let us take these issues into account as we consider options for improving the African economy and advancing wellbeing in Africa. It would also be important to further reflect on social formations in Africa, both from the perspective of Samir Amin and that of Peter Ekeh, because how social structures and social processes have evolved as impacted by colonialism has implications for Africa's development.