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## **Attracting Foreign Direct Investment for Growth and Development in sub-Saharan Africa: Policy Options and Strategic Alternatives**

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### **Abstract**

Foreign Direct Investment (FDI) plays an important role in fostering economic growth and development in developing countries. While FDI is known to bring to the latter much needed capital for their growth and development efforts, it also brings with it skills and new technology. For most countries in sub-Saharan Africa, whose economies have recently recovered from a long period of stagnation, FDI inflows are needed to accelerate growth, and development. Several countries in the region registered impressive growth rates in the 1990s, with some attaining and sustaining double-digit growth rates in most recent times. However, if sub-Saharan Africa is to accelerate its growth rates to enable it move the majority of its peoples out of poverty, it must attract more FDI. Efforts so far have been encouraging. However, when compared to countries in South East Asia such as Singapore, Malaysia, Thailand and China, FDI inflows into sub-Saharan Africa pale. What are the causes for such low FDI inflows to this region? How can sub-Saharan Africa attract more FDI for its growth and development efforts? What policy options are available to these countries? What strategic alternatives can sub-Saharan countries adopt to increase FDI inflows? What role can multilateral and bilateral organisations play in this effort? This paper will address these questions by examining current FDI flows into sub-Saharan Africa and examine ways through which the sub-region can further attract much needed FDI to enable it to attain sustainable growth and development.

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## Résumé

L'Investissement direct étranger (IDE) joue un rôle important dans la stimulation de la croissance et du développement dans les pays en développement. L'IDE est plus connu pour son apport en capitaux indispensables aux efforts de croissance et de développement des pays bénéficiaires. Il leur apporte également des compétences et de nouvelles technologies. Dans la quasi-totalité des pays de l'Afrique subsaharienne, dont les économies sont récemment sorties d'une longue période de stagnation, les flux d'IDE sont nécessaires en vue d'une accélération de la croissance et du développement.

Au cours des années 90, plusieurs pays de la région ont enregistré des taux de croissance impressionnants, et plus récemment certains d'entre eux ont atteint et soutenu des taux de croissance à deux chiffres. Pour autant, si l'Afrique subsaharienne voulait accélérer ses taux de croissance en vue de sortir la majorité de ses populations de la pauvreté, il lui faudrait attirer plus d'IDE. Les efforts déployés dans ce sens ont été jusqu'ici encourageants. Cependant, comparées aux pays de l'Asie du Sud-Est, tels que Singapour, la Malaisie, la Thaïlande et la Chine, les entrées de l'IDE à destination de l'Afrique subsaharienne sont encore insignifiantes. Quelle explication donner à un niveau de flux de l'IDE aussi faible dans la sous-région? Comment l'Afrique subsaharienne peut-elle attirer plus d'IDE pour soutenir ses efforts de croissance et de développement ?

Quelles sont les options politiques à la disposition de ces pays ? Quelles stratégies alternatives l'Afrique subsaharienne peut-elle adopter pour accroître les entrées de l'IDE ? Quel rôle les organisations bilatérales et multilatérales peuvent-elles jouer dans ces efforts ? L'article aborde ces questions en examinant les entrées actuelles de l'IDE en Afrique subsaharienne et les moyens par lesquels elle pourra attirer d'avantage ces flux dont elle a tant besoin pour assurer une croissance et un développement durables.

## Introduction

The important role inflows of foreign direct investment (FDI) play in fostering economic growth and development of developing countries cannot be emphasised enough. FDI inflows are known to contribute to a rise in domestic investment. In addition, through FDI, developing countries gain from skills and technology transfers and capacity building, amongst other things. For most countries in sub-Saharan Africa (SSA) whose economies are recovering from a long stagnation after the implementation of macroeconomic reform programmes, FDI inflows is much needed to accelerate growth rates to around eight or nine percent to be able to move the majority of their people out of poverty.

Since the 1990s, most SSA countries have registered impressive growth rates. Several countries in the region attained and sustained double digit growth during this period. For example, real Gross Domestic Product (GDP) growth

in the whole of Africa in the second half of the 1990s averaged four percent per year. This exceeded the continent's previous growth rate of 2.8 percent per year. Export growth doubled to 80 percent a year and real GDP grew by 2.3 percent in 1999, up from 3.1 percent in 1998. No country in the region experienced a negative GDP growth in 1999 and only one posted a growth rate of less than one percent. In 1999, 19 countries had growth rates between zero and 2.9 percent, another 17 clustered between 3 and 4.9 percent, and 12 had growth rates of between 5 percent and 6.9 percent (UNECA 2001) (see Table 1). Mozambique and Equatorial Guinea recorded the highest growth rates of 10 percent. Eastern and Southern Africa, which together account for 45 percent of the region's population and 37 percent of GDP enjoyed a faster growth in 1999.

**Table 1:** Distribution of African countries by real GDP growth 1995–1999

Growth rate (Percent)	1995	1996	1997	1998	1999
Negative	6	2	4	20	0
0–2.9	11	12	12	13	19
3–4.9	23	28	25	28	17
5–6.9	6	9	10	8	12
7 and above	7	2	2	2	5

Sources: United Nations Economic Commission for Africa, *Transforming Africa's Economies: Overview* (2001); *Economic Report on Africa* (2003).

Table 2 shows a remarkable increase in the growth performance of most countries in Africa. For example, between 2000 and 2004, around five to seven countries saw their GDP growth rise above 7 percent. Between 20 and 27 countries witnessed growth rates from 4–7 percent in the same years and 16 to 27 countries also witnessed between 0–3.9 percent growth rates within the same period. Africa as a whole recorded a 4.6 percent growth rate in 2004, an increase over the 4.3 percent it witnessed in 2003 (UNECA 2004).

**Table 2:** Growth performance distribution in Africa, 2000–2004

Growth Performance	2000	2002	2003	2004
Negative growth	2	5	7	2
Zero and positive growth	49	48	45	50
Low (0–3.9 percent)	22	27	16	17
Medium (4–7 percent)	20	16	24	27
High (more than 7 percent)	7	5	5	6
Total number of countries	51	53	52	52

Source: UNECA, *Africa Economic Outlook*, 2004.

From the above Tables 1 and 2, one can see a gradual growth in African economies from six countries, which had a negative growth in 1995 to zero with a negative growth in 1999. It is equally striking that in 1995, only six countries in the region had a growth rate of 5–6.9 percent. In contrast, 12 had such growth rates in 1999. These growth rates have improved over the years as depicted by Table 2. Overall, what is becoming clear is that countries in the region have growth rates converging above 3 percent. Such an outlook has positive implications for the development prospects of the region. These promising economic data of SSA point to the fact that in general, the majority of the economies in the region are on the mend, even though there might have been a few that stumbled in the year 2001.<sup>1</sup> Also, the September 11 attack on the Twin Towers in New York and the global economic slowdown that ensued had an impact on numerous economies around the world. Fortunately, the impact on Africa was limited. It was the only developing region to witness faster growth in 2001. Table 3 supports this view as it shows a remarkable improvement in GDP growth for the different regions of the continent over the years.

Overall, GDP in Africa rose from 3.5 percent in 2000 to 4.3 percent in 2001. Countries like Ethiopia registered growth rates of 8.7 percent, Mozambique 9.2 percent, Uganda 5.4 percent. In its 2004 report on the Economic Outlook of Africa, the UNECA notes that Africa recorded 4.6 percent growth in 2004, an improvement from the 4.3 percent registered in 2003 (UNECA, 2002, 2004). Despite such promising growth figures, this growth falls short of the 7 percent required by SSA countries to achieve the Millennium Development Goals 1, to halve poverty in Africa by 2015.

**Table 3:** GDP Growth in Africa by Region, 1998–2004 (percent)

Region	1998	1999	2000	2001	2002	2003	2004
Africa	3.1	3.2	3.5	4.3	3.4	4.3	4.6
North Africa	4.4	3.5	4.1	5.8	2.8	4.8	4.8
Sub-Saharan Africa	2.6	2.9	3.1	3.3	3.7	3.9	4.5
West Africa	3.6	3.2	2.7	3.3	3.3	6.7	4.3
Central Africa	4.9	4.4	4.4	4.9	4.4	4	7.3
East Africa	2.5	4.1	3.1	5	5.2	2.5	5.8
Southern Africa	1.7	2.2	3	2.4	3.5	2.5	3.5

Source: United Nations Economic Commission for Africa, 2004.

Thus, if SSA is to attain its MDGs and to sustain its accelerated growth, one of the alternatives is that it must attract more Foreign Direct Investments (FDI).<sup>2</sup> Efforts so far have been encouraging. For example, FDI inflows into Africa increased from US\$12 billion in 2002 to US\$15 billion in 2003 and rose to US\$20 billion in 2004. But, compared to the South East Asian (SEA) countries and China, these amounts are pale. China alone attracts over US\$50 billion in FDI every year. China and South East Asian countries have been able to leverage a lot more than African countries in the areas of education and Information and Communications Technology (ICT) infrastructure and development and an enabling environment to make their regions attractive. This has contributed to more FDI flowing into those regions. Malaysia has set up the Multimedia Super Corridor to attract ICT companies from around the world to use their country as a production base. Singapore is moving into biotechnology industries. Most countries in the South East Asian region are investing heavily in the education and the training of knowledge workers to give their respective countries the requisite competitive advantage they need and to enable them to attract FDI for their continuous growth and development efforts (Abdulai 2004).

So, what are the causes for such low FDI inflows to SSA? How can SSA attract more FDI for its growth and development efforts? What lessons can SSA learn from other developing countries? What role can multilateral and bilateral organisations play to help SSA in this effort? These are some of the questions this paper hopes to answer. Its main objective is to examine the ways through which SSA can attract FDI inflows. Thus, answering the aforementioned questions will entail a look at the development of workable policies and strategies that will be applicable to the African situation. This

qualitative paper attempts to make an effort to find answers to some of these questions. It is organised into the following sections. Section I examines SSA's economic recovery process, which serves as an impetus to attract FDI for sustained growth. Section II examines some of the theories of FDI. Section III deals with reasons why SSA should attract FDI. In section IV, the current trends of FDI inflows into the region are examined in comparison to other regions in the developing world, mainly, South East Asia and China. In section V, some of the reasons for low FDI inflows into SSA are examined and explored. Section VI explores policy options and strategies for SSA to attract FDI. The role, which multilateral and bilateral organisations should play in this effort, is offered in section VII. Section VIII concludes the paper by suggesting that it is through the deepening of reforms in SSA, the removal of the negative image of the region, the development of an educated and productive labour force as well as developing good infrastructure and infostructure in the various countries that SSA will be able to effectively compete to attract more FDI for its accelerated growth and development efforts.

### **Economic recovery in SSA**

The macroeconomic and reform policies undertaken by most countries in SSA from the 1980s and in the early part of the 1990s have reversed years of stagnation. Between 1993–1994, average real GDP grew to around an average of one percent. From 1995–1998 this rose to an average of about five percent (excluding Nigeria and South Africa due to the relatively large sizes of the two economies). According to the International Monetary Fund (IMF), forty out of forty-seven countries in SSA have shown increases in their annual per capita incomes since 1994. Inflation has been brought down to manageable levels in most of the countries and internal as well as external imbalances have also been brought down. The average inflation as measured by the consumer price index has declined from a peak of 121.6 percent in 1994 to 9.9 percent in 2002. Furthermore, the external current account deficit in the region has remained at an average of US\$9.5 billion. But for the Asian Financial crisis of 1997-1999, the deficit could have been narrowed (See Table 4). The overall fiscal deficits for the region were cut from 8 percent in 1993 to 3 percent in 2002. Recent reports from the African Development Bank (AfDB) and the Organisation for Economic Co-operation and Development (OECD) show that in the year 2003, SSA has shown relatively good economic progress, chalking up a growth rate of 3.6 percent despite weak global economic growth and continued structural and political constraints in some parts of the continent. The report predicts that the growth of the region is holding up in 2004 and should rise to 4 percent by 2005 (*African Economic Outlook 2003/04, 2004*). This growth figure was achieved.

The sound fiscal and monetary policies which most of these countries pursued led to a reduction in the macroeconomic imbalances in the region. Important structural reforms have also been undertaken. These include a substantial removal of domestic price controls, establishment of market-determined interest rates, liberalisation of exchange rates, and the restructuring of public sector enterprises to mention just a few.

**Table 4:** Selected Economic and Financial Indicators  
for Sub-Saharan Africa, 1993–2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001*2002*	
	(growth rates, percentage)									
Real GDP	0.4	1.6	4.2	5.4	4.6	3.8	3.1	2.8	3.9	5
Consumer price index	73.7	121.6	57.4	58.7	24.7	16.9	21.7	27	20	9.9
	(percentage of GDP)									
Central government fiscal balances	-8.1	-6.6	-5	-3.8	-4	-3.7	-4	-4	-3.1	-2.8
External public debt outstanding	72.5	80.8	74.7	71.1	67.5	70.6	70	69.2	69.3	65.3
	(billions of U.S. dollars)									
Payments balances on current account	-9.7	-7.1	-8.9	-7.8	-11	-13.7	-11	-7.1	-9.2	-9.5

\* = Estimates.

Source: IMF, *World Economic Outlook 2001* (Washington).

Note: Excluding Nigeria and South Africa owing to the relative large size of their economies.

The implementation of these reforms also coincided with the movement of countries in the region towards democratic reforms and participatory forms of governments. The region has also seen an improvement in its political situation, albeit a few hot spots still pertain. Despite such remarkable achievements compared to the precarious situation of the region in the 1970s and 1980s, SSA is still lagging behind countries in developing Asia in attracting FDI. Its ability to be able to meet most of the internationally agreed Millennium Development Goals (MDGs) by 2015 remains a challenge.

Thus to be able to create employment opportunities for its rapidly growing populations and to meet its MDGs, especially the reduction of poverty in the region, SSA needs to raise its average real GDP to about seven to nine percent annually on a sustained basis for at least a decade (Ouattara 1999; UNCTAD 2005). Such a goal would only be possible when governments in the region invest about 25 percent of their annual incomes in technology and in sectors that increase GDP growth (Calamitsis 1999). This will require the acquisition of up-to-date techniques, methods and skills to increase production. There will also be the need to restore peace in the region. Before the end of the Cold War, governments in the region could count on generous aid disbursements from developed countries to assist in this effort. This was because most of these developed countries wanted to keep various countries in the region in their ideological camps and aid was one of the carrots used. Today, aid to SSA countries and Africa as a whole, has been on the decline since the early 1990s. For example, aid to Africa from all donors fell from approximately US\$33 billion in 1991 to less than US\$20 billion in 1999 (DAC 2001). In addition, the US has a target to cut 30 percent of its US\$800 million aid budget to Africa (Lippman 1996). Even those countries that were once generous with their aid to the region have developed what most development practitioners call 'donor fatigue'. It must be mentioned that with the recent support of the international community for the New Partnership for Africa's Development (NEPAD) initiative, the region has seen some increase in aid inflows. But such inflows are still below levels of 1990 and the proposed targets pledged at the United Nations Financing for Development Conference in Monterrey in 2002. But if SSA is to accelerate its growth and development, aid can help but it is not a sustainable option. This author believes that the best avenue for countries in SSA to find the requisite resources to accelerate and sustain growth and development in the region is through FDI. An overview of some of the theories of FDI in this paper will thus be appropriate.

### **Overview of some of the theories of FDI**

The first of these theories is the neo classical microeconomic theory. It was the dominant theory used to explain reasons for FDI in flows until the 1960s (Dunning 1993). According to this neo-classical microeconomic theory, capital movements are caused by the differences in interest rates that exist between countries. From the view of this neo-classical theory, capital is a commodity, thus its price determines its supply as well as its demand and allocation. In this case capital, according to the neo-classical analysis, is determined by the interest rate (Aggarwal 1984). Capital will thus flow freely from countries with low rates of return to those with relatively high rates of return



under conditions of perfect competition (Iverson 1953). The limitation of this theory according to its critics is its inability to explain the role of Trans-National Corporations (TNCs) in capital mobility because it limits itself to explaining how and where firms decide to obtain the capital needed to finance their global plans. Critics also hold the view that because the theory does not say anything about the purpose of its investment, i.e. either for managerial control or production capabilities, its role in modern times is thus suited only to the explanation of portfolio investments rather than FDI (Hymer 1976).

Another theory of FDI is that of the intangible capital approach. According to this theory, the possession by a firm of specific 'monopolistic advantages' or 'intangible assets' is a sine qua non for its overseas production (Lall 1980). These advantages may include production techniques, managerial skills, industrial organisation, and knowledge of the product as well as the factor markets. The theory outlines three useful purposes, which these advantages must serve. First, these advantages must provide a competitive edge to the firm concerned and they must outweigh those of foreign rivals as well as those in the prospective country in which it plans to invest. Second, the monopolistic advantage that the firm possesses must be transferable abroad and should be employed most economically at the foreign location. Thirdly, the firm itself must profit from the exploitation of these advantages rather than licensing or selling them out to an independent firm (Lall and Siddharthan 1982).

The last FDI theory that this paper will review is that by Kojima. According to Kojima's theory, there are two types of FDI, macroeconomic and microeconomic. Macroeconomic FDI responds to change in comparative advantage, whilst microeconomic FDI does not (Kojima 1982; Kojima and Ozawa 1984). Macroeconomic FDI according to this theory is that which is undertaken by small firms in order to facilitate the transfer of production from high wage countries to low-wage ones. Microeconomic FDI on the other hand is that carried out by large firms aimed at exploiting oligopolistic advantages in factors as well as product markets (Gary 1982). Kojima's theory has been criticised as being grossly inaccurate and theoretically misleading because his theory rejects the basic microeconomic determinants of FDI (Arndt 1974). Arndt argues that firms, large or small, undertake FDI to overcome competition either in their home country or in a foreign one – an issue synonymous with both macroeconomic and microeconomic FDI. Other criticisms of Kojima's theory posit that the microeconomic determinants of FDI are not an alternative to a macroeconomic theory of FDI. Hence to argue that microeconomic theory fails to explain macroeconomic phenomena is invalid (Lee 1984). The overview of some of these theories of FDI offers the opportunity to understand the basic models that determine FDI

inflows. It would, thus, help to ascertain some of the determinants of FDI inflows into SSA and serve as a guide to the type of policies that should be developed by SSA policy makers to attract specific kinds of FDI.

### **Arguments why SSA should attract FDI**

In SSA's efforts to move from the stabilisation of its economies to achieving accelerated growth, FDI inflows will help to transfer the requisite technological skills as well as the provision of the right training and management skills to local workers. FDI embodies advanced technology as well as production know-how and techniques, which firms would bring with them when they invest in SSA. It is also envisioned that FDI will encourage innovation and spin-offs. It will also enhance the productivity of the local workforce and domestic industries (OECD 1995). FDI can also help the development of capital markets in Africa to be able to attract much-needed capital for investment in large-scale projects. As foreign firms invest in SSA, they will also bring with them their existing channels of distribution and knowledge of the global market place. This will help domestic firms in SSA to gain from spillover effects. It is thus imperative for SSA to attract FDI if it is to grow and develop at this particular stage in its development history.

Furthermore, FDI will offer the much-needed capital investments in heavily populated poor countries in SSA. This capital would make it possible to employ more labour from the rural farm sector, where productivity is almost zero, in the advanced productive sector. Such a dual-economy analysis view posits that a reduction in unemployment entails some social benefits. The new workers would receive wages, which would exceed the real wages of the rural sector providing a better standard of living (Lewis 1978). An increase in wages could also lead to increased savings and investment in the domestic economy as local companies may now also have access to capital. Profits from this domestic capital could result in a further increase in wages in other sectors, due to redistribution of profits from the domestic sector as a whole. Thus, attracting FDI will bring enormous benefits to SSA.

Finally, FDI inflows into SSA will lead to an increase in exports, from which profits and an increment in income would be realised. This will help countries in the region generate much-needed foreign exchange. This foreign exchange can be used to acquire the necessary capital equipment that countries in the region need to develop other revenue generating sectors for growth and development. Countries in the region could also use this foreign exchange to pay interest or the principal on their foreign debts. Furthermore, FDI inflows into specific industries in SSA would lead to a realisation of economies of scale that most local firms do not have the requisite capital and technological know-how to achieve. This will help in the effective capacity

utilisation of resources in specific sectors and will also result in low prices for finished consumer goods as a consequence. Thus the overall benefits of attracting FDI by SSA countries according to this analysis are positive because of the contribution FDI can make to the accelerated growth and development efforts of the region.

### **Current trends in FDI inflows to SSA**

So far, the efforts by SSA countries to attract FDI for growth and development are far from adequate. Since 1970, FDI inflows into SSA increased modestly. Average inflows to the region according to United Nations Conference on Trade and Development (UNCTAD) is put at US\$1.9 billion in 1983–1987, US\$3.1 billion in 1988–1992, US\$6.0 billion in 1993–1997 and to \$8.3 in 1998–2000 (World Investment Report, various Issues). Despite the fact that FDI inflows to developing countries in general have quadrupled from less than US\$20 billion in 1981–1985 to an average of US\$75 billion in 1991–1995 and US\$198 billion in 1996–2000, inflows to SSA have dropped from 11 percent in 1976–1980 to nine percent in 1985, five percent in 1991–1995 and to less than four percent in 1996–2000 (UNCTAD 2001). Data by UNCTAD also show that most of the inflows of FDI into SSA go to countries with oil or minerals. For example, between 1996–2000, US\$1.2 billion FDI inflows went to Nigeria, and \$1.5 billion went to South Africa. Oil exporting countries in the region attracted US\$2.5 billion for that period (UNCTAD 2001). This trend shows that FDI inflows into the region go mostly to resource-rich countries. This is going to continue with the increase in the price of oil, gas, gold and other commodities. Compared to other regions in the developing world, these inflows are small as evidenced by Table 5 below. The table shows a comparative distribution of FDI inflows by regions in the developing world from 1995–2000. It can be seen from the table that SSA received the lowest percentage of inflows, while most countries in Asia received the most FDI inflows. So what are some of the reasons given for such low FDI inflows into SSA compared to other countries in the developing world? These differences in low FDI inflows to SSA as compared to other developing regions in the world are ascribed to reasons that range from the negative image of SSA, portrayed especially in the Western media, the small size of its domestic markets, to the lack of the requisite infostructure and infrastructure, respect of obligations, contracts, governance, policy credibility, and the inadequate protection of intellectual property, to mention just a few (UNCTAD 2005; OECD 2003; Akinkugbe 2003). Let's look at some of these reasons in detail.

**Table 5:** Regional distribution of FDI inflows, 1995–2000  
(Billions of US dollars)

	1995	1996	1997	1998	1999	2000
Developed countries	203.4	219.7	271.4	483.1	829.8	1,000.5
Developing countries						
of which:	113.3	152.5	187.4	188.4	222.0	240.2
Africa	4.7	5.6	7.2	7.7	9.0	8.2
Latin America and the Caribbean	32.3	51.3	71.1	83.2	110.3	86.2
Asia	75.3	94.4	107.2	95.6	99.7	143.5
Southeast Asia (excluding China)	37.8	49.2	54.3	42.2	55.9	96.5
China	35.8	40.2	44.2	43.8	40.3	40.8

Source: UNCTAD, *World Investment Report 2001, 2002*.

### Some reasons for low FDI inflows into SSA

One of the main reasons for such low inflows of FDI into SSA can be attributed to the negative image often depicted of the continent in the media (Dagash 1998). Images of civil unrest, coups d'état, starvation, diseases and economic disorder are most common on television, in newspapers and magazines throughout most Western countries when Africa is reported about. Cases in point were the images of the civil strife in Liberia, Sierra Leone, Rwanda, Sudan, Zimbabwe, the Democratic Republic of Congo and Côte d'Ivoire that graced television screens around the world most recently. These images jaundice the view of many prospective investors who perceive the region to be unstable and hence the risks of investing in them are also perceived to be higher in SSA than in other regions. While these negative images are true of some countries in the region, it is not a true picture of the majority of SSA countries. Often, Africa is viewed as a single country rather than a continent of so many different countries with varied political systems as well as human and economic development. This view and the negative reporting about some countries in SSA have affected FDI inflows into the region.

Another reason given for low FDI inflows into SSA is the perception on the part of most Multinational Corporations (MNCs) and prospective inves-

tors that it is a region that has large unskilled labour force. This would have been an advantage when most of the previous exports of MNCs to developed countries were based on the production of labour-intensive manufactured goods. Today, advances in technology and increased competition have brought about an increase in the capital and skill intensity ratio in many industries and the goods produced. Labour costs alone today do not serve as a pull factor for FDI. A high quality, productive, well-educated, skilled and disciplined labour force is what is required to help maintain the competitive edge of most MNCs in the global market place. Because such a skilled labour force is limited in most SSA countries, it therefore serves as one of the causes of its low FDI inflows.

Poor infrastructure and infostructure of SSA countries is another reason for low FDI inflows into the region. Physical, financial and institutional infrastructures in general are less developed. Roads, telecommunications, ports and airports are poor or undeveloped and thus hamper business growth and efficiency. For example, road transport in the region accounts for 80 to 90 percent of SSA's passenger and freight movements (*The Economist* 1995). But because little has been done to maintain these roads, most of them are in disrepair and this situation hampers transportation of inputs as well as finished goods for export. The same can be said of most of the telecommunications infrastructure in the region, which is underdeveloped and in most countries non-operational. In the current knowledge economy, a good infrastructure and infostructure are a sine qua non to business growth and competitiveness of countries (Abdulai 2001). Those countries without such infrastructure are going to lag behind in their ability to attract FDI. Investors today like to be able to get in touch with their respective head offices and families with ease when they are abroad, check their e-mails and undertake other transactions from their phones or computers. It is difficult to do so from areas with poor telecommunications infrastructure as it is the case in most countries in SSA. The poor nature of SSA's infrastructure and infostructure adds an enormous cost to doing business in the region and thus hinders FDI inflows.

Furthermore, even though most SSA countries have liberalised their economies and investment policies to make it easy for foreign companies to invest in certain sectors, many countries in the region still restrict entry into other sectors of their economies in response to pressure from domestic interest and pressure groups. Such discriminatory investment policies affect FDI inflows. In addition, most of the countries in the region do not have in place the requisite legal structures and reforms to protect foreign investors, especially in the wake of internal upheavals. The few that have undertaken legal reforms do not effectively enforce them. Many prospective foreign inves-

tors thus worry that without such legal sureties, they may have their investments and properties nationalised or expropriated by the state for arbitrary reasons as it has been the case in some African countries in the past.

Prospective investors also fear that they may not get proper justice in the settlement of disputes because of the poor judicial systems in the region. The perception is that the weak judicial systems in most countries in SSA would make it hard to enforce contracts once they are broken. Some countries do not have effective courts or institutions for arbitration of business conflicts. Thus the issue of sanctity of laws is of extreme importance and needs to be seriously addressed if SSA countries are to attract FDI. For example, many investors who won government contracts from Nigeria during the last days of military rule in that country saw their contracts cancelled when the civilian regime of Olusegun Obasanjo took over. The Obasanjo civilian government sensing how such an act could affect FDI inflows into Nigeria argued that the former military governments of Nigeria for the past 29 years were corrupt. Hence, most of the contracts these regimes awarded were not on the basis of competitive bidding to allow the country to benefit from the skills of the best companies and their products for the money. The government also set up an anti-corruption agency and a special tribunal to search and seize 'ill-gotten wealth' and to stamp out bribery and theft in the country (*Wall Street Journal Europe* 1999). It was thus acting in a way to counter the negative image of corruption in Nigeria, which affected FDI inflows. Yet, despite the good intentions, the perception the action created can have adverse effects on FDI inflows into the country and possibly into Africa, as most potential investors can always point to Nigeria's example as a high risk and a reason not to invest in SSA.

The aforementioned observations raise the importance of corruption as a hindrance to attracting FDI in SSA. Corruption in the public sector and judiciary systems in most SSA countries has always been cited as one of the reasons that deter investors from the region (Bhattacharya, Montiel, Sharma 1997). Corruption increases transaction costs, creates bottlenecks, inconveniences and it is often risky. Formerly, most European firms who wanted to invest in SSA and other parts of the developing world could regard bribes and other corrupt practices as a cost of doing business. These costs were allowed by some European governments as tax-deductible at the end of the fiscal year. This is no longer acceptable since the Organisation of Economic Co-operation and Development's (OECD) anti-bribery convention came into force. European firms who bribe foreign countries for contracts could face prosecution and bad publicity at home. This holds true for US firms as well with the passing into law of the Foreign Corrupt Practices Act (FCPA) in 1977, amended in 1988. This act makes it a criminal offence for US busi-

nesses to pay any money or monies as bribe to government officials abroad in exchange for business. The ability of such laws passed in the West to stop corruption is laudable. It is hoped that corrupt officials in SSA will see the light and desist from their nefarious ways as they have a severe impact on the flow of FDI into the region.

Furthermore, many SSA countries still have overvalued currencies and others still impose restrictions on foreign exchange transactions. The advent of adjustment policies in the region has forced many countries to liberalise their foreign exchange systems. However, many of these foreign exchange liberalisations have been accomplished by decree without a follow-up on the part of many governments in the region with the requisite legislative instruments to support their enforcement. This creates an uncertain atmosphere for prospective investors as they grapple with the possibility of being able to repatriate their profits and this can affect FDI inflows into the region.

Finally, the small size of domestic markets in the region has been held out as another reason for the low FDI inflows. Because of competition amongst MNCs, they produce for both domestic and foreign markets. Thus, market size is an important FDI determinant. Unfortunately, most domestic markets in SSA are fragmented and small and cannot effectively demand goods produced by the MNCs. In addition, if domestic markets in SSA were large, MNCs could experience economies of scale because they could increase production with the cost per unit of output being low. Thus, because most domestic markets are small in SSA, it affects FDI inflows. Most countries in South East Asia as well as China faced the same problems of attracting FDI a while back. But these countries have been able to overcome these problems through regional integration and are now attracting more FDI than most regions in the world. This author has the confidence that SSA can do the same. Section VI of this paper looks at some of the policy options available to SSA countries and the requisite strategies they can adopt to bring about an increase in FDI inflows into the region.

### **Policy options for SSA countries to attract FDI**

In view of the reasons given so far that hinder the flow of FDI into the SSA region, it is therefore imperative that leaders in the region formulate appropriate policies to help them attract more FDI. However, developing appropriate policies and strategies alone is not enough. Governments and policy makers in the region must make sure that the policies and strategies they develop and implement are effective and investor-friendly based on specific and achievable goals. They must also initiate Investment Policy Reviews (IPRs) in collaboration with United Nations Conference on Trade and Development (UNCTAD) as well as their bilateral partners. IPRs would help SSA coun-

tries improve their investment climates and enable the international private sector to become familiar with the investment climates in their respective countries.

The following are some of the suggested policy options and strategic alternatives that SSA policy makers should consider: First policy makers in SSA must create and foster an enabling environment. This environment should include policies that aid the development of the private sector as well as collaboration between the public and private sectors to help in the proper functioning of markets. SSA leaders must also continue to deepen macroeconomic reforms. Emphasis should be placed on the reduction of fiscal deficits, inflation, interest rates and the strengthening of their various financial systems. The setting up of efficient securities trading and settlement systems and the presence of international custodians are important elements of such a financial infrastructure (Battacharya, Montiel and Sharma 1997). SSA countries should also provide conducive and well-structured institutions to support investor friendly policies. These should include well functioning legal institutions that support market transactions, protect property rights as well as laws that protect investors in times of upheavals or any sudden changes in the legal and economic environment.

The signing of Bilateral Investment Treaties (BITs) by most countries in SSA aimed at protecting and promoting FDI, clarifying the terms under which this FDI can take place between them and partner countries, is a step in the right direction. But such efforts need to be deepened. For example, as of January 1999 according to UNCTAD, SSA countries signed 335 BITs. These treaties contribute to a more secure environment for foreign investors in the region. The conclusion of Double Taxation Treaties (DTTs) by most countries in SSA is another encouraging step in an effort to attract FDI into the region. DTTs help prospective investors avoid paying taxes twice on the same transactions. Many countries in the region can learn from the example of Uganda, which concluded three of such DTTs in 1997 with Kenya, South Africa and Tanzania (Uganda Investment Authority 1998). Hopefully, many SSA countries will follow these examples.

Second, the issue of peace and stability in the region must be addressed with increased urgency as the impact on FDI inflows cannot be emphasised enough. The extra costs of security for firms who wish to invest in SSA and those who are already in the region especially in areas of instability are high. Firms have to spend extra money on security guards and equipment just to stay in business. The headaches and extra cost from the view of many prospective investors makes such investment efforts not worth it. Hence they stay away. Conflict prevention, peace and stability in SSA would help create a favourable economic environment, which would allow the imple-



mentation of sound investment friendly policies to attract FDI. Also with the end of the Cold War, SSA leaders can no longer play the erstwhile super-powers against each other and point to them as the source of their instability. They must begin to accept responsibility for the role they have also played to fan these conflicts. Thus, leaders in the region must find ways to prevent conflicts before they arise and intervene to put down conflicts, as has been the case in Liberia and Sierra Leone by the ECOWAS Cease-fire Monitoring Group (ECOMOG) in West Africa (French 1996). Stability on the continent will serve as an impetus and an encouragement to investors to see SSA as a safe investment environment and destination. The recent establishment of a Rapid Response Team to intervene in conflicts before they become unmanageable by the African Union is a step in the right direction. Mention should also be made about the efforts of the African Union troops monitoring the peace in the Darfur region of Sudan as laudable efforts aimed at bringing peace and security to Africa, an indispensable feature in the effort to attract FDI to the region.

Attaining peace and stability in the region would also help governments in the region not only to divert resources from armaments to the training of the labour force to develop the requisite skilled and competitive work force for their own development purposes but also to attract FDI. Equally important is the training of skilled and motivated administrative and managerial personnel in both the public and private sectors in the region. Such an educated and knowledgeable work force will serve as a strong support of policies and help in their effective implementation as well as working in symbiosis with the private sector to achieve the requisite development goals of the various countries. SSA in actual fact had a 56 percent illiteracy rate and a 19 percent secondary school enrolment rate as compared to the 36 percent and 45 percent in Asia (IMF 1999). Such low literacy rates will inevitably have an impact on human resource development and can contribute to the less attractiveness of the region for FDI inflows. SSA governments must therefore reduce their share of GNP spent on defence and increase the share of Gross National Product (GNP) spent on the education of its people and on the development of its human capital.

Governments in SSA must also invest in the building of their communications, roads and technology infrastructures or form partnerships with the private sector in their various countries and in the region to develop these infrastructures. Good infrastructure contributes to the lowering of transaction cost and serves as an impetus to FDI inflows. But having good infrastructure alone is not enough. Competition for FDI around the world is more intense than it has ever been. Hence SSA countries must do more to promote their various countries in key countries around the world. To cut cost on

these promotional activities, SSA countries should consider joint efforts and activities to promote the entire region as an investment destination to encourage FDI inflows. The example of the Southern African Development Community (SADC) countries is a case in point. In June 1998 in Centurion, South Africa, these countries formed the SADC Committee of Investment Promotion Agencies. Later in July of the same year, they set up a committee on investments, which was charged with the task of providing input to SADC's Finance and Investment Protocol. This will help bring the region in line with current global investment agreements and facilitate cross-border investments. Furthermore, most of the investment promotion agencies in the region are joining the World Association of Investment Promotion Agencies (WAIPA) to enable them benefit from such an association and from the exchange of information on best practices in investment promotion (Tillett 1996).

Since market size has been one of the factors hindering the flow of FDI into the region, SSA governments must develop effective methods to create large markets to make the region attractive for more FDI inflows. A good way to begin is through the expansion of markets in the different regions in SSA. The August 1996 trade protocol between the fourteen SADC countries to create a free trade area by 2004 is a good example in this direction. This will facilitate trade and investment in the framework of the Common Market for Eastern and Southern Africa (COMESA). Mention should also be made that efforts are being undertaken between East and West African countries in advancing integration in their sub-region as per the recommendations of the Lagos Plan of Action. Such efforts when realised would lead to the creation of a significant market size which will serve as a pull for FDI into the region.

Finally, SSA governments and leaders should endeavour to create trust between themselves and their people as well as with their domestic entrepreneurs. They should also encourage their citizens residing abroad to invest in their various countries. SSA leaders and policy makers should keep in mind that the action of domestic businesses as well as its citizens is an important indicator of conditions in a country. Hence it can affect FDI inflows. A study by UNCTAD secretariat states that only three percent of FDI stock in Africa originated from the continent itself, compared to close to 30 percent in South, East and South East Asia (UNCTAD 2005). The confidence of local businessmen and women in the economies of their various countries serve as a barometer for foreign investors who are willing to invest in these countries. After all, why should foreign investors want to invest in a country or region in SSA in which its own citizens do not want to invest? SSA governments and leaders should also take the lead to eradicate the negative image and

perception of Africa that prospective investors may have, through a well-planned continuous education effort, and better-targeted promotion methods. Despite the aforementioned proposals that SSA governments must undertake to help them attract FDI, the role of multilateral and bilateral efforts in this schema cannot be emphasised enough.

### **Multilateral and bilateral initiatives**

Multilateral and bilateral organisations are essential vehicles that SSA can use to attract FDI. Multilateral organisations can help fill in the gap created by limited investment or the lack of it in certain sectors of SSA by the international private sector. An econometric study conducted by UNCTAD which investigated the 16 largest economies in Africa showed that multilateral and bilateral lending tends to be a catalyst for private capital inflows. Mention should be made that this relationship does not hold for grants (UNCTAD 2000). Most international private companies are not willing to invest in infrastructure and social welfare projects especially when these projects have no direct or complementary benefits to their businesses. Multilateral and bilateral organisations should provide the necessary financing or guarantees that will enable the international private sector to undertake these projects.

Another way multilateral and bilateral organisations can help is by finding host country partners willing to invest in SSA. This could be done after they have developed projects or when opportunities have been identified in certain sectors in the region. They could also offer subsidies to make up for market imperfections (Berlot and Weigel 1992). It will help provide the necessary FDI to SSA countries; as well as provide profits for companies in developed countries who will otherwise have no clue as to how realise these opportunities.

Furthermore, most potential investors in SSA are often unaware of the investment opportunities in the region. Efforts by international organisations like UNCTAD, Multilateral Investment Guarantee Authority (MIGA), Overseas Private Investment Corporation (OPIC) and similar reputable organisations should help in getting this information to the investing community. An example of such efforts include 'investment guides and capacity-building in least developed countries', launched by UNCTAD and the International Chamber of Commerce (ICC).

In addition, multilateral and bilateral organisations should act decisively to forgive SSA's crippling debt that amounts to more than US\$10 billion a year from African countries alone. The debt has been a big impediment to the creation of a good investment climate for investors. One of the ways SSA's debt affects FDI is that it creates balance of payment problems which directly affect the ease in which investors can repatriate profits because of

the numerous regulations that might be put in place to ration foreign exchange. Besides, debt affects savings on the part of the government to undertake improvement of physical and human infrastructure, which is one of the pulls for FDI. Furthermore, in SSA, income levels are rather low to be able to generate adequate domestic resources for the attainment of even modest rates of investments and growth. Debt forgiveness can help alleviate this challenge. It must be mentioned that multilateral and bilateral organisations have started the process of relieving the debt of some SSA countries under the HIPC programme. So far, African countries like Ghana, Uganda, Zambia, Kenya and Burkina Faso amongst others, are some of the countries that are going to benefit from the HIPC programme. But this process should be speeded-up to bring debt relief to some countries in SSA which will free up resources for investment in infrastructure, health, education and training. Mention should be made that at the time of this writing, some countries in SSA have started to benefit from the HIPC initiative.

Multilateral and bilateral organisations should also increase technical assistance as well as convince most of the rich countries whose members comprise the boards of these organisations to do likewise. An increase in technical assistance would help most of the countries in SSA to overcome the lack of sufficient skilled personnel in key sectors as well as sectors that will help draw in FDI. Assistance should also be given in the form of troop enforcement, training and logistics to help restore stability to most of the troubled spots in the region that gives the whole region a negative image and subsequently affecting FDI inflows to the region.

Finally, multilateral organisations like the World Trade Organization (WTO), which is calling on developing countries to open their markets to goods and services from developed countries, should persuade developed countries to do likewise. They should open their markets to non-traditional exports and labour intensive goods from SSA. Access to the markets of developed countries could help entice MNCs to locate their production facilities in the region, thus attracting more FDI into the region. The US African Growth and Opportunity Act (AGOA) that allows textile exports duty free access to the US market is a step in the right direction. But more needs to be done. Equally, the US and European countries should stop the subsidies of their agricultural sectors to enable farmers in SSA to be able to compete. For example, the European Union alone spends about 43 billion euros annually on farm subsidies; and the US subsidises its cotton farmers to the tune of US\$40 billion a year. The ability of African farmers to compete on the international market on an equal footing will go a long way to attract foreign investment into the agriculture industries in these countries and help in their growth and development efforts.

## Conclusion

The challenge of attracting substantial FDI into SSA is multifaceted; as a result, efforts to tackle these challenges require ingenuity and collaboration among the various stakeholders in the region, with appropriate solutions and directives devised and put in place. The challenge is not only the duty of policy makers and economic blocs such as the SADC and ECOWAS in the region but also that of the individual countries. While policy makers and economic blocs attempt to make the region a better place for the people of Africa as well as for foreign investors to invest in, respective countries must ensure political and economic stability. Hence, these countries must continue to deepen reforms. Such reforms should include the promotion and adherence to good governing practices in the region, transparency and accountability in managing all public resources, and the conduct of government officials in the day-to-day running of the country should be beyond reproach. Bilateral and multilateral organisations can only help to champion SSA as an attractive place to invest but that might not pull in a lot of FDI. Consolidating macroeconomic stability should be a continuous process in the region. Policy makers should continue to implement sound fiscal and monetary policies to reduce inflation and government budgetary deficits. A reduction in government budgetary deficits would spare resources to develop physical as well as financial infrastructures to be able to attract more FDI. Governments in the region must also work hard to eradicate the perception of the region as one that is unstable to invest in. They must also vigorously promote opportunities for investment in their respective countries in strategic markets around the world to stimulate FDI inflows into the region.

## Notes

1. In 2001, Côte d'Ivoire, Gabon, Liberia and Zimbabwe registered negative GDP growth. For Zimbabwe, the reason could be the land redistribution problems while in Côte d'Ivoire the situation is due to the political unrest.
2. Foreign Direct Investment (FDI) as used in this paper refers to investment by foreign businesses in SSA, whereby such an investment guarantees them full ownership, partial ownership or a controlling interest in the business or its subsidiaries.

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## **Assistance and Conflict: The African Diaspora and Africa's Development in the Twenty-first Century**

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### **Abstract**

Africans in the diaspora contributed laudably to the socio-political liberation of Africa, especially in the southern Africa sub-region. A discernable feature of their involvement in Africa's political liberation efforts was that they tended to work within the boundaries of 'the agreed agenda' of African peoples and governments. With the liberation of South Africa, there has now been an obvious shift in the main agenda of 'African Liberation'. The emphasis now seems to be on democratisation and the socioeconomic development of Africa. However, the differences of opinion and the conflictive nature of the new programmes of focus require some pertinent questions, in order to chart a realistic, workable and less confrontational agenda and *modus operandi* for diaspora and continental African co-operation in the years ahead. Among other things, this paper sets in a clear historical perspective the varied ways Africans in the diaspora contributed to Africa before now. It also highlights the shift from the 'political liberation theology' to 'developmental theology'. Considering the rather sensitive and complex issues of national sovereignty, integrity and interventionism, the paper explores whether there is still a basis for diaspora Africans continuing their 'interference' in African internal business; who should set the agenda for their involvement; and how should they be involved. A fundamental conclusion of the paper is that the cooperation of diaspora and continental Africans is important in fostering Africa's development. Nevertheless, such a cooperation should respect the national sovereignty and integrity of African nations and peoples. Consultation and cooperation, rather than antagonism or confrontation between the two groups, stand as the viable and workable option.

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## Résumé

Les Africains de la Diaspora ont contribué de façon remarquable à la libération sociopolitique de l'Afrique, particulièrement dans la sous région sud Africaine. Un signe évident de leur implication dans l'effort de libération politique de l'Afrique est qu'ils avaient tendance à travailler à l'intérieur des limites des « programmes convenus » des peuples et gouvernements africains. À la suite de la libération de l'Afrique du Sud, le programme principal de « Libération de l'Afrique » a connu un changement notable. Aujourd'hui, l'accent semble plus porté sur la démocratisation et le développement socioéconomique de l'Afrique. Vu les différences d'opinions et la nature conflictuelle de l'orientation des nouveaux programmes, des questions essentielles doivent être posées afin d'organiser un plan et un mode opératoire réalistes, pratiques et moins conflictuels pour une coopération entre les Africains du Continent et ceux de la Diaspora au cours des années à venir. Entre autres, l'auteur présente dans une perspective historique claire, les diverses formes de contributions que les Africains de la Diaspora ont eu à apporter à l'Afrique dans le passé. Il souligne aussi le changement opéré pour passer d'« une théologie de libération politique » à une « théologie du développement ». Vu la nature plutôt sensible et complexe des questions de souveraineté, d'intégrité nationale et d'interventionnisme, l'article aborde la question de savoir s'il existe encore des raisons justifiant le fait que les Africains de la Diaspora continuent à « s'ingérer » dans les affaires intérieures de l'Afrique ; qui doit déterminer la nature de leurs actions et comment intervenir.

Une conclusion fondamentale à laquelle aboutit l'article est que la coopération entre les Africains de la Diaspora et ceux du Continent est importante dans la mesure où elle contribue à la stimulation du développement de l'Afrique. Une telle coopération devrait cependant respecter la souveraineté et l'intégrité nationales des nations et peuples africains. Seule l'option de la concertation et de la coopération, plutôt que celle de l'antagonisme et de la confrontation entre ces deux groupes, est viable et pratique.

## Introduction

Africans in the diaspora over the years have maintained a complex relationship with Africa. From the earlier years of resentment, abhorrence, and apathetic dispositions, some of them in later years have come to identify more positively with Africa. In these later years, in the spirit of 'racial Pan-Africanism', some of them have come to see themselves as part of a global struggle by Africans or blacks throughout the world against oppression, exploitation and sometimes socioeconomic and political marginalisation. In this connection, right from the nineteenth century, some of them articulated and sometimes executed plans that they saw as their contribution to the emancipation of the African.

In the early stages of black diaspora involvement in the continent, which came by way of black Christian missionaries going to Africa, blacks abroad decided that the 'heathens' of Africa needed to be redeemed (Jacobs 1981). Subsequent attitudes in the years of back-to-Africa movements were also anchored on the belief by blacks in the diaspora that they were going to assist Africans in the continent – and of course, pursue their own self actualisation. This attitude is easily perceptible in the plans of Martin Delany and Marcus Garvey, two major exponents of the back-to-Africa movement. In these early stages of black diaspora involvement in Africa, 'what was good for Africa' was determined by them (Erhagbe 1992a:49-61; 1992b:154-166). To a large extent, conflict between the colonisationists in the area of Liberia and their African kith and kin partly emanated from this lack of consultation (Erhagbe 1997: 65-68).

A decidedly new phase in diaspora assistance to Africa occurred during the Italo–Ethiopian crisis of 1935–1940 when there were communications between the diaspora blacks and the Ethiopians on what kind of assistance the latter expected from the former in their conflict with the Italians. Through such communications the Ethiopians were able to indicate what they expected from their diaspora brothers (Ottley 1943:109; Harris 1964:5; Ross 1975:332-33; Erhagbe 1992a: 209-210).

The precedent set in the days of the Italo-Ethiopian crisis was now followed, during the Pan-African Congress period, when the two groups held sessions to agree on an agenda, set out common positions on issues and adopt common modus operandi on how to accomplish their objectives. While Africans in the diaspora in the Organisation of African Unity (OAU) era tended to work within the boundaries of 'the agreed agenda' of African peoples and government, on a number of occasions they took the initiative, which meant they were not dictated to by Africans in the continent. Especially in the days of the socio-political liberation of Africa, especially in the southern Africa sub-region, blacks in the diaspora and their counterparts in the continent had a united agenda and voice. In this era of agreement there was less friction between the two groups. However, the situation has now changed with the transition from the politics of liberation to that of democratisation. A noticeable feature of this new phase is the lack of a united position even among Africans in the continent and more importantly, overt friction now exists between some diaspora organisations such as Trans-Africa Inc., and Africans in the continent. The issue this now raises is why is there no united voice on the part of Africans on the issue of good governance, and why is it that the former 'diaspora friends' of Africans are now being criticised for their 'undue' and unwarranted involvement in African

affairs. It is this situation that has turned assistance to conflict, but should this be the case? Can't viable working consultations be held that would help to minimise these areas of conflict? Among other things, this paper now examines in historical perspective the cooperation and assistance that continental Africans received from those in the diaspora, and from this success story, proffers some way out of the current conflict areas, because in the final analysis the two groups still need each other.

### **Nineteenth century involvement of diaspora blacks in Africa's development**

It is a well-known historical fact that, for centuries before the nineteenth, millions of Africans were victims of the trans-Atlantic slave trade and the concomitant dehumanising and exploitative slavery of the Americas, the 'New World'. The nineteenth century however also witnessed concerted efforts by abolitionists to bring about the termination of the obnoxious trade and the slavery institution. Most of the countries in the New World abolished slavery in the nineteenth century. Among others, starting with St. Dominique (Haiti) in 1793, Bolivia in 1831, Uruguay 1842, Colombia 1851, Argentina 1853, Venezuela 1854, Peru 1855, USA 1865, Cuba 1886 and Brazil 1888, the slaves in these territories were set free, with Brazil being the last to accomplish abolition. In some of the countries, such as the USA, wars had to be fought to achieve the emancipation of the slaves. It was within the context of the struggle for emancipation that Africa first manifested itself in a major way in the discourse of diaspora blacks.

The fact is that most of the Africans in the diaspora, especially the generations of those that were direct imports from Africa, continued to maintain some form of attachment to their homeland, albeit only in consciousness in most cases. Their knowledge of Africa was transmitted by tradition to the later generations, thus there was never a complete break from Africa. African cultural survivals in the New World, especially in the Portuguese and Spanish territories, such as Brazil, are eloquent testimonies to the continuous contacts between Africans in the diaspora and Africa. It is therefore not surprising that in the struggle for emancipation, Africa had to feature in the discourse of diaspora blacks. It became fashionable to discuss the issue of returning freed slaves to Africa. In seeking to return diaspora blacks to Africa, there was the envisaged goal of using the returnees to spread the Christian gospel and civilisation to the 'heathen' of Africa.

The first concrete step to return Africans from the New World to Africa came through the establishment of Sierra Leone by the British in West Africa in 1808. In this enterprise, freed slaves, recaptured slaves bound for the

Americas, and the Maroons in Jamaica, formed the core of the settlers of Sierra Leone. The history of Sierra Leone with its population and culture shows how Africa served as a happy haven for returning blacks. It has been argued that it was the Sierra Leone success story that set Americans such as Paul Cuffee to pursue the objectives of sending blacks from the USA to Africa, and this idea was later actualised by the American Colonization Society (ACS) that set up the settlement of Liberia, also in West Africa. This settlement received thousands of American blacks that returned to Africa through the auspices of the ACS.

As argued by Erhagbe (1997), the ACS was actually an agency that offered blacks in the US an opportunity to develop the ideals of Pan-Africanism, but due to a number of reasons, including mistrust among the returnees and their African cousins, and the unwillingness of many US blacks to return to Africa, Pan-African cooperation could not blossom between the returnees and their cousins. As part of the envisioned mission of the ACS, Liberia was not only to serve as a home to returning Black Americans, but it was also to serve as 'a nation on the hill', that would spread Christianity and civilisation to its African neighbours. But the fact remains that due to lack of understanding of what the Africans actually wanted, and an under-appreciation of the cultural attainments of the Africans, the settlers erroneously hoped that the Africans would jump at the offer. The history of the early relations between the two groups tended to be dominated by conflict, to the extent that Ashmum in his reports saw Liberia with its stockades as a war camp. It means therefore that what could have been a fruitful relationship was greatly hindered by friction and misunderstanding. When Martin Delany in the mid-nineteenth century, within the context of black emigrationism, proposed the establishment of a settlement among the Yorubas of Egbaland around Abeokuta, there was disagreement between the people of Abeokuta and Delany on the terms of the agreement they signed that would have ceded the land to the American returnees (Erhagbe 1996b:23–24).

Thus, the early attempts of Africans in the diaspora returning to settle in Africa were marked by misunderstanding, and in the area of Liberia they actually led to outright conflict. A less conflictual area was that of blacks in the diaspora returning to Africa as Christian missionaries, as well as the case with Alexander Crummell. Some of the statements of the blacks in the diaspora about the situation in Africa tended to be in line with the prevalent Eurocentric views that saw Africa as benighted, backward, void of cultural attainments and a Dark Continent inhabited by black savages. It had to take later years of scholarship by Africanists such as W.E.B. Du Bois, Carter Woodson and Marcus Garvey to counter these negative views of Africa. It follows therefore that to some extent, diaspora blacks were unwilling victims of the white

jaundiced presentation of Africa. It took Delany a trip to Africa for him to better appreciate the true situation in Africa (Erhagbe 1996b:19).

The blacks in the nineteenth century therefore worked to help to evangelise Africa, but beyond that there were no other major contributions to Africa. This is because, towards the closing years of the nineteenth century, the avaricious nations of Europe set about taking over African land and imposed colonial rule on the people of the continent. Diaspora blacks responded in mixed ways to this historic happening. While some of them criticised it, the majority did not see anything wrong with it. Actually, as in the case of Booker T. Washington, he worked with the Germans in Togoland and the Cameroons (Harlan 1996:441–67). It must be added, at this point, that Washington later worked to help preserve Liberian independence in the early twentieth century (Erhagbe 1996a). Some, in addition, saw European colonisation as a blessing that would help 'liberate' Africa from barbarism (Jacobs 1981:53). Thus, when Africans in the continent were waging wars of resistance against the imperialist war machines of the Western powers, there was not much that could be done by the blacks in the diaspora to assist them. It was in the twentieth century that the diaspora blacks were to feature more positively in helping Africa.

For the most part of the nineteenth century therefore, blacks in the diaspora set the goals of what Africans needed. There was lack of communication between them, hence it was not surprising that antagonism tended to mark relations between returning Africans and their African hosts. More importantly, because of a lack of consultation, there was a misrepresentation of the true situation of things in Africa, and how the Africans saw themselves and what they needed. Some of these hindrances to black diaspora and African cooperation in the nineteenth century were removed for the most part of the twentieth century.

### **Black diaspora involvement in Africa's liberation efforts in the twentieth century**

For the most part of the twentieth century, Africans were involved in one form of emancipation struggle or the other. For the early part of the century, it was the struggle against oppressive colonial administrations, such as that of King Leopold II of Belgium in the Belgian Congo, and the discriminatory and exploitative colonial policies of the British, French, Portuguese and Germans in different parts of Africa. The protest against the negative aspects of colonialism eventually metamorphosed into the struggle for decolonisation and independence for African states. The post-independence era, especially with the dismantling of the South Africa apartheid system of race relations,

has now thrust upon Africans the struggle for good governance in African states against other sad incidence of African exploitation – that is the issue of oppressive, insensitive and dehumanising regimes. In addition, Africans are contending with the HIV/AIDS scourge that is ravaging the continent. The records are inundated with copious evidence of the positive roles which blacks in the diaspora have played in these various struggles, and are now attempting to play in the latest African struggle.

For the most part, areas of conflict were minimal in the assistance from diaspora blacks for Africa's struggle in the early phase of the struggle for emancipation, and this was largely due to the fact that there was a common external foe, and to a considerable extent there were consultations, such as came by way of congresses that were held between Africans in the diaspora and those in the continent. The situation changed towards the end of the twentieth century, with disagreements over the question of whether black diasporans' involvement in Africa still constituted assistance or was rather undue and uncalled-for interference.

Very early in the twentieth century, Africans in the diaspora joined Africans to expose the atrocities that King Leopold II of Belgium was committing in the Congo Free State, such as the amputation of the arms of Africans in order to strike fear into the workers and as punishment for minor cases of insubordination. Through the activities of diaspora blacks such as William Henry Sheppard, George Washington Williams and the American Reform Association, a chapter of the British Congo Reform Association, the public awareness and support against Leopold II was achieved in the US. Booker T. Washington was also actively involved in this movement and wrote against the Belgians in various newspapers. These black diaspora involvements in Congo went a long way to bring about the amelioration of the reactionary administration of King Leopold II (Erhagbe 1992a:113–18; McStallworth 1954, chapters 9 and 11).

In the early years of European colonial rule in Africa, the blacks in the diaspora were in the vanguard of those calling for reforms in the colonial administrative set-ups. During this early period, the protests were not for an end to colonial rule in Africa but for improvement in the colonial machinery. Booker T. Washington and W.E.B. Du Bois during this period belonged to the reformist school. Even Du Bois, in the early Pan Africanist meeting that he attended, issued statements that called for reforms in the colonial system and for a system of tutelage for the Africans for some time, with the ultimate goals of self-government for the indigenous people (Erhagbe 1992a:90). By the 1920s however, with the rhetoric of Marcus Garvey, there was a gradual shift to the call for the 'liberation' of Africa from the clutches of European colonial rule.

The epitome of the consultation and cooperation of Africans in the diaspora and their cousins in Africa came by the way of the Pan African Congresses (See Geiss 1974:234–62 and Legum 1965:24–32). Through these congresses the two groups met to express their sentiments on Africa's liberation, starting with the 1900 London Conference, which was held under the auspices of an African Association founded in London by Barrister Sylvester Williams. Other congresses, such as those of Paris 1919 and the 1945 Manchester Congress, afforded Africans and descendants of Africa in the diaspora the opportunity to meet, articulate their demands, and work out the means of achieving them (Esedebe 1982). The congresses in their resolutions brought to the attention of the world the demands of Africans, both in the continent and abroad, and this stage was important to the development of those movements that brought independence to most parts of the African world. It is commonly agreed that the Pan-African congresses helped to sensitise and mobilise the Africans to struggle for their independence (Geiss 1974; Langley 1973; and Erhagbe 1992a). Thus this early stage of African cooperation with diaspora counterparts was anchored in consultation and cooperation.

It should be noted, however, that there does not seem to have been too much consultation on the part of Marcus Garvey in terms of his proposed plan for Africa. Garvey, without doubt, made very laudable contributions to the development of positive black consciousness among blacks throughout the world, and helped in the restoration of black dignity and worth (Weisbord 1973:51–88; Vincent 1973:109–36). However, in his planned political agenda of liberating Africa, and establishing a unified government for the continent, he was quite assuming. It was therefore not surprising that while Africans in the continent seemed to have welcomed his economic programme, they were not enthused by his political one, which some of them saw as attempts by Africans in the New World to wrest the political control of Africa from the Africans on the continent (Erhagbe 1992a:188–71). Typical of this last view was that expressed by William Essuman Gwira Sekyi (Kobina Sekyi) who although held a sympathetic view of Garveyism, wrote against the presumption of the New World blacks on the issue of leadership. Sekyi conceded that the 'salvation of the Africans in the world cannot but be most materially assisted by the Africans in America', however, he also strongly believed that this salvation, '... must be controlled and directed from African Africa and thoroughly African Africans' (Kobina Sekyi 1922: 24).<sup>1</sup> It follows therefore, that Africans were clear in their minds what they wanted from their cousins abroad, and 'leadership' of their states was not it.

The Italo-Ethiopian crisis that started in 1935 marked a watershed in black diaspora contribution to Africa in the years before the wars of liberation.

The crisis turned out to be a major event which galvanised both the masses and their leaders in the US into working for an African cause. When Italy planned to invade Ethiopia, it was seen as a threat to Africans both at home and abroad because of that country's symbolic importance. Hence the 'rape of Ethiopia' was seen as 'the rape of the Negro'. Like their counterparts in other parts of the world, African-Americans in their own ways made contributions towards Ethiopia's defence (Erhagbe 1992a; Weisbord 1973:89-144 and Asante 1997). An important aspect of the contribution of diaspora blacks to Ethiopia was that whereas African-Americans were thinking of mobilising troops to rally to the assistance of Ethiopia, the latter stated what it expected from the former. Ethiopian ambassador to the US, Tece Hawariat, told an *Afro-American* correspondent in Geneva that they had enough 'native soldiers' and did not therefore need American volunteers. Instead, what they needed were arms and ammunitions.<sup>2</sup> It is therefore not surprising that whereas African-Americans supported Ethiopians with medical supplies, cash and through rallies, demonstrations and newspapers, the majority never went to Ethiopia to fight. Thus communication helped to clarify the cooperation and assistance between the groups.

From the late 1930s, there was the emergence of a major group that was to offer assistance to African liberation up to the 1950s. This was the Council on African Affairs (CAA). Through the organisation, blacks in the diaspora contributed to the decolonisation struggle that culminated in the emergence of a number of independent African states in the late 1950s and early 1960s. Prominent black diasporans who at one time or another belonged to the organisation included Max Yergan, W.E.B. Du Bois, Paul Robeson and Alphaeus Hunton.

The CAA through its publications, rallies and demonstrations, and material assistance contributed to the black struggle in southern Africa, Nigeria and other parts of Africa.<sup>3</sup> It is important that during its existence, the Council established and sustained contacts with and aided the leaders of African liberation in the continent. Africans based in the US participated in the activities of the CAA. Until the 1960s, the CAA remained the most visible, vocal and vibrant African-American organisation in the US that worked to support African causes. The tactics, objectives and problems of CAA were later inherited by later American-based organisations that had Pan-Africanist aims.

The 1960s are generally seen as the years of Africa, which was when the bulk of the peoples of the continent gained their independence. In the post-independence era, the issue now arose as to what the immediate problems of Africa were. As it were, in the euphoria and optimism of independence, Africa had a lot of promise. To meet the labour needs of Africa, some diaspora blacks from the US participated in the Peace Corps Programme.



From 1962 African-American Civil Rights leaders under the aegis of the American Negro Leadership Conference on Africa (ANLCA) organised to influence the United States foreign policy for the benefit of African-Americans and Africa. To facilitate its work, this group that had amongst its membership, Martin Luther King Jr., Whitney Young Jr., Dorothy Heights, Roy Wilkins, A. Philip Randolph, and James Farmer, organised conferences on Africa, and met with members of both the executive and Legislative arms of the US government. In setting their objectives, the conferences such as that held in the Arden House Campus of Columbia University, Harriman, New York from November 23–25, 1962, consulted with all shades of opinion moulders. Interestingly, Africans from the continent participated in the conference. Their demands and resolutions were consistent with those of Africans in the continent. The consistency is attributable to the fact that at this stage in the African liberation struggle, the objectives seem to have been quite clear and non-controversial.

The ANLCA worked to create and broaden contacts and meaningful dialogue between African and American Negro leaders and to create lines of communications and contact between visiting Africans, including African students, and the American black community. A testimony to the involvement of African leaders in the organisation's activities is that the biennial conference in January 1967 was addressed by President Kenneth Kaunda of Zambia. The conference criticised Ian Smith's white minority regime in Southern Rhodesia, and worked to have South West Africa (Namibia) turned over to the United Nations in its movement towards self determination and independence. It is instructive that there were consultations between the ANLCA and Africans.<sup>4</sup>

In these early stages of cooperation, a problem arose on the issue of the employment of blacks in the US Foreign Service. While African-American leaders sought to have blacks employed in the foreign services, Africans started to protest against sending such blacks to their countries since they were viewed as Central Intelligence Agency (CIA) agents, and more importantly, as an underestimation of the importance of their countries by sending 'second rate citizens' without political clout to them. This area of disagreement was never resolved (Erhagbe 1992b).

More vibrant and organised support for the liberation of Africa, especially the southern flank, started from the 1970s. This period witnessed the emergence of such groups as the African Liberation Support Committee (1972–1979); Africare Inc. (1971 to date); Trans-Africa Inc. (1977 to date) and the Congressional Black Caucus (CBC). Apart from the CBC, all the other groups were established with the principal aim of assisting Africa.

The ALSC in its principles and objectives set out to provide financial, material and moral support to the liberation struggles that were still being fought in southern Africa. The organisation put together rallies, demonstrations and boycotts to support African causes. Africans actively participated in the activities of the ALSC. For instance, Essiah Zhuwarara, (representative of the Front for the Liberation of Zimbabwe, FROLIZI), addressed the ALSC rally held in Washington DC in 1972. The 1973 rallies were attended by Ahmed Sekou Touré, nephew of President Sekou Touré of Guinea; Simpson V. Mtambanengwe, secretary for Political affairs, Zimbabwe African National Union (ZANU); Sikhanyiso Ndlovu, secretary, Zimbabwe African People's Union (ZAPU); Salvino D'Luz of the African Party for Independence of Guinea (Bissau) and Cape Verde Islands (PAIGC), and Ambassador Elhaji Abdulaye Touré of Guinea.<sup>5</sup> The participation of these Africans in the activities shows that there was cooperation between the diaspora and continental blacks. It is however important to note that while the ALSC respected the positions of the Organisation of African Unity (OAU) on a number of issues, the ALSC chose to support the National Union for the Total Independence of Angola (UNITA), contrary to the OAU position of supporting the Popular Movement for the Liberation of Angola (MPLA). Although different reasons have been advanced for this disagreement (Erhagbe 1992a: 332–44) the fact remains that there were times of disagreement between the two groups of co-operators, but this did not result in the complete breakdown of relationships.

It was the ALSC that set the pace of demonstrations and picketing aimed at whipping up support for African causes in the US until the initiative was later seized by Trans-Africa Inc. from around 1977. Trans-Africa from the late 1970s has become the most visible black diaspora organisation involved in mobilising support for African causes. Working in collaboration with the Congressional Black Caucus and other groups that sought the liberation of South Africa, Trans-Africa succeeded in influencing the US government to adopt a positive policy that eventually succeeded in bringing about the collapse of the apartheid regime in South Africa and the enthronement of black majority rule. The success story of Trans-Africa in South Africa stands out as the most eloquent testimony to the assistance of blacks in the diaspora to Africa's liberation (Erhagbe 1995:86-90). Very visible in Trans-Africa's involvement in the South African case is that the organisation worked within the rubrics of the OAU, although it was neither funded nor teleguided by the OAU. Because of the impressive work of Trans-Africa, the organisation was given an observer status in the OAU, while Randall Robinson, the Executive Director of the body was invited a number of times to OAU meetings. Thus in the years of the struggle against white minority regimes in

Southern Africa, there were minimal conflictual areas between the organisation and Africans. Consultation and cooperation predominated, but the situation was to change with the new efforts of Trans-Africa to address the issue of good governance in Africa.

While Trans-Africa Inc. was involved in a collision course with some regimes within Africa, Africare Inc. seems to have avoided it. Africare Inc. has devoted itself to the socioeconomic development of Africa, without involvement in political matters. Over the years, starting with the Sahelian drought relief efforts of the late 1970s, Africare has participated in health, afforestation, animal husbandry, refugee and irrigation projects in Africa. By respecting African initiative and working with Africans instead of controlling them, Africare has helped to secure its acceptance in the different African countries where it operates. Furthermore, Africare has tended to address mainly humanitarian problems in Africa without overtly demonstrating any attempts to dabble into the politics of its host countries (Erhagbe 1992a: 16-29). Unfortunately, not all organisations could escape becoming embroiled in political issues. Hence conflict was to develop between diaspora blacks and organisations, and their African counterparts on the issue of black diaspora involvement in African affairs.

### **Causes of conflicts in assistance**

The areas of conflict between diaspora blacks and their African brothers and sisters in the continent were minimal in the years of struggle for the liberation of Africa. Again, as already stated, this was because there was an external foe, and common ground for cooperation. The situation has now changed.

With the successful dismantling of apartheid in South Africa, the African agenda has shifted to that of social and economic development of African states. Added to this is the obvious problem of the numerous internal conflicts on the continent. While socioeconomic issues have not generated too much tension, the real problem arose over the field of governance. Many observers of the fortunes of Africa have constantly lamented the betrayed dreams of African independence, the level of economic development, the utter abuse and disrespect for human rights, the corruption and authoritarian regimes that seem to dominate the African political landscape. With the common external problem of white minority regimes out of the way, Africans have now started embarking on introspective self-evaluation of African regimes. As could perhaps be expected, self-criticism has led to conflict between Africans in the diaspora and the leadership on the continent. It is important to note that there is not much ideological contest between the two groups. More to the point, the conflict seems to have arisen between the African leadership and the diaspora blacks.

The two groups are naturally at cross purposes, since while the identified authoritarian regimes want to be left alone in their 'sovereignty' to take care of their own affairs, the black groups that have been involved in African liberation feel it is still within their purview to be involved in Africa's development. Furthermore, African leaders are piqued by what they see as the unholy alliance of Africans in the diaspora working with 'racists' to undermine black independence of action. Many Africans argue that the Western press deliberately misrepresents the true situation in Africa, and that it is also deliberately working to undermine 'indigenous initiatives' attempting to chart a course for development. In this period of mutual suspicion, there is less and less consultation among the two combat groups. Rather than consult with the 'antagonist', African governments have preferred to identify new groups and individuals to work with in order to counter the negative publicity of the 'antagonist' groups. In the final analysis, this situation has now thrown a spanner into black diaspora and continental black cooperation. Furthermore, the situation exposed some blacks in the diaspora to manipulation, thereby whittling down their importance and respect from their host communities.

### **Resolving conflict and assistance: The nature of black diaspora and continental African cooperation in the twenty-first century**

The lessons of the history of the laudable contributions of diaspora blacks to Africa's development show that better results were often achieved through consultation and cooperation. This lesson is imperative for designing new programmes for the diaspora contribution to Africa in the years ahead. Groups such as Trans-Africa can still benefit from recognising and working within the parameters set by such continental bodies such as the new Africa Union (AU). Through such consultation with groups such as the AU, the two groups can agree on a common agenda, and this would prevent the assisting groups from being seen as the sympathiser weeping more than the bereaved.

While conceding that blacks in the diaspora have a right to be interested in African affairs, the fact still has to be recognised that Africans must still establish the 'authentic position' for themselves. In the absence of such working out together of a position, adversaries of the diaspora groups would easily be furnished with the materials to criticise their involvement in Africa. Thus as much as possible, conferences, workshops and other operational fora should be organised for authenticating 'Africa's position' and *modus operandi*. Through such consultations, the resolution of potentially conflicting positions could be achieved.

In the years ahead, black diaspora organisations may have to seek to establish African branches or chapters of their groups. This would help in a

way to indigenise their operations, which should improve their acceptability to Africans, and lead to real cooperation. With information from their internal co-operators they can easily counter the accusation of being victims of white-dominated Western media. In this regard, with the rise in the number of non-governmental organisations in Africa that are addressing issues such as good governance, human rights and the preservation of the environment, black diaspora organisations could seek to cooperate and work with them.

Diaspora groups should also adopt a more subtle diplomacy in seeking to influence policies in African countries. In this regard, early consultation with African governments could help to minimise the avenues of open conflict between the two groups. Outright public criticism could make erring African countries impervious to suggestions for change. This outcome might not be the case if more subtle means are adopted.

Black diaspora groups such as Trans-Africa, the Congressional Black Congress (CBC) should not solely focus on the conflictual issue of politics. Instead, equal energy has to be expended in influencing their countries to adopt foreign policies favourable to Africa by way of investment and debt forgiveness. The fact is that the inability of the black groups to obtain better aid assistance or a better trade status for Africa in the Western hemisphere, as in the US, tends to create the impression that diasporan groups do not really care about the socioeconomic welfare of Africans. Thus what is required is a careful balancing in terms of their areas of interest. With the injustice in the current world economic order, in which nations of the south are heavily exploited, the black diaspora groups should be seen as devoting some of their energies to promoting a better economic deal in Africa.

Closely tied to the above point is the need to further explore and exploit areas of economic cooperation between diaspora blacks and Africa, especially by way of the former making more direct investments on the continent. In the face of white capital flight from Africa, blacks in the diaspora should seek to provide the necessary capital for investment. With the inauguration of civilian governments in Nigeria since 1999, there has been a deliberate national policy of attracting international investments to the country. As suggested by Johnson (1983), African-Americans and Africans could co-operate for long term economic empowerment. The blacks in the diaspora should therefore be more willing to invest their capital in Africa, while special concessions must be granted to them.

The African Union should be bolder in taking definitive stands on issues that seem to be destructive of the well-being of Africans. In this regard, the millions of blacks in the diaspora should be given the opportunity to articulate and present their views on issues to the continental body. In the absence

of this possibility, the Côte d'Ivoire initiative around the 'African Summit' should be further strengthened so that Africans can meet with diaspora brothers. The OAU's decision not to allow military leaders at its Heads of States meetings was a step in the right direction in the struggle against military dictatorship in Africa. Such definitive steps help to clarify the stance of Africans, with which blacks in the diaspora can identify.

Black diaspora groups, especially the politically visible ones such as Trans-Africa, should be more forthcoming in providing assistance to Africans in distress. They should be seen as participating actively in helping African refugees and victims of natural disaster. Such moves would help to foster the bonds of cooperation between the two groups (see Erhagbe 1994:16-29).

To foster cooperation between the two groups in the years ahead, Africans should be prepared to work more closely with black diasporan organisations by networking with them in pursuit of civil agendas. When eventually necessary, such extant networks could be used to influence political agendas in Africa with the aim of advancing the interest of Africans throughout the continent and the world over.

### **Conclusion**

Anchored in their consciousness of their African ancestry, blacks in the diaspora have over the years maintained positive relations with Africa. In the dark days of European imperialism and colonialism, blacks in the diaspora lent a helping hand to Africa. If they had the right then to be involved in Africa, they must still have that right in the twenty-first century. The African image is still the image of blacks in the diaspora; they therefore still can rightly help work for the maintenance of the good image of the African.

While working for Africa, blacks in the diaspora should avoid an attitude that is paternalistic or presumptuous in any way. They should work to cooperate with Africans, not dictate to them, because in the final analysis, blacks in the diaspora have to respect the independence and national integrity of African states and peoples. Since disagreements breed conflicts, discord and undermine the accomplishment of laudable goals, the option open to the two groups is obviously consultation and cooperation anchored in fraternal Pan-African consciousness, and not a confrontational and offish stance. Just as in the past, the years ahead portend more contributions to Africa's development from blacks in the diaspora, and this can be the case if conscious efforts are made to manage the relationship well.

## Notes

1. Kobina Sekyi, 'The Parting of Ways', cited in Ayodele J. Langley, *Pan-Africanism and Nationalism in West Africa 1900–1945: A Study in Ideology and Social Classes*, Oxford: Clarendon Press, 1973, 168.
2. *Afro-American*, Week of September 28, 1935, 4.
3. For details of the activities of the Councils see Erhagbe, 'African-American Ideas', 239-272.
4. For details of the conference see Erhagbe, 'African-American Ideas', 286-320.
5. *Ebony Magazine*, 28 (July 1973) 41-46.

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## **Senegalese Entrepreneurs in the USA and Managerial Decision making: A pilot study**

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### **Abstract**

The paper looks at the conditions that influence how Senegalese entrepreneurs create and manage their businesses in the US while acquiring income in order to maintain and improve their social status in Senegal. The study uses the grounded theory to look at three cases in the city of Cincinnati. The study found that the creation of small businesses by Senegalese is the result of a process centred on the search for resources and the definition and protection of their business undertakings. This process is characterised by variations which depend on several conditions: owners' social profile, their management of the Senegalese community as a key stakeholder, their individual perception of the relation between religion and business, their personal understanding of the US reality, and their rejection or acceptance of the African system. This study concludes that Senegalese business owners approach doing business differently, even though they share the same basic culture and the same objective as their fellow migrants, which is to return home with an improved social status. However, given the methodology used (grounded theory), the sample and the pilot nature of the study, these conclusions cannot be generalised. The findings suggest that the study of immigrant businesses requires methodologies that are qualitative, interpretative and based on what business owners do and how they think.

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## Résumé

L'article examine les conditions qui déterminent la manière dont les entrepreneurs sénégalais créent et gèrent leurs entreprises aux États-Unis dans un processus de stabilité et d'accumulation de biens qui aboutit à l'amélioration de leur statut social au Pays. C'est une étude pilote basée sur les exemples de trois personnes établies dans la ville de Cincinnati. La méthodologie utilisée est celle de la théorie reposant sur les faits.

L'étude a trouvé que la création de petites entreprises par les Sénégalais résulte d'un processus centré sur la recherche de profit, la définition et la sécurisation de leurs activités. Ce processus est caractérisé par des différences qui dépendent de plusieurs facteurs : le profil social de l'entrepreneur, ses interactions avec la communauté sénégalaise sur place, sa perception personnelle de la relation entre la religion et les affaires, sa propre compréhension de la réalité américaine et son rejet ou son acceptation du système africain.

En conclusion, l'étude montre que quand bien même les entrepreneurs sénégalais partagent la même culture de base et le même objectif qui est de retourner chez eux en vue d'améliorer leur statut social, et s'engagent dans un processus de réalisation de cet objectif, les voies empruntées sont différentes. Cependant, ces conclusions ne sauraient être généralisées compte tenu de la méthodologie utilisée (celle de la théorie à base empirique ou théorie reposant sur les faits) et du caractère réduit de l'échantillon de cette étude. Les conclusions suggèrent, pour étudier la pratique des affaires des immigrants, une méthodologie qui soit qualitative, interprétative et fondée sur ce que les entrepreneurs font et pensent.

## Introduction

This study aims at understanding and explaining the emergence of Senegalese entrepreneurs in the USA. It is a pilot study of three case studies located in the city of Cincinnati, in the state of Ohio, which has witnessed an increased number of Senegalese habitants in recent years. As the Senegalese community grows, many Senegalese become involved in some business activities in an attempt on their part to reproduce the Senegalese society in the US. Consequently, various trades, skills and competencies emerge in order to respond to the needs of community members.

Generally, as citizens from a given country increase in number in a given area of a foreign country, they bring with them more trades, skills and competencies, try to reconstruct their home environment, and, thus, stimulate the creation of businesses whose mission is generally and primarily, at least at their inception, to respond to the needs of these citizens.

While Cincinnati media cites the number of Senegalese migrants as 2,000, informal accounts by Senegalese themselves suggest a population reaching at least 4,000 individuals. The majority of them are wage workers. But,

many of them own small individual or family businesses in activities such as clothing, auto repairs, and food and general convenience stores.

In fact, the involvement of Senegalese in business activities abroad is not new. For many years, it has taken place in other countries in Africa, Europe, North America and more and more in Asia. However, while in the past it took the form of repeated trips by Senegalese traders to purchase items to be sold in Senegal or at most Senegalese migrants engaging in street vending in major foreign cities, today there are more formally established Senegalese-owned businesses abroad, including in the US.

There is no simple explanation to this phenomenon. Economic and social hardship in Senegal is probably an important reason but not a sufficient one because owning and managing a business successfully abroad requires, on the part of entrepreneurs, skills and resources of a particular nature. Similar issues are faced for example by Hispanic and Asian entrepreneurs in the US. However, while there has been a significant amount of research done on these communities, it is hard to find anything on African businesses despite the growing number of Africans in the US, and their greater involvement in independent economic activities.<sup>1</sup> To the best of our knowledge, this is the first time that Senegalese businesses in the US are examined by researchers in the social sciences.

This study links managerial and social processes. Social processes include: coping with the Senegalese society and household needs back home while still living in the US; owners' relationships with the Senegalese community in the US; and integration in or isolation from the US society. Managerial processes include: searching for and managing financial, technical and human resources; identifying customer and labour markets; implicit or explicit strategies for prosperity designed by owners; and changes in these strategies.

In other words, we want to understand and explain the process by which a Senegalese man or woman decides to leave his or her home country with or without his or her family; to abandon a business in Senegal in many cases; to open a business in Cincinnati, or to first look for a factory job in order to generate start-up capital, or to swing between factory jobs and business ownership; and to have the return to his or her country as his or her main purpose, despite the fact that he or she can generate more wealth in the US than he or she would at home.

## Methodology

Because some of the issues tackled in this research have been to some extent addressed in studies on immigrant businesses in the USA and in other countries, we had the choice between two approaches. First, we could apply

existing frameworks to Senegalese businesses, based on the assumption that immigrants businesses follow the same pattern of creation, integration and development <sup>2</sup> regardless of their owner's origins. Second, we could consider Senegalese people as a particular community with its uniqueness, thus requiring reliance on new concepts, categories and theories to explain entrepreneurship among them.

This research is based on the second approach for two reasons. First, we believe in Senegalese uniqueness on issues of entrepreneurship abroad. Taking Francophone Africa as a basis for comparison, empirical evidence shows that no other people from that area are as much involved in business activities in Cincinnati, and probably in the US in general, as Senegalese are. Second, studies on African businesses have generally suffered from the use by researchers of imported frameworks, concepts and theories.

In the present study, a business is considered to be any type of profit making activity, either manufacturing or service provision. These activities can be performed through street vending or in fixed-location structures, and are part of the 'ethnic economy' which consists of businesses 'owned and managed by immigrants as well as the co-ethnics they employ for wages and salaries' (Light 2004: 389). A Senegalese owner is defined as a person from Senegal (man or woman, regardless of his/her ethnicity, religion and social background) who decided, for reasons that may vary, to come to the USA and who is running a business, whether this was planned or not when leaving the home country. Thus, although the pilot study sample happens to be composed exclusively of individual men who already had a business in Senegal, future studies will probably include more diversity in the sample.

The methodology used is the grounded theory. It is recommended for the study of new phenomena and aims at the generation of new concepts, categories and theories. So far, there is no theory of the African firm, let alone a theory of African businesses abroad. The same is true of country-level studies; for example, there is no theory of the Senegalese firm. Attempts to construct a theory have been made through the study of the relationship (mostly the contradictions) between African cultures and modern management, but these attempts remain incomplete.<sup>3</sup> Thus, given the newness of the study and its pilot nature, in order to minimise the influence of previous research and theories about immigrants and immigrant businesses in the US and in Europe, we first provide an analysis of the three Senegalese cases. Then, in the discussion section, we compare our findings to the findings of the most relevant existing literature.

In addition to the fact that we do not know of any study on Senegalese entrepreneurs in the USA, the choice of the grounded theory is based on an epistemological position. There are four possible epistemological options in

social science research. First, positivism, mostly based on the deductive approach and rational thinking, tests empirical data on the basis of theories and hypotheses; here, individuals are seen as variables that can be objectively understood. Second, the participative approach combines rationalism and subjectivism: in this case, action is the basis for research because acting, being and knowing are seen as intertwined. Third, symbolic interactionism,<sup>4</sup> based on an interpretative approach, is interested in the reality as perceived by people in their social interactions (ethnomethodology is close to this); for the researcher, reality is what people think of it and the meaning they give to what they do, not what others think or say about it. Fourth, structurationism brings in 'objective' structures de-emphasised by symbolic interactionism, and tries to provide a synthesis of positivism and interpretationism.

The lack of research on Senegalese businesses and on what determines their managerial choices in the US makes this study exploratory and led us to rely on grounded theory whose foundation is symbolic interactionism. This approach suggests de-emphasising at this stage of our research programme theories on Senegalese at home or abroad in general, or on Senegalese segmented on the basis of religion, ethnicity, geographical location, social status, political orientation, to cite but a few criteria, and to focus instead on the meaning given by individual Senegalese owners in the US to what they have been doing. This means that specific issues (such as religion, ethnicity, gender for example) are brought into the research only if raised by interviewees.<sup>5</sup> The risk of this approach, inherent to the grounded theory, is to limit reality to what owners think. The advantage is the avoidance of biases and stereotypes due to an interpretation of owners' actions and discourse on the basis of existing theories.

As other approaches, the interpretative approach is not perfect. First, grounded theory takes into account theoretical sensitivity that 'refers to the personal quality of the researcher' (Strauss and Corbin 1990:41). The sources of theoretical sensitivity, namely, knowledge, professional and personal experiences, affect the researcher's awareness of the phenomenon under study. The researcher manages the impact of these sources by adopting an attitude of scepticism regarding previous knowledge and by following grounded theory research process (Strauss and Corbin 1990). Second, contrary to what positivism suggests, the researcher's subjectivity influences the research process, especially the data collected and their analysis.

So, to use the grounded theory means dealing with issues of reflexivity, relativism and interpretation. Ultimately, it is not about testing relationships among variables, but about the discovery of relevant categories and their relationships. Positivism tends to commit itself to particular methodological

principles, theories and techniques. Reliability in methods and findings is indicative of validity; external validity (statistical generalisation) is a key issue. The grounded methodology, because it is grounded, is loyal to the meanings given by individuals to their actions and contexts (there is no right or wrong meaning). Its objective of understanding and explaining phenomena, and of discovering new concepts and theories, stimulates methodological openness. At this stage of our research programme, internal validity and analytical generalisation are given priority against external validity.

The three basic steps of the grounded theory are open coding, axial coding and selective coding. According to Strauss and Corbin (1990),<sup>6</sup> the main purpose of open coding is to break down, examine, compare, conceptualise, and categorise data in order to identify concepts expressing what interviewees do and think. An analysis and synthesis of these concepts leads to the building of categories, sub-categories, properties and dimensions.<sup>7</sup>

Axial coding aims at making connections within and between categories by using the paradigm model.<sup>8</sup> Selective coding is 'the process of selecting the core category, systematically relating it to other categories, validating those relationships, and filling in categories that need further refinement and development' (p. 116).

In practice, as seen later, these three steps are not sequential. Because data collection and analysis are performed simultaneously and based on a systematic comparison of concepts and categories, theory construction is present during the entire research process, although systematised at the selective coding stage. The strength of the method is its openness and almost unrestricted capacity to consider any information that may provide a better understanding of the phenomenon under study.

### **The sample**

In grounded theory, sampling is theoretical, which, according to Strauss and Corbin (1990: 176), means 'sampling on the basis of concepts that have proven theoretical relevance to the evolving theory'. Theoretical sampling focuses on events and incidents, not persons per se. Therefore, it is the contribution of each case to the development of the theory that matters, not the number of cases.

This pilot study is based on three cases: those involved in an auto repair shop, a general store and a street vendor were interviewed. The choice of the auto repair shop was fortuitous and based on the owner's availability. His interview was considered informative enough to allow for the identification of concepts. Following principles of theoretical sampling, once concepts were identified, we looked purposefully for data reinforcing or contradicting

these concepts. Thus, for the second interview several elements were given more emphasis or added. They were:

- Business and religion, because the first interviewee invoked the name of God many times in his discourse, but at the same time argued in favour of a total separation between his professional involvement and his religious life. This was so despite the fact that he was from a very religious family in Senegal. Also, he exclusively related the practice of retailing (buying and selling) among Senegalese to a particular religious group, the Mourids.<sup>9</sup>
- Business and the community resulted from our analysis of the first interview. Here it appeared that there was a contradiction between the first interviewee's reliance on the Senegalese community as his primary consumer market and his perception of this same community as an obstacle to the prosperity of his business. Jealousy among members of this community constituted the primary obstacle, according to him.
- Knowledge, skills and experience because the first interviewee presented them as the exclusive basis of his success and as a major asset in his relationship with the Senegalese community.
- Integration in the US society. The first interview considered that his illegal status greatly affected the way he was conducting his business.

To address these different issues, a general store was selected for the second interview. In the Senegalese community, the concept of 'general store' is defined as a business with a core activity (in the present case, selling African culture in the form of video tapes) and, in the same location, a variety of products (in the present case, clothes, sun-glasses, watches and any other item which met the needs of customers and generated money). The owner of this store was one of the leading members of an association regrouping Mourids in Cincinnati. Thus, community issues were among his primary concerns. This case was almost perfect to address issues raised by the first interviewee.

The third interviewee was a street vendor whose activities consisted in selling a large variety of items (clothing, perfume, cellular telephone cases, etc.). He was selected because we expected a different frame of mind and another way of doing things on his part given the nature of his business. This was confirmed especially on issues related to 'securing the business' and 'managing the community', discussed later.

### **Collection and analysis of data**

In the grounded theory, data collection and analysis are combined. Data were collected on the basis of an open-ended questionnaire with a content based on our own experience in the field of small businesses (i.e. theoretical sensitivity) and on informal discussions with Senegalese in Cincinnati. For each subject, we had at least two interviews in addition to several on-site observations. The decision to conduct several interviews made the length of each interview (60 to 90 minutes long) largely bearable for the owners who had busy schedules. Interviewees chose the day and time of each interview were. All interviews were recorded, entirely transcribed, then coded.<sup>10</sup>

After each interview we transcribed the recordings, performed open coding, corrected some mishandling and prepared for the following interview. To keep in touch with interviewees between two meetings or to clarify some data collected, telephone calls and on-site observations were made. This is the progressive and cumulative approach suggested in the grounded theory. So, instead of waiting for following interviews before executing open coding, concepts were identified on the basis of available data. These concepts were not considered as rigid and final, but just as a list of items that would be developed further quantitatively and/or qualitatively after each interview.

### ***Open Coding***

The analysis of data collected from the three interviews led to 17 concepts:

- (i) gathering resources for the business;
- (ii) social background;
- (iii) searching for recognition;
- (iv) nature of the business;
- (v) market and the community;
- (vi) integrating with the US society;
- (vii) diversifying occupations;
- (viii) entrepreneurship as a social status and a profession;
- (ix) going home as the objective;
- (x) positioning the trade through knowledge, skills and experience;
- (xi) defining business performance;
- (xii) business and the Senegalese community;
- (xiii) lacking peace of mind and issues of insecurity;
- (xiv) complying with the rules;
- (xv) the process of entry into the US;
- (xvi) religion and business;
- (xvii) traditions and the African system.



These concepts were then synthesised into eight categories:

- (i) finding resources;
- (ii) social profile;
- (iii) defining the business;
- (iv) reinforcing the African system;
- (v) securing the business;
- (vi) using the USA as a transition toward social improvement in Senegal;
- (vii) linking religion and business;
- (viii) managing the community as a key stakeholder.

For each category, subcategories were found and used for axial coding.

### **Axial coding**

Axial coding led to the following table linking categories to subcategories based on the paradigm model. For each category, subcategories are labelled as cause, context, intervening variable, strategies, or consequence.<sup>11</sup>

The detailed analysis of categories on the basis of labelled subcategories allowed for:

- an understanding of the dynamics of each category;
- a definition of the relationship between categories, and
- subsequently, the positioning of each category in the process studied.

### **Selective coding**

An analysis of the relationship among these eight categories led to the conclusion that 'Using USA as a transition toward social improvement in Senegal' was the core category. The other seven categories are the conditions (cause, context, intervening variable, and strategy) under which this main objective is achieved or not. To say that 'Using the USA as a transition...' is the core category means that the basic purpose of Senegalese entrepreneurs in the USA is to enter a process allowing them to accumulate wealth and to go back to Senegal to improve their households' social conditions and their social status.<sup>12</sup>

On that issue, our first contacts with Senegalese owners in the city of Cincinnati were revealing. All of them argued that, contrary to Asians and Hispanics entrepreneurs whose objective is to settle in the US, their goal was to leave as soon as possible. The same argument was put forth by the three owners interviewed during this pilot study. One of them even said, 'if I could reach my goal today, I would go back immediately ... This is not my country. I do not live here'.

So, the seven remaining categories represent the components of the process of accumulation experienced by Senegalese entrepreneurs. However,

Table 1: Linking subcategories to categories on the basis of the paradigm model

Subcategory Category	Cause	Context	Intervening variable	Strategies	Consequence
Finding resources	Needs of the business	Owner's economic situation	Owner's personal characteristics	Using different ways of attaching resources, networking	Success or failure
Social profile	Profession	Social identity	Family origins	Becoming immigrant in the USA	Self-identification
Defining the business	Market needs	Interpreting the US society	location – owner's capacity – owner's	Recruitment – competition background & beliefs	Choice of activities and processes
Reinforcing the African system	Owner-customer relations	Dynamics of the community	Attitudes towards African traditions	Modes of bargaining integration in Senegalese community	Level of business
Securing business	Owner's perception of security	Level of Social integration	Owner's legal situation	Owner's social Construction of the security of their business	Ways of conducting business activities
Managing the community	Owner as a member of the	Community structure /customers community	Ownership as a privileged status / Nature of skills	Creating time and resources for the community	Managing membership, dependence, rejection and trade
Using the USA as a transition	Investing in Senegal	Low social status at Home	Making pragmatism the key	Managing uncertainties in the US	Identifying opportunities in Senegalese context
Linking religion and business	Central place of God in Senegalese society	Perception of the US	Concept of God and religion	Space and time given to religion in daily activities	Religion as a totality vs. separating religion and business

although these categories tend to be present in the experience of every Senegalese owner, their practical content was different from one owner to the other, as discussed hereafter.

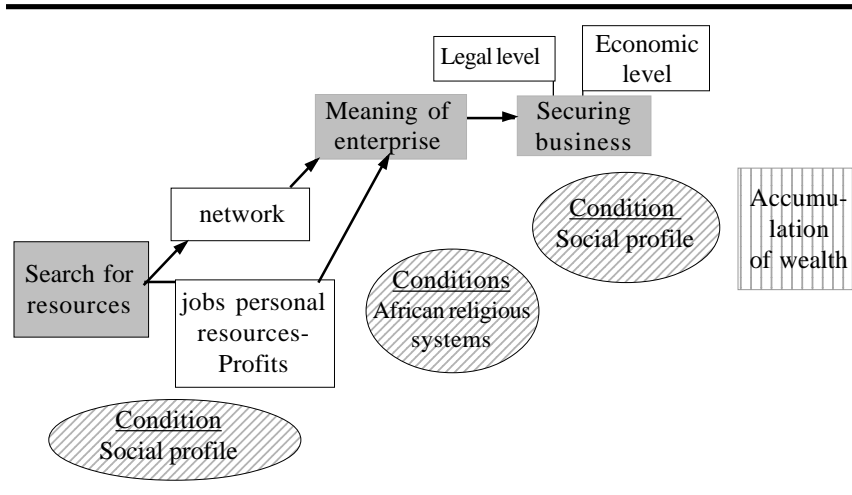
An explanation of the above mentioned process and its variations is provided next.

### Explaining the process

Expectations by Senegalese owners of a quick process of accumulation are based at the beginning on the perception of the US as a land of great opportunities. However, as the process unfolds, its complexity emerges. Its stabilisation takes longer because it appears to be related to complex interactions involving the owner and his or her objectives, the business, the family in Senegal, the US environment, and the Senegalese community in the US.

To explain this process is to look at the conditions influencing the ways Senegalese owners make managerial decisions in the USA, namely (i) the search for resources, (ii) the definition of their businesses, and (iii) the securing of their undertakings in order to stabilise a quick accumulation process leading to an improvement of their social status in Senegal. These are the three main elements of the process.<sup>13</sup> (See figure 1).

**Figure 1:** The entrepreneurship process



The first element is influenced by the owners' social profile, which includes their origins and social and professional experiences (i.e. biographies). The second element is influenced by their attitude towards the African system<sup>14</sup> and their interpretation of the relationship between business and religion,

both influencing their meaning of ownership. The last element is related to the way they manage the Senegalese community in the US, this community being both their support group (network) and their consumer market.

### ***The decision to migrate to the US and to own a business there***

Most Senegalese business owners in Cincinnati were already entrepreneurs in Senegal. The three entrepreneurs interviewed confirmed this pattern. For the general store owner, private ownership has been a family tradition. For all of them, the decision to come to the US resulted from business failure in Senegal. As they all put it, 'In Senegal, there is work but no money'.

Thus, coming to the US had for its purpose the accumulation of money as quickly as possible and to return in order to improve their social conditions. Information collected from people having an experience in the US, knowledge of success stories and their business experiences were the bases for Senegalese entrepreneurs' perception of the US as a land of opportunities.

### ***Finding resources***

The owners interviewed did not come to the USA with a starting capital. Thus, the search for resources was central to their success. Their social and professional profile was of a key importance in this search. The fact that they came to the US as illegal aliens prevented them from engaging in an established search process (banks or other financial institutions, government).

For the general store owner and the street vendor who came to the US through friends and relatives already established here, and on whom they relied at the beginning, networking was and remained afterwards their main strategy in their search for resources. Both of them were already involved in a network in Senegal. The nature of their business made a difference on this issue.

Comparing these two cases to the auto shop owner, it seems that the more marketable the skills required to operate the business are, the less owners will rely on networking, factory jobs and street activities for start-up resources. In such cases, owners will use profits generated by their activities to incrementally develop their businesses. Among the cases studied, while the general store's owner and the street vendor relied on networking, factory jobs and street vending in their search for start up resources, the auto shop's owner focused on his business cash flows.<sup>15</sup>

### ***Defining the business***

The way owners defined their businesses was an indication of their understanding of ownership. This understanding was largely influenced by the

way owners interpreted the African system and understood the relationship between religion and business in the American context.

From the data analysis, two ways of defining a business appeared: the business as a community-oriented activity, and the business as an individual undertaking. In the first conception adopted by the general store's owner, being an entrepreneur leads to the construction of a social status to be perceived by others in the Senegalese community as synonymous with freedom and time to contribute to the betterment of this community.<sup>16</sup> According to this owner, 'it gives you a lot of freedom and makes it easier to help others'. This contribution was viewed as an act of giving back to people who have participated in all aspects of the business, not just as customers.

The foundation of this interaction was the belief in the existence of a strong culture of solidarity in the Senegalese community. The transaction costs generated by this solidarity are not an issue, because the success or failure of any business depends on God's will. Thus, the conception of the business as a community-oriented undertaking was based on a strong belief in the African system and the non-separation between religion and business.

The fact that the general store owner relied on networking in his search for resources (finances, supplies, skills, and even space for his business) suggests a coherent relationship between the way he defined his business and the way he searched for resources. He stated several times that 'solidarity is what has allowed (him) to start (his) business in the US'.

The auto shop's owner instead viewed his business primarily as an individual undertaking, requiring the substitution of formal procedures (what he called 'the American way', i.e. a 'rationalisation of processes') for the African system perceived as 'backward', and the separation of work and religion. His hope was 'to work for Americans because they do not negotiate prices. They want to know if you are able to fix the car and when they can pick it up. That is their preoccupation. To the contrary, with Africans I do not make a lot of money'. In his conception, the Senegalese community was an obstacle to business profitability, not a space for solidarity and business success. This was coherent with the fact that in his search for resources, he did not rely on networking, but on the cash flows generated by his activities.

It appeared that the ways owners defined their businesses also had a great impact on how they secured them, as discussed next.

### ***Securing businesses***

Two factors made this issue central to the process of accumulation. The first was about legal issues and was related to the fact that the owners interviewed came to the US with a visitor's visa that made them illegal immigrants at the end of the visiting period. The second factor was economic and

stemmed from the fact that the Senegalese community was perceived by owners as their primary space for recruiting, networking, and constructing their customer base, even in the cases where they regarded this community as an obstacle to business prosperity. Thus, securing the business involved two aspects: the legal stability of the business largely dependent on the legal status of the owner, and its economic viability essentially dependent on how owners managed the Senegalese community which included 80 to 95 percent of their customers.

Concerning the legal stability of businesses, although it was a greater concern for owners who were illegal aliens (cases of the auto shop owner and the street vendor) than it was for owners who had become 'legal' (the general store owner), it remained a preoccupation to all of them. The basis for that was the belief among Senegalese owners that the US was not their country and would never be. This meant for them that at any moment, they could be asked to leave, despite their recognition of the generosity of US laws allowing illegal immigrants to work or to run a business once they obtain a 'working permit'. As argued by one of them, 'if you are in a situation like the one I am in, you never know when you leave'.

As for the economic viability of businesses, because accumulation was the issue and because the Senegalese community was perceived by Senegalese owners as their customer base, managing the community was vital to the success of their businesses. For owners who possessed a community-oriented view, managing the community was a daily and quasi-natural preoccupation. For the auto shop owner who relied on an individualistic paradigm, it was compulsory for lack of a better market and required an efficient (in fact opportunistic) management of the paradox between integration in the Senegalese community and avoidance of an exclusive dependence of his business on this community.

This is how the owner of the car repair shop managed this paradox. According to him, 'if you try to use the American system, it will not work even though it is better, and you will not be able to socialize and do business with them (i.e. the Senegalese community). They may begin to discover wrong things about you. Unfortunately, these wrong things, although untrue, will be known to and believed by the entire Senegalese community'.

For this owner, there was the belief that in the long run the Senegalese community would not be the only or most important consumer market available to him. Therefore, he viewed the community primarily as an instrument for business prosperity but only for a period of time. So, in all cases, at least in the short run, the Senegalese community, given its position as quasi-ex-

clusive customer, was an unavoidable stakeholder for Senegalese entrepreneurs.

Among owners adopting a community-oriented approach, the case of the street vendor whose activities, because of their nature did not target the Senegalese community, is worth mentioning. For him, this community was just a component of his consumer market (his customers were mostly US natives), but a vital network for different types of resources (information, especially legal; financial support in hard times; supplies; socialisation; religion, to cite but a few examples).

#### *Accumulation as a consequence of the process*

At the time of the interview, the car repair shop owner, who had followed an individualistic paradigm, and had been in the USA for less than five years, had stabilised a relatively efficient accumulation process and had largely invested in Senegal (construction of a three-storey building for let), thus partly realising the purpose of his coming to the US, even before returning. The possibility of investing in Senegal whilst still in the US brought a new dimension in his accumulation process, namely the prospect of a professional base in both the US and Senegal. As a consequence, the necessity to acquire a legal status progressively took a central place in his life.

For the general store's owner and the street vendor who adopted a community-oriented approach, managing the community seemed to involve transaction costs that may have negatively affected business performances and slowed down their accumulation process. They had been in the US for more than twelve years without their families and were still relying on survival strategies for themselves and their households in Senegal.

### **Discussion**

At the time of this research, only one of the three owners had succeeded in somehow stabilising a quick accumulation process. But, even in his case, this success was not strong enough to make him ready to return to his home country. However, all of them were contributing to an improvement of their households' material conditions by regularly sending money to Senegal.

This is a critical point because sending money to Senegal slows down the accumulation process and extends owners' stay in the US. As explained by one owner, 'when we live in the US, our expenses double. They include us. Plus, we continue to provide for the household in Senegal; we pay a rent there. The rent paid for the location of the business here in the US is higher than what we would have paid at home. Thus, we may generate higher profits here, but our expenses are also higher'. Immigrant entrepreneurs who do not have the return to home as their main objective, such as Asians

(Waldinger and Aldrich 1990), do not support such costs because they try to bring their families into the US as quickly as possible.

As long as going back to Senegal remains the main objective, household expenses in Senegal are considered by Senegalese owners as a compulsory cost (these expenses may even increase given the development of the household in size over the years). The consequence is that the accumulation process will depend on the capacity of owners to extend their business or to improve the quality of their management in order to increase their profits.

The data show that Senegalese owners emphasise business extension at the expense of an improvement of managerial processes. None of the owners perceived for example the necessity of a basic accounting system allowing for a better management of their activities, let alone of a marketing of their services in order to build a wider customer base. They relied on an implicit niche strategy aiming at responding to the needs of the Senegalese community, even in the case of the auto shop owner.

So, less than a year after the completion of our interviews, two of the owners were considering an extension of their activities. The auto repair shop's owner was looking for a larger space. The general store's owner in fact acquired a much spacious location in a different community and added the selling of foodstuff to his business. The street vendor was considering looking for a factory job, then going back home to visit his family, and coming back to restart his business with a new orientation and the support of friends and family.

The case of the general store's owner is worth discussing because he realised his extension project while the auto shop owner was just considering it. First, his move to a new community dominated by African-Americans took him out of the spaces where the Senegalese community was concentrated (although he remained easily reachable) and brought some changes in his customer base, which nevertheless remained largely Senegalese. Second, interestingly, to reinforce his community and religious orientation, he established his business in a building in which were also located the mosque and the Koranic school run by the religious association (Mourid) that he led. In addition to this extension, he became involved in a part-time job. This shows how the central objective of quick accumulation led in his case to diversified but unrelated occupations in which the only common denominator was the generation of money.

Third, this extension did not lead at all to an improvement of managerial processes. This goes against the traditional logic of business growth but is coherent with the owner's objective. In effect, expectations for a quick accumulation process laid the ground for a reliance on precarious and rudimentary business processes and techniques on his part. In his mind, there



was no need to be involved in the use of sophisticated (and eventually costly) managerial tools if the objective was to return home as soon as possible.

This particular case shows that although it is true that ethnic ‘neighborhoods may be the starting point of ethnic businesses...’, the dynamics of their evolution does not always result from changes in the structure and habits of these neighbourhoods (Waldinger, McEvoy, & Aldrich 1990). In the case of the general store owner, at least three factors played a role. They were the possibilities offered by the environment (here, possibilities to find a new location for the business)<sup>17</sup> combined with managerial constraints (here, the search for better financial performance) and the need by the owner to reinforce his religious and community orientations (the non-separation between his business, religion, and the Senegalese community).

Generally, issues of ethnic neighbourhoods are introduced in the debate on immigrant businesses because of their economic advantages, namely, affordable housing, labour force proximity, or the existence of a natural customer base (Waldinger, McEvoy & Aldrich 1990). The cultural (especially the entrepreneurial culture) and psychological reasons why business owners choose to remain attached or even dependent on a particular community (not always their community) are not sufficiently addressed.

The case of the auto repair shop owner who at the time of the interview was doing relatively well, performance-wise, allows for a discussion of such issues. This owner lived in an African-American dominated community where he also had his shop. However, most of his customers who were from the Senegalese community, lived in other neighbourhoods.

Thus, the prosperity of his business depended more on the Senegalese community which also constituted his space of socialisation, than it did on his direct neighbours. Therefore, what made his business ethnic was neither the nature of the service provided (auto repairs), nor his dependence on his neighbourhood as a customer base, but the fact that for the time being the Senegalese community was his niche market, although his hope was to do business with a larger public including Americans.

Several elements of his discourse allow for an understanding and explanation of his choices. First and already mentioned, he did not consider that solidarity was present in the Senegalese community, and was convinced that the future of his business was in the larger American market. Second, despite his critique of the Senegalese community in Cincinnati, he did not intend to ignore it culturally. Finally, security was a central aspect of his undertaking given his illegal status. This last point deserves more detailed explanation.

Given the non-negligible number of Senegalese with an illegal status, to be in an environment dominated by them was to be avoided. This owner

understood very well that business works better when it occurs in an environment that is secure both economically and legally, that the security of his business could not be separated from his own security and that legal problems related to his status would automatically affect the survival of his activities.

In order to face this issue he constructed an understanding of his situation in the US context and consequently adopted a social and professional behaviour of which the main elements were the following, in addition to staying in an African-American dominated neighbourhood. First, he acknowledged his illegal and fragile status.<sup>18</sup> Second, he was convinced that he had been monitored by the US police and was known as an illegal immigrant.<sup>19</sup> Third, he was also convinced that through good social and professional behaviour, he would be able to live and practice his trade in Cincinnati with no trouble.<sup>20</sup> Issues of security were also very central to the street vendor who was an illegal immigrant but less central to the general store owner who had become a legal resident a few years ago.

The central outcomes of this study are the following. First, although all Senegalese owners interviewed, whose main objective was to accumulate wealth and to go back Home, faced issues related to finding resources, defining and securing their businesses, they resolved them differently. Why is that?

Studies on ethnic businesses tend to focus on shared beliefs and behaviours (general picture data)<sup>21</sup> and to ignore individual differences within particular immigrant communities.<sup>22</sup> From a sociological viewpoint, it allows for broad comparative analyses of immigrant groups. However, we are not convinced that it provides a detailed realistic picture of the dynamics of individual businesses in particular sectors, an equally key issue.

In effect, given the fact that immigrant businesses are private and most of the time individual or family-owned, although it is important to be able to compare Cubans, South Koreans and Chinese for example, it is as relevant to understand the strategic choices made by individual owners within each group.<sup>23</sup> In fact, understanding individual choices may contribute to better comparisons by allowing the specification of conditions and changes in the evolution of businesses. But this is also a methodological issue.

In this pilot study, we used the grounded theory that allowed us not only to identify a general process, but also to show that the different components of this process were emphasised differently by Senegalese owners based on their trades, skills, beliefs, legal status, managerial constraints, origins, understanding of their situation and levels of success or failure experienced, among others. For example, studies on immigrant businesses generally argue that reliance on social and financial resources through networking in the

owner's community at the initial stage is central and explains greater successes among Koreans, Cubans and Chinese compared to African Americans and Mexicans (Raijman and Tienda 2003).

Although we acknowledge evidence supporting this argument, our data show that of the three Senegalese owners studied, one (the auto shop owner) deliberately chose to rely on his resources through systematic reinvestment of the cash flow generated. Also, the general store owner moved quicker than the auto repair shop owner toward the development of his business, because he had more managerial constraints. Instead, the auto repair man (as well as the street vendor) focused more on the security of his business because he was an illegal immigrant and had a particular interpretation of the relationship between the success of his business and his legal status.

Putz (2002) makes an important contribution to the debate on the relationship between communities and the individual on issues of immigrant entrepreneurship.<sup>24</sup> His argument begins with a critique of traditional research on ethnic businesses, based on opportunities and resources approaches, whose main conclusion is to explain successes or failures among immigrant businesses by the possession or absence of 'specific cultural resources'.

According to Putz, opportunity approaches lead to patterns of interpretation where the actions of entrepreneurs are presented as 'responses to structures which are beyond their direct influence', while a resources approach leads to the belief of the existence of 'homogeneous communities' of which entrepreneurs are part. He argues that because the entrepreneur is an 'individual human agent' permanently involved in a specific decision making process with specific goals, studies on immigrant businesses ought to be more 'qualitative, interpretative and action-oriented'.

Putz's arguments are similar to Granovetter's critique of classical sociology's oversocialisation in the study of economic action (1985). According to Granoveter, oversocialisation leads to mechanical conceptions of how society influences individual behaviour. Instead, he believes that individuals are involved in purposive actions and that these actions are 'embedded in concrete, ongoing systems of social relations' (p. 487).<sup>25</sup>

The cases of Senegalese owners show that although they originated from the same culture, as a shared symbolic order, and had the same initial objective of a quick accumulation process, they developed different strategies. Furthermore, the data on the trajectory of each owner clearly show that along the years, these strategies have not been deliberate but emerging ones, built into the accumulation process and based on a trial and error approach.

Thus, culture as a general and inclusive category, is not sufficient to explain what they have done. An understanding of how, in practice, individual entrepreneurs constructed their own space of action that may lead to

the reinforcement, reshaping or rejection of some aspects or all aspects of their original symbolic order, is also needed. This does not exclude shared views on some issues and possibilities for collective action.

The decisions made by the general store owner to relocate his store, to diversify his services and to take a part-time job, and by the auto repair owner to focus on the construction of his own secure environment, resulted from a practical interpretation (susceptible of changes) of their original culture and their social reality in the US, knowing that they needed to be involved in actions leading to a quick accumulation of wealth. Thus, opportunities and resources (and constraints as a matter of fact) do not exist independently of individual owners' interpretations of their situations. In other words, entrepreneurs belonging to the same community may perceive different opportunities, resources and constraints under particular conditions.

Thus, beyond the identification of general categories that Senegalese owners are concerned with, namely, finding resources, defining the business and securing it, what also matters is an understanding and an explanation of the scheme of interpretation of each owner on the basis of his actions. But, in all cases, there was mixed embeddedness, i.e., the entrepreneurs' positioning in the US was influenced both by their socio-ethnic environment and the American market and institutional environment.<sup>26</sup>

The second most important outcome of this study is that there may not be a 'one best way' or 'best practice' on how to become a successful immigrant entrepreneur. Inter-ethnic comparisons of immigrant businesses are useful. But, they ought to be seen more as studies allowing to better understand what different ethnic communities do on issues of business creation and management than recipes or norms for success.

The study of Portes (1987) shows not only how much processes of business creation and management among Cubans are different from other ethnic groups' processes, but also how different these processes are within the Cuban community itself based on social classes, periods of immigration, and individual capacities, for example. Because most research on immigrant businesses aims at finding a general theory of success or failure, some complexities specific to each community are left out.

When African American (or black) businesses are compared to Asian businesses, we have explanations on why the latter are more successful but we have few explanations if any, about successful African American businesses (Waldinger and Aldrich 1990; Lee 1999; Uneke 1996). Research such as Krogstad's (2004) study on the entrepreneurship of a Chinese family over two generations stands out.

These arguments further justify our choice of a methodology that does not rely totally on existing theories to understand and explain Senegalese

businesses in Cincinnati. The relevance of a detailed analysis of patterns of settlement for an understanding of immigrant businesses (Portes 1987) suggests caution about the applicability of existing theories (generally based on the study of Jews, African Americans, Asians, Cubans and Mexicans), to Senegalese and other African businesses.

Senegalese patterns of settlements present characteristics that do not exist or are not apparent among other immigrants.<sup>27</sup> First, a significant number of Senegalese entrepreneurs in the US remain illegal for some time, in some cases for a long period of time. Second, the persistence of relatively strong ethnic identities in Senegal leads to the creation of ethnic enclaves in the US that differ from the homogeneity of other immigrant groups.<sup>28</sup> Whether or not this influences Senegalese businesses' operations (capital, networking, strategies, labour and consumer markets, performance, to cite a few) in the US needs to be investigated in future studies.

### Conclusion

At this point can we formulate a theory of entrepreneurship specific to Senegalese owners? Probably not, for two reasons: First, this is a pilot study. Despite the fact that it is based on detailed data and comparisons, it is not possible to generalise the findings. Second and most important, we expected a high level of homogeneity in the practices of Senegalese owners; instead, we discovered diversity. More investigations are thus required. Future studies ought to combine several elements. First, given frequent changes introduced in their practices, there is a need to follow the evolution of the three pilot cases over a few years. Second, the sample size needs to be increased on the basis of theoretical sampling. Cities like Cleveland and Columbus, in Ohio, which also have a large Senegalese population (maybe even larger than in Cincinnati), will be progressively included. Third, given the emergence of Senegalese women owners in the community, gender issues need to be addressed.

As mentioned earlier, grounded theory is about dealing with issues of reflexivity, relativism and interpretation. As a result, we wanted to report in a rather descriptive fashion, understand and explain as much and as accurately as possible what Senegalese businesses in Cincinnati are about, based on individual entrepreneurs' own accounts of what they do and on our interpretation of these accounts and observations of what they do.

### Notes

1. For example: on Cubans, see Wilson and Portes (1980); on Mexicans, see Rajzman and Tienda (2003); for group comparisons including Asians and others, see Waldinger, Aldrich and Ward (1990), Lee (1999), Waters (1999).

2. This is to a large extent the conclusion reached by Boissevain et al., (1990) in their study of 'Ethnic entrepreneurs and Ethnic strategies'.
3. See Kamdem 2000; Nkakleu 2001; Tidjani 1995a, 1995b; Norderhaven and Tidjani 2001.
4. See Mead 1934; Blumer 1969; Charon 2001.
5. In the present study for example, religion was brought into the debate by the first interviewee and was then included in the questionnaire. Ethnicity, to the contrary, was never invoked by interviewees and was thus seen as a non-issue.
6. See also, Strauss, A. (1987).
7. Properties are 'attributes or characteristics pertaining to a category'; dimensions are 'location of properties along a continuum'; dimensionalising is 'the process of breaking a property down into its dimensions' (p.61).
8. The paradigm model allows one to determine which sub-categories is a cause, a contextual variable, an intervening variable, a strategy or a consequence (see Strauss and Corbin: 96).
9. The name 'Mourids' designates a particular Muslim brotherhood group in Senegal where there exist two other important groups: the Tidjanes (the most important in number) and the Layenes (the third largest group). Of all the three groups, the Mourids have by far the best organisational capacities both in Senegal and abroad. Cincinnati is a case in point.
10. The auto shop owner was interviewed three times in his apartment after his working hours. Despite the fact that the shop was closed, he received phone calls from his customers. As a mechanic, he had to be available to his customers, and many of these customers have become his friends. Thus, as it happens in Senegal within the auto repair sector, quasi-permanent availability is an important competitive factor. This relationship is part of what the auto shop owner qualified as 'the African system' because these phone calls were about negotiating over issues (mostly prices and deadlines) outside regular working hours. The general store owner was interviewed two times in his store. Compared to interviews with the auto shop owner which were more relaxed despite phone calls, those conducted in the store carried some tensions because the owner was dealing with customers at the same time. But, this was positive because it allowed one to combine interviews, on site observation and discussions over observed issues (bargaining, concessions made by the owner, etc). The street vendor was interviewed three times in my office, on campus. The second interview lasted only 30 minutes for professional reasons. During this research, on site observation was not scheduled. We could visit the different sites at any time. We visited each site at least three times (more for the street vendor).
11. Properties and dimensions are not presented in this table for space reasons.
12. This core category contradicts 'making it' arguments stating that '...certain immigrant groups establish themselves in the American economy and move up within it' (Bonacich 1987: 446).

13. These three main elements are drawn from the seven categories. The four remaining are defined as conditions of the process.
14. The African system is defined as the systematic bargaining over prices and/or deadlines for payment by customers. This is based on the assumption by customers that businesses will always overprice their products or services in order to maximise their profits. This led businesses to overprice their products and services knowing that customers will always bargain. Actually, it is not clear which of the two attitudes is the cause and which is the consequence. The African system is an interactive process that originates from buying and selling traditions in Senegal, and in most of Africa.
15. This finding supports Marger's findings in his study of immigrant entrepreneurs who went to Canada through the Canadian Business Immigration Program (2001). He argues that high levels of human capital among immigrant entrepreneurs foster disconnectedness from ethnic communities and social capital.
16. The positioning of entrepreneurs in a high or privileged social status in the Senegalese community resembles the conclusion of Wilson and Portes (1980) that Cuban entrepreneurs (identified as enclave workers) in a number of ways are part of the primary labour market not the peripheral (secondary) one in the US.
17. This looks like what Kloosterman and Rath (2001) and Waldinger, Aldrich and Ward (1990) characterised as the opportunity structure.
18. He stated the following: 'This is a foreign country. It does not belong to us...'
19. Quote: 'I am sure that they know that there is an African working here ... Pictures of me were taken. They went to all the stores where I buy my parts. When I started the shop, they came from time to time. They would come here, wait and leave once I opened the shop.'
20. His statement was: 'I was given the location of the shop, and I believe that if this was dangerous I would not have had it. This is what gave me the courage to continue. It seems that once they [the Police] realise that nothing wrong was going on there, they stopped bothering me. In general, I only take small repair work in my shop. I refuse to take big works, risky ones because I do not want to disturb the neighborhood. Everything that I do is declared and I pay all my taxes every three months'.
21. This often leads to labour market or resource disadvantage theories. For a review and comparison of these theories (see Uneke 1996; Waters 1999).
22. In her study of African American, Jewish and Korean entrepreneurs, based on a co-ethnic advantage and disadvantage approach, Lee (1999) examines within ethnic group differences. But, it is about internal competition due to the concentration (followed by saturation) of a particular ethnic group in a specific economic activity. Thus, this is more about conflict than strategy.
23. We define strategic choices as choices that have a significant impact on the main objectives of the business.

24. In her study of the Wong family, Krogstad (2004) comes close to Putz's approach when she suggests a focus on the entrepreneur and on how s/he obtains markets and makes profits. But, later in her study she seems to emphasise the need for a comparison between ethnic groups.
25. For concrete examples of how social structures affect economic actions, see also Portes and Sensenbrenner (1993).
26. On the concept of mixed embeddedness, see Kloosterman and Rath (2001) and Rath and Kloosterman (2000).
27. These characteristics are present among many other African immigrants; they will be given more consideration in future studies.
28. Here, the concept of 'ethnicity' is not equivalent to nationality as understood in studies on immigrant businesses. It is indicative of sub-groups within a particular nationality. In the city of Cincinnati, three ethnic enclaves can be identified within the Senegalese community: the Toucouleur, the Wolof and the Sarakole enclaves. They are all Senegalese, but belong to separate ethnic groups who live in different geographical locations in Cincinnati.

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## **The Role of NGOs in Canada and the USA in the Transformation of the Socio-Cultural Structures in Africa**

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### **Abstract**

This paper aims to explain how International Non-Governmental Organisations (INGOs) in Canada and the United States of America assist in maintaining the West's hegemonic position in ongoing globalisation process, with specific reference to Africa. The process begins at the local community level with ordinary citizens in North America. These people are exposed to 'development pornography' through a plethora of visual, text and audio input via the mass media and popular culture, which present the African lifeworld as inferior and primitive, and African people as helpless, hapless, and in the throes of an unending series of epidemics on the short road to extinction. African cultures are portrayed as backward, atavistic, stuck in their primeval past, and needing 'modernisation' from the West. This African lifeworld is used to describe and portray Africa in ways that justify the importance of civil society organisations (CSOs) – charities, aid workers, business people, missionaries and non-governmental organisations (NGOs) – in 'intervening' in the African continent's seemingly inexorable human crises. INGOs, in turn, use this image as 'compassion usury', tugging on the heartstrings of North Americans to donate generously to various projects in Africa. Large amounts of money, goods and time are donated by ordinary people to help re-make the so-called inferior traditional lifeworlds of Africans in accordance with Western visions. In return, these donors receive generous rewards for their contributions, in the form of tax deductions, community recog-

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dition, and development fund awards. Many of these donors are so motivated that they become development tourists who regularly visit Africa, bringing back 'mercy-soliciting' images to raise funds and create jobs for NGOs. Horrific pictures further reinforce negative stereotypes and misconceptions about Africa. In this way CSOs, particularly those recognised in Canada and the USA as international NGOs, not only unwittingly export and impose North American values on Africans, but also serve to maintain the global status quo of Western hegemony and African dependence.

### Résumé

L'objectif de l'étude est d'expliquer comment les Organisations non gouvernementales internationales (ONGI) canadiennes et américaines aident l'Occident à maintenir son hégémonie dans le processus de globalisation en cours, surtout en ce qui concerne l'Afrique. C'est un processus qui commence au niveau de la communauté locale avec les citoyens ordinaires de l'Amérique du Nord. Ces individus sont exposés à une « pornographie du développement » à travers une pléthore d'informations visuelles, écrites et audio par les biais des moyens de communication de masse et de la culture populaire. L'Afrique est par conséquent présentée comme étant un monde inférieur et primitif. Les Africains y sont également perçus comme étant des gens sans défense, malheureux, et en proie à une série interminable d'épidémies empruntant le court chemin de l'extinction. Les cultures africaines sont présentées comme arriérées, ataviques, enlisées dans leur passé primitif, et qui ont besoin d'une « modernisation » en provenance de l'Occident. Cette image de l'Afrique est utilisée pour la décrire de façon à pouvoir justifier le rôle des Organisations de la société civile (OSC), organisations caritatives, travailleurs humanitaires, hommes d'affaires, missionnaires et Organisations non gouvernementales (ONG), et leur intervention dans les crises humanitaires, en apparence inexorables, qui surviennent sur le continent africain. En revanche, les ONGI utilisent cet image comme moyen de « chantage compassionnel », tirant sur les cordes sensibles des Nord Américains en vue de les amener à faire généreusement des dons à divers projets en Afrique. Beaucoup d'argent, de matériels et de temps sont offerts par des citoyens ordinaires dans le but de refaire le supposé monde inférieur et traditionnel des Africains conformément aux visions de l'Occident. En contrepartie, ces donateurs sont récompensés de leurs contributions sous forme d'allègement fiscal, de reconnaissance pour services rendus à la communauté et de prix de fonds de développement. La plupart d'entre eux sont si motivés qu'ils deviennent des touristes de développement faisant le tour de l'Afrique et ramenant avec eux des images de « mendiants de pitié » dans le but de collecter des fonds et créer des emplois en faveur des ONG. Ces horribles images renforcent davantage les préjugés et autres idées fausses que les Occidentaux se font de l'Afrique. En agissant de la sorte, les OSC, particulièrement celles qui sont reconnues au Canada et aux États-Unis comme Organisations non gouvernementales internationales exportent à leur insu les valeurs nord-

américaines et les imposent aux Africains. Ces dernières servent et maintiennent ainsi le statut quo global de l'hégémonie occidentale et de la dépendance africaine.

### Introduction

You have seen it over and over again: Naked, emaciated children with protruding eyes, flies feasting in the gaping mouths; frail, half-clad, barefoot mothers barely able to look after their dying children. And a Westerner, well-fed, rosy cheeked, well-dressed and apparently driven by compassion, helping out the poor African victims of one of Africa's many scourges – AIDS, famine or drought. 'Development pornography' has become a potent 'compassion' tool in a hegemonic game in which North American non-governmental organisations are increasingly becoming the key players. African scholars have long recognised these disparaging and insulting images presented by the North American media and international NGOs. They know the monotonous old story, starting with the same one-dimensional character, set to a worn-out script. The story is one of failure, chaos, inadequacy and barbarism. The character is dependent and inferior. The script requires a North American voice evoking compassion, amusement or outrage in his ever-so-superior listener or viewer (Quist-Adade 2001).

There is a treasure trove of history behind this. David Livingstone's 3Cs (Christianity, Commerce and Civilisation); the 'mission civilisatrice', or the Frenchmen's alleged duty to bring civilisation to the backward peoples; Kipling's 'White Man's burden'; a phalanx of explorers, Christian missionaries, scientists, scholars, journalists and politicians – all created the image of a 'Dark Continent' populated by ignoble savages, bestial, cannibalistic, ape-like quasi-humans. These were the 'fallen brethren' and it was the white man's heavy responsibility to save the heathenish Africans through civilising missions. Thus, 'the African' was presented as in need of salvation. The purpose of the original story was to prepare the minds of the Western public, and indeed Africans themselves, for the slave trade, for colonisation, and for the partition of Africa.

What you see today in the North American media and NGO 'development pornography' videos about Africa is the continuation of tradition, of an old habit, an old wine in a new bottle. Today, Africans and their continent are interpreted through the self-same colour-coded and colour-sensitive eyes of North American reporters and development tourists. Although North American sources have revised and fine-tuned the colonial narrative over the years, they have maintained the subtext of the original 'African story' as told by the early explorers, colonial masters and missionaries. While they avoid the bluntness of the past, they have introduced euphemisms. Thus, instead of 'primi-

tive' or 'uncivilised', Africans are 'underdeveloped' or 'developing'. But the message is the same: the civilised and developed must bear the burden of civilising or developing Africa.

Development pornography has been defined as a kind of perverse enjoyment people get out of looking at other people's suffering (Gidley 2005). It is epitomised in this graphic description by Sankore (2006): 'An iconic poster example of these images is one of a skeletal two- or three-year-old brown-skinned girl in a dirty torn dress, too weak to chase off flies settling on her wasted and diseased body and her big round eyes pleading for help. "A pound means a lot to her"; "a dollar can mean a difference between life and death"; "give something today" are generic riders' (p. 36).

The current preoccupation of North American media and international NGOs with 'development pornography' has several motives, all aimed at reinforcing the West's hegemonic position vis-à-vis Africa: (i) to drive home the message that Africans cannot govern themselves, that the continent 'is still stuck in its primitive, bloodthirsty past', that African nations squandered their 'golden opportunity' to build civilised states after they attained political independence (Nkrumah 1973:17); and (ii) to demonstrate the salvation inherent in Western cultural superiority.

Kwame Nkrumah (1973:4) offers a penetrating analysis of the joint role civil society and governments in the West play in maintaining the lop-sided global status quo. He observes that when, after centuries of exploitation, the colonial masters were forced to grant political independence to African countries, the masters were unwilling to cut the umbilical cords. To ensure that the old relationships remained intact, they propagated the myth (with the help of the mass media) of an affluent capitalist world promising abundance and prosperity for all. The aim, however, was the establishment within former colonies of a 'welfare state as the only safeguard against the threat of Communism'.

The mass media participate in the propaganda war. New technology like satellite television stations contributed towards massive brainwashing. This war of words and images is supplemented by written propaganda, embassy bulletins, and newspapers distributed by so-called independent and liberal publishers. 'The war of words penetrates into every town and village, and into the remotest parts of the "bush". It spreads in the form of freely distributed propaganda films praising the qualities of Western civilization and culture' (Nkrumah 1973:17).

Hegemony thus saturates the ex-colonies to such an extent that it shapes the reality of social experience. In this way, Boggs (1976) asserts, people contribute to the continued dominance of the ruling class, by accepting the

dominant culture's values and assumptions as their own; repression is replaced by inculcation. As Boggs (1976:39-40) notes:

Where hegemony appeared as a strong force, it fulfilled a role that guns and tanks could never perform. It mystified power relations, public issues, and events; it encouraged a sense of fatalism and passivity towards political action; and it justified every type of system-serving sacrifice and deprivation. In short, it worked in many ways to induce the oppressed to accept or consent to their own exploitation and misery.

Thus, hegemony over truth and knowledge ultimately replaces troops and guns as the relevant tool of re-colonisation. In this way the 'psychological terrain' is prepared and the whole continent 'is besieged without a single marine in sight' (Nkrumah 1973:17). According to Nkrumah, 'the most pernicious aspect of this psychological warfare' is the campaign to convince Africans and the Western public that Africans cannot govern themselves, that they are unworthy of real independence, and that foreign rule is the only cure for their wild, war-like and primitive way of life (p.17). Nkrumah contends that 'imperialism has done its utmost to brainwash Africans into thinking that they need the straightjacket of colonialism if they are to be saved from their retrogressive instincts' (p.17).

Nkrumah (1973) adds that such was the age-old racist justification for the economic exploitation of the continent. The post-independence coups – many of which were engineered by the United States government and some of its allies (Stockwell 1984) – and their concomitant cycle of crises termed as the coup-drought-famine syndrome are being used to corroborate 'imperialism's pet theory that Africans have shamelessly squandered the "golden opportunities" of independence, and that they have plunged their political kingdoms into blood and barbarism' (Nkrumah 1973:17). 'Therefore', he continues, 'the imperialist mission: we must save them anew; the press, films and radio are fast spreading the myth of post-independence violence and chaos. Everywhere, the more or less covert implication is: Africa needs to be re-colonized' (p.17).

### **Globalisation, hegemony and North American INGOs**

This paper focuses on how Canada and the USA, with the assistance of international NGOs (INGOs<sup>1</sup>), maintain a hegemonic position in the ongoing globalisation process in Africa.

But before we begin our analysis of the role INGOs play in establishing and maintaining the global hegemonic positions, we need to define the terms 'NGO' and 'globalisation'. The label 'non-governmental organisation' is used to describe a wide variety of organisations, variously known as 'private

voluntary organisations', 'civil society organisations' and 'nonprofit organisations' (Johnstone and McGann 2006:2). As Johnstone and McGann point out, the proliferation of international NGOs during the past two decades, as well as the growth in public and private grants and contracts flowing to these organisations, has enabled them to become powerful players in globalisation and world politics.

'Globalisation' is an umbrella term for a complex series of economic, social, technological, and political changes widely viewed as increasing interdependence and interaction between people and companies in disparate locations (Wikipedia 2006). The term is employed to describe the increased mobility of goods, services, labour, technology and capital throughout the world. Although globalisation is not a novel development, its pace has increased (especially since the 1980s) thanks to the advent of new technologies, especially in the area of digital communications.

The Global Policy Forum (2006:1) notes that 'many politicians, academics, and journalists treat these trends as both inevitable and (on the whole) welcome. But for billions of the world's people, business-driven globalization means uprooting old ways of life and threatening livelihoods and cultures. The global social justice movement, itself a product of globalization, proposes an alternative path, more responsive to public needs'.

Those who take a more cynical view and point to the vulnerabilities of the concept see globalisation as nothing more than an ideology and practice of corporate expansion across borders and a structure of cross-border facilities and economic linkages, which focus on the imperialistic ambitions of nations, corporations, organisations and their desire to impose themselves on various geographic areas (Ritzer 2003).

The ability of capitalist societies to adapt to change, while retaining their essential organisation and functioning, provides a lucid lesson in the workings of the post-Cold War international system. The concept of hegemony helps to understand this lesson. Simply put, hegemony is a 'style of state politics that preserves control by a leading group on the one hand while instituting economic, social, political and ideological changes on the other' (Muchie and Xing 2006:1). The concept hinges on the premise that the ruling elite 'maintain a certain degree of consensual hegemony by neutralizing the pressures of various contending forces that might otherwise trigger profound structural transformations' (Ibid.). Hegemony is therefore an expression of broadly based consent, manifested in the acceptance of ideas, and supported by material resources and institutions.

The aim and consequence of the hegemonic process is to defuse or neutralise existing and potential threats to the system without inducing a political

revolution that could threaten the dominance of the power elite and the *modus operandi* of the system (Ibid.).

The Gramscian notion of hegemony also provides useful insight into the role civil society organisations – religious, labour, cultural, social and political groups, as well as informal educators – play in the unfolding post-Cold War globalisation system. The central premise of the hegemony theory hinges on the crucial inter-relationship of the state, civil society and economics in the maintenance of a given social formation (Ferguson 1998). The theory posits the use of coercion and consent to maintain power and the status quo, as well as the role of traditional and organic intellectuals and of mass participation in building counter-hegemony. According to hegemony theory, social reality is influenced by the ruling elite – cultural, ideological, political, military and economic – and functions to create consent within the public: between the ruling elite and the ruled, between government and civil society.

Hegemony presupposes counter-hegemony, a nexus of enlightened coercion by the ruling elite and passive consent from the ruled. This give-and-take strategy is made possible via an intricate system of socialisation, subtle manipulation and indoctrination of the ruled. For hegemony to be successful, it must be subtle, flexible and adaptable. In other words, the ruling elite must be dynamically responsive to the ‘voices’ of the ruled in order to have the popular support and legitimacy to maintain stability and power. This also means that the ruling elite must continuously negotiate its legitimacy, must be receptive to the voices of dissent and grievance of the disaffected ‘masses’, and must remove or neutralise points of contention.

Unlike the classical Marxist view of absolute control of ideological and cultural discourse by the dominant capitalist class, the neo-Marxist hegemony theory as postulated by Italian neo-Marxist Antonio Gramsci (1971) advances a more flexible, fluid and ongoing dynamic between super-ordinate and subordinate groups, between the rulers and the ruled. The hegemony/counter-hegemony nexus involves resistance and incorporation, coercion and consent; enlightened coercion by the ruling elite and consent from the ruled. In other words, the power elite do not simply force their ideas onto the people, but shape and win consent so that the power of the dominant classes appears both legitimate and natural (Dyson 2003). However, at the same time some individuals and groups oppose these dominant ideas, refusing to conform to the norm. In the end, though, the ruling elite wins out and dictates the ideological and political direction of society. They do so very successfully by being flexible, adaptable and responsive to the moods of the changing times and sometimes to the temperament of ruled. For it is through such



flexibility and adaptability that the ruling elite acquire the impetus and 'oxygen' needed to maintain its legitimacy (Quist-Adade 2001).

Thus, hegemony, according to Boggs (1976:39) is an 'organising principle' that is diffused by the process of socialisation into every sphere of daily life. 'To the extent that this prevailing consciousness is internalized by the population it becomes part of what is generally called "common sense" that the philosophy, culture, and morality of the ruling elite comes to appear as the natural order of things.'

Put another way, the process of hegemony allows the interests of the power elite to be universalised and naturalised as the interests of the society as a whole. The process of universalising and naturalising, according to Gramsci (1971), is accomplished on behalf of the power elite by 'organic intellectuals'<sup>2</sup> who are distinguished by their ability to 'manufacture societal consent' about the moral compass of society and to shape and control the moral and intellectual life of society. Gramsci assigns a central role in the entire hegemony process to the 'collective organic intellectuals' who both actively and passively direct, shape and reform the cultural 'project' of society. According to Cahill (2000), organic intellectuals are organisers of hegemony who provide ideological leadership to a given class as well as articulating and implementing the hegemonic project of that class through the apparatuses of the state and the public sphere. Zygmunt Bauman (1992:1) describes organic intellectuals as:

those intellectuals who articulated the worldview, interests, intentions and historically determined potential of a particular class; who elaborated the values which needed to be promoted for such a potential to be fully developed; and who legitimised the historical role of a given class, its claim to power and to the management of the social process in terms of those values.

Hegemony manifests itself especially powerfully in the clash of global cultures. As purveyors of North American culture, the media, civil society organisations, and collective organic intellectuals, 'conspire' to impose their values and cultural norms on African societies through all manner of channels, including 'free trade', missionary work, education and charity work.

What follows is a demonstration of how INGOs are increasingly being co-opted into the organic intellectual strata of North American society to remake the African lifeworld<sup>3</sup> in the image of the West.

### **From 'Rebels' to 'Hegemons', resistance to incorporation**

It is pertinent to examine some of the good work of INGOs in Africa. International NGOs have offered and continue to offer important, even vital,

services in Africa. As Johnstone and McGann (2006:1) rightly note, INGOs have been a positive force in international affairs, working to alleviate poverty, protect human rights, and provide relief worldwide. Johnstone and McGann further note that:

[INGOs] such as Amnesty International, Greenpeace, and the International Campaign to Ban Landmines have helped bring non-governmental organizations the international recognition that has made 'NGO' a household word. Some NGOs gained notoriety by organizing large-scale protests that captured international headlines due to the violence and disruption they caused. Still others have organized meetings to coincide with the official gatherings of the G-8, the World Trade Organization, the World Bank, and the International Monetary Fund with the intent of challenging their legitimacy.

They add:

Milestones in this largely non-violent [I]NGO revolution ... include the influence of environmental activists on the outcome of the 1992 Earth Summit in Rio de Janeiro; the international coalition of groups led by the South Council that developed the 1994 'Fifty Years is Enough' campaign directed at the World Bank and International Monetary Fund; and the labor, anti-globalization, and environmental groups that derailed the 1999 Seattle WTO meeting. The effectiveness of these efforts stunned the major multilateral institutions and governments worldwide and forced them to develop ways to engage and involve NGOs in their deliberations and decision making. With their place in world politics now firmly established, the majority of NGOs have moved from protesting on the streets to contributing to policymaking in the boardrooms of the United Nations, World Bank, World Trade Organization, and the International Monetary Fund.

INGOs provide an essential lifeline to many millions of people in Africa and other parts of the world. Thanks to the good works of many INGOs thousands of African lives have been saved, the eyesight and limbs of countless numbers of impoverished Africans have been restored, and wildlife in countries such as Kenya, Tanzania and Uganda has been preserved. Many INGOs are in the forefront of the fight to protect and advance human rights in Africa's fledgling democracies. INGOs are the rapid-response unit to humanitarian disasters all over Africa. The foot soldiers of INGOs often risk their lives lending a hand in 'hotspots' and volatile areas during conflicts, and providing unconditional services to poverty-stricken people. In many cases, INGOs are the first to step in to save lives as governments and the United Nations dither and quibble over the pros and cons of moving into troubled

areas. In concrete terms, INGOs saved over twelve million Ethiopians from starvation and death in the 1980s and they are saving the lives of millions of displaced Sudanese in the Darfur region in 2006 (Johnstone and McGann 2006).

According to Bofelo (2005:1) civil society organisations (CSOs) are a double-edged sword; they can be both agents of change and servants of the status of quo. CSOs have 'the potential of becoming organs of working-class, power-facilitating, bottom-up, grassroots-oriented and participatory democracy by appealing to the under-classes spaces, platform, strategies, skills, and expertise ... through which they can challenge the establishment, place demands on power and contest its hegemony'. In addition, Bolefo (2005:1) insists, CSOs 'could also be an effective media of [*sic*] imparting alternative information, knowledge and education that challenges the information, knowledge and education transmitted by mainstream educational institutions and the corporate media to entrench the philosophy, culture, ethics, mores and values of the dominant/ruling class so as to conserve the status quo'. But CSOs 'can also serve to legitimize the powers that be and preserve the status quo by restricting people to a reformist agenda geared only at searching for solutions within the confines of the prevailing system instead of exploring possibilities of transforming, reconstructing and overhauling the system' (p.2).

Bofelo (2005:2) explains that, 'by virtue of their involvement in advocacy, lobbying and interventions NGOs, are an integral part of social institutions and agencies contributing to the process of education and socialization which is the re-establishment and re-enforcement of the prevailing and dominant norms-and-value system in a society'. Bofelo concludes that CSOs can either legitimise the existing socioeconomic and political system and maintain the status quo 'or [question] the current dispensation and [offer] alternative ways of conceptualizing social reality and organizing society for the collective good of all of humanity and the preservation of the entire earth' (p.2).

Like most social movements, many of today's best-known international NGOs are metamorphosing from protest and counter-hegemonic groups into mainstream organisations. As they become more settled they blend into the mainstream, selling out – mutating from watchdogs to lapdogs. Many NGOs have embraced a version of corporatism and an affinity with the Western governments and big corporations, whose 'neoliberal trade policies remain a source of much of the world's poverty' (Bond, Brutus and Setshedi 2004). Farooq (2005) notes that NGOs are also dropping their image as anti-capitalist do-gooders and adopting the look of the Fortune 500 companies that they have been known to criticise.

Yesteryear activist or radical NGOs have now become 'Coopted NGOs' or 'CoNGOs', sucked into the establishment either by design or the exigen-

cies of the times. Commenting on the CoNGOs, James Petras and Henry Veltmayer<sup>4</sup> (2001:2) note that International CoNGOs 'confer with top business and financial directors and make policy decisions that affect – in the great majority of cases, adversely – millions of people, especially the poor, women and informal sector workers'.

The process of hegemony is aided tremendously by INGOs acting as 'organic intellectuals', using their organisational and rhetorical skills to design micro-projects and craft populist language aimed at stopgap solutions, which in fact promote and serve the local and global status quo.

### **NGOs as organic intellectuals**

Gramsci (1971:7-14) divided intellectuals into two main categories: traditional and organic intellectuals. The former include priests, lawyers, notaries, teachers and doctors (p.14) and seem to represent 'an historical continuity uninterrupted even by the most complicated and radical changes in political and social forms' (p.7). While these traditional intellectuals 'put themselves forward as autonomous and independent of the dominant social group' (Ibid), they are intellectuals of the ruling class, whose intellectual status and power are so great that they constitute an elite, able to assume the mantle of permanence and claim insight into eternal truths. The latter are called organic intellectuals because they perform an educational and organisational role on behalf of their class, giving it 'homogeneity and an awareness of its own function not only in the economic but also in the social and political fields' (Ibid). These organic intellectuals are distinguished less by their profession, which may be any job characteristic of their class, than by their function in directing the ideas and aspirations of the class to which they organically belong. Anyone considered an organic intellectual must be involved in active participation in practical life, as constructor, organiser, 'permanent persuader' and not just a simple orator (p. 10).

Mayo (1999:127) proposes that organic intellectuals have a conscious alignment with a particular political movement. They can be one of three types: first, they can be organic to the dominant class or group, which means they serve to mediate the ideological and political unity of the existing hegemony (p. 41). Such organic intellectuals are thinking and organising functionaries of a dominant class attempting to maintain its hegemony (p. 85). For example, the organic intellectuals of transnational capital constantly struggle to change minds and expand markets (p. 132). Second, organic intellectuals can be organic to a subordinated class or group aspiring to power, engaging in the war of position that enables it to secure the alliance(s) necessary to succeed (p. 41). While striving to create an alternative hegemony (p.

85), these intellectuals have a conscious commitment to the class that undertakes the task of transforming society (p. 127). Third, they can be organic to a subaltern group, which means they contribute to an intellectual and moral reform to lay the foundations for a socially more just society (CASAE, 2005).

Petras and Veltmayer (2001:3-7) note that NGOs from both northern and southern hemispheres 'deflect popular discontent away from the powerful institutions towards local micro-projects, apolitical "grass roots" self-exploitation and "popular education" that avoids class analysis of imperialism and capitalism' (p. 3). Petras and Veltmayer further observe that on the one hand, NGOs 'criticize dictatorships and human rights violations but on the other they compete with radical socio-political movements in an attempt to channel popular movements into collaborative relations with dominant neoliberal elites' (ibid.).

Petras and Veltmayer (2001) insist that in reality, non-governmental organisations are *not* non-governmental, since some receive government funds or work as private subcontractors for governments. 'Frequently they openly collaborate with governmental agencies at home or overseas' (p. 7). Many North American NGOs receive funds or subsidies from the American and Canadian government. Some are directly subcontracted by government departments such as the Canadian International Development Agency (CIDA) and the United States Agency for International Development (USAID). According to the observations of John Elkington (2006) the international NGO sector is approaching a turnover of \$1 trillion a year, and therefore could join the ranks of the most influential institutions of the twenty-first century. Many leaders in the field, according to Gavin Power (2006), are 'moving beyond a culture of criticism to one of engagement with business and/or other partners in a search for solutions' (7).

Johnstone and McGann (2006:5) highlight the cooptation of NGOs by the World Bank, observing that more than half of World Bank projects are currently executed in cooperation with NGOs. 'This ... not only "co-opted" some of the Bank's former critics but also created a situation in which "NGOs" are at the center of the World Bank policy, and moreover determine them.' Bob (2005) sees an unholy alliance between the emerging partnerships in international development aid delivery. Bob notes that the criteria used to determine which crisis to attend to is based not on a 'meritocracy of suffering' but on the priorities determine by the development partners that deliver the aid. Those on the receiving end are excluded when priorities are determined. Bob writes: 'But even a cursory survey reveals that many of the world's worst crises remain off the international agenda' (p.1). Thus, for example, the civil and interstate conflicts in the Democratic Republic of

Congo since the mid-1990s, dubbed Africa's 'first world war' and which claimed over four million lives, 'scarcely registered overseas'.

The hegemonic position of Canada and the United United States in Africa is silent, non-threatening and imposed without force. Canadian and American agencies simply dictate the terms of interaction to their advantage. The process begins at the local community level in Canada and the States. Ordinary people are exposed to thousands of visual and audio images, via the mass media and which denigrate 'inferiorise' African cultures through 'development pornography' couched as compassion-eliciting media campaigns.

In an article titled 'Not enough flies to create the right effect', Sankore (2006) observes that for years, development and aid charities in the West have adopted a 'shock and astonish' strategy in soliciting donations. 'They believed the best way to raise funds is to shock people with astonishing pictures of poverty and disease from the "developing" world' (p. 3). As Sankore (2006:36-37) further notes:

The Make Poverty History campaign, Millennium Development Goals and the Commission for Africa have again focused attention on existing poverty in Africa, Asia and Latin America. New targets have been set just as in the 1970s and 80s when the target to end world poverty was the year 2000. New targets mean new campaigns and the type of images to draw attention to the famine in Ethiopia in 1984 and '85 will need to be updated. Unlike the past, however, there are now even more development charities competing for a limited 'market' of givers.

The implications are clear: 'Each image depicting poverty and disease needs to be more graphic than the next to elicit more response' (p. 36). Local communities in Canada and the United States respond to these campaigns by creating even more agencies to address humanitarian needs in Africa. The creation of more aid and development agencies leads to frenzied activity among NGOs, who vie to be the best in penetrating the hearts of potential givers. Such competition engenders the production of even more powerful 'development pornography' (p. 37).

Not surprisingly, INGOs have mushroomed across North America and indeed across the globe. In the United States alone, there are 1.5 million non-profit organisations and their budgets reportedly reached billions of US dollars. The 160 INGOs associated with InterAction have a combined annual revenue of \$2.3 billion, almost half of which comes from private donations (Johnstone and McGann 2006). The number of INGOs rose from 6,000 in 1990 to 26,000 in 1996 (*The Economist* 2006.) According to the United Nations Development Programme (UNDP) Report, nearly one-fifth of the world's 37,000 INGOs were formed in the 1990s.

More than 1,500 INGOs are registered observers of the United Nations. The number of INGO branches in Africa rose 31 percent to 39,729 between 1993 and 2003. The rate of increase in Africa was higher, at 40 percent. The number of INGOs and NGOs with strong international links headquartered in Africa rose by 33 percent to 867 in the same period. The not-for-profit sector is now valued at over \$1 trillion a year globally (Maclean 2005).

NGOs in Africa manage nearly \$3.5 billion in external aid. Nicholas Stockton (in Faroohar 2005), a former executive director and 20-year veteran of Oxfam, was quoted as saying, 'There's a market for good works, and it's big business'. Faroohar (2005) reports that NGOs grew faster than the rest of the US economy, even during the late 1990s. US NGOs' expenditures grew 77 percent faster than the American economy as a whole between 1977 and 1999 (p. 10).

### Rewards

Donors, both individual and corporate receive generous rewards for their contributions in the form of tax deductions, community recognition and development fund awards. Canadian and American NGOs themselves reap benefits in the form of substantial salaries, paid vacations, and other perks.

According to an Actionaid International report, nearly \$20 billion, or more than a quarter of annual development aid, is spent by donor countries to fund 'sometimes dubious and excessive technical assistance' – a term used to refer to research, training, and consulting services (Nduru 2006:1). Nduru reports that based on 2004 data, it costs about 20,000 dollars a year to keep an expatriate consultant on staff. School fees and child allowances account for more than a third of this expense, which could be reduced with greater use of local advisors. 'money is being spent on consultants who are earning up to 1,000 dollars a day', Caroline Sande Mukulira, South Africa country director for ActionAid International, told IPS' (p. 1).

The Actionaid International report is as revealing as it is disturbing. It notes: 'perhaps more alarmingly, however, these high-priced advisors may fail to deliver lasting benefits'. Furthermore, technical assistance is often far less neutral than the term would imply. The donors use technical assistance 'to police and direct the policy agendas of developing country governments, or to create ownership of the kinds of reforms donors deem suitable' (Nduru 2006:1). Donor-funded advisors have even been brought in to draft supposedly 'country-owned' poverty reduction strategies.

Technical assistance that is too expensive, or ineffective, amounts to 'phantom aid' as opposed to the real aid. Actionaid also identified other trends that turn real aid into phantom aid, including counting debt cancellation as aid,

requiring aid to be spent on goods and services from donor countries irrespective of whether these offer the best value for money, and coordinating donor aid poorly. Actionaid estimates nearly half of all aid to be phantom aid (p. 3).

'Real Aid 2' states that the inefficiency of technical assistance is 'an open secret within the development community'. According to the management consultancy McKinsey & Company, the US non-profit sector alone could free up at least \$100 billion in additional value by changing its notions of stewardship and its operating practices (Bradley, Jansen and Silverman 2003).

NGOs have become the latest vehicle for social upward mobility for the ambitious educated classes. Academics, journalists and professionals have abandoned their earlier interests in poorly rewarded leftist movements for lucrative careers in managing NGOs (Petras and Veltmayer 2001). The CEO of the American Red Cross took a severance pay of over \$1 million. The CEO of the Wildlife Conservation Society receives an annual salary of over half a million dollars (American Institute of Philanthropy 2006). Farooq (2005) reports that salaries at non-profits are rising as recruits arrive from the corporate world. Marsha J. Evans, president and CEO of the American Red Cross, manages a \$3 billion budget, and makes \$450,000 a year.

### **The good becomes the bad: Unintended consequences of the good works and development pornography**

The road to hell is often said to be paved with good intentions. The converse of this saying is equally true: the road to heaven may be strewn with ill intentions. The law of unintended consequences manifests itself very potently in the activities of NGOs in Africa. Graphic and manifest depictions of poverty, projected on a mass scale by an increasing number of organisations over a long period of time, cannot but have an impact on the consciousness of the target audience. That is the desired objective (the good intentions) of the 'development pornography' campaign engaged in by North American NGOs. But there can also be unintended consequences (Sankore 2006:2). The subliminal – unintended – consequence of 'development pornography' reduces Africans to perpetual, insatiable beggars who require inordinate and increasing amounts of Western help. The implicit message of 'development pornography' is that without Western aid charities and donor support, Africans will soon be extinct from starvation and disease. Such truncated and simplistic messages reinforce and entrench existing anti-African stereotypes, strip Africans of their dignity and humanity, and spawn racial prejudice. As noted above, various means of communication are used to portray and perpetuate the anti-African stereotypes. The intentions may be good, but the



consequences certainly are not. While authors of these images may, on the surface, mean well, they do maximum damage to Africans everywhere.

An African living in the United States, after attending a video presentation by an American who had just returned from the African's home town, recounted her reaction: 'The show was filled with stereotypical photographs of poor children' (Kiem 1999:63). She was so upset by the distorted presentation that she was unable to talk to people after the show. Such images are, of course, ubiquitous in 'development pornography'.

Canada and USA have enacted strict laws to protect the identity of their own children in the media. However, in 'development pornography' the images and identities of African children are fair game; their naked bodies, their faces, their identities are often exposed to the full glare of the world. In their push to raise charity funds aid organisations throw caution to the wind; they exploit the images of African children in distress in countless television commercials, infomercials and films. The children are often cast as passive and helpless, with little or no support from their own society. These images saturate Canadian and US television on a daily basis. Visuals of poor, unfortunate, scantily clad, sickly children are the stock-in-trade of aid agencies as they 'sell' compassion to Canadians and Americans at HIV/AIDS and famine exhibitions, in order to gain maximum donor response.

### **African immigrants and development tourism**

The North American laws that promote equality, diversity, multiculturalism are also largely ignored when agencies are at work in Africa. The official adoption of multicultural policies in North America has created societies in which citizens have gradually learned to co-exist, at least superficially, in racially and ethnically diverse environments. Increasing numbers of Canadians and Americans have become more sensitive and considerate towards the 'racial other'.

Despite these changes, Africans living in Canada and the USA are seldom employed by development agencies to do work in Africa. An African immigrant turned Canadian citizen, who formerly was her native country's ambassador in Europe, was told that she could not do volunteer work for a Canadian aid agency in Africa because the positions were 'reserved for native born Canadians only' (Van Wyk 2006). But these immigrants are in fact better qualified to do such work, many speaking more than one African language in addition to English and/or French, the two official languages in Canada and in most African countries. Many are trained to work in the agencies' operation fields, or have relevant work experience, and needless to say are familiar with African culture. It would seem logical that aid agencies in

Canada and the USA would value Africans who have the advantage of both 'insider' and 'outsider' perspectives. The unwillingness of Canadian NGOs to employ Africans may stem from an unspoken commitment to create jobs for native-born Canadians and Americans in order to promote their own values – thereby perpetuating Western global hegemony.

A visit to any African country by native-born Canadians and Americans will reveal the following scenario. Villagers living with no infrastructure who walk miles to the market, while shiny new NGO Land Rovers and SUVs tear down the highways, forcing the local population to jump out of the way. Local restaurants crammed with boorish groups of foreign workers who loudly order their meals and beer while the local staff rushes to accommodate them. As villagers return from market to homes with no electricity, foreign workers retire to gated compounds and enjoy television. As Munene (2005) writes, 'The people that work for the agencies in Africa enjoy the great tourist attractions of Africa and live in the wealthy suburbs of African cities that are never shown to the donors'.

Many donors become so motivated that they become development tourists themselves, visiting Africa and bringing back 'development pornography' for fundraising purposes. The most common form of development tourism consists of short urban-safari based holidays, which include a brief rural visit to capture some of the images of countryside poverty without any understanding of its nature. Some short visits include minor tasks such as handing out gifts, medicine or other goods. These tasks take place with little or no knowledge of the traditional lifeworlds of Africans. When development tourists return to North America they are considered experts on African development, lecture at universities and colleges, receive awards, and raise more funds to repeat their safari tourism.

Academic-oriented tourists who take short urban-safari holidays in Africa conduct a few short interviews which they use to write up some extensive research reports. Such academic development tourism is very often costly, and most such large-scale surveys are monumentally inefficient both in the data quality and the long delays in analysis and reporting of the data. Furthermore, it is very unlikely that any of these North Americans speak one or more of the over 2000 languages in Africa, or conduct their interviews in an African language.

An extreme form of development tourism involves mobilising large groups of Canadians and Americans to go to Africa for a specific task. In one instance, a large group of American builders went to the Congo to build schools in five villages. The villagers used the classrooms but did not maintain them because of the ongoing war in the Congo. Many villagers had to leave tem-

porarily to avoid the war. The buildings fell into disrepair, and a subsequent request to America to assist with the repair went unanswered because American organisations had moved to other projects on safer ground (Keim 1999:79).

Other large groups of Canadians and Americans go to Africa to plant gardens and build orphanages (Phillips 2005:1). The garden planting tour includes a safari and sightseeing. While this development tourism is good for the African tourism industry, the majority of the money intended as aid relief is spent on airfares and unsustainable gardening projects. These development tourists enjoy stays in luxurious African holiday resorts, but bring back images of poverty. Thus, many of the activities of development tourists reinforce negative stereotypes and misconceptions about Africa.

### **The role of international NGOs in channelling emotions**

Mazzena (2006) draws our attention to the role of INGOs to legitimise specific interpretations of the African reality and, to channel the public's emotions. Mazzena contends that INGOs, are complicit in portraying Africans as incapable of going it alone in times of trouble, and as mere passive receptors of outside aid. 'These representations in turn, enhance the prestige of those who help the "victims" and make the providers' action more acknowledged, all of which has a great impact on the fund-raising plans' (p. 5).

Ronning (1998) points to the existence of a 'structural synergy' between international NGOs, the occurrence of catastrophes, and the international media in the various forms of so-called 'disaster reporting'. True, some international NGOs, including Oxfam, Save the Children and EveryChild, launched a campaign in the 1980s on the 'ethical use' of images of Africans. However, the continued use of 'development pornography' to solicit aid for Africa is an indication that the campaign failed to have the needed impact. International NGOs also form an unholy alliance with the international media in employing what Susan Moeller (1998:20) calls 'compassion usury' – inundation of collective emotionalism – to mobilise the public's conscience and support. For instance, in emergencies and crises this usury is fueled by the non-stop broadcasting of negative images by humanitarian organisations and media operators, showing the plight of the victims. This situation is further complicated by the fact that simultaneous events 'vie' for visibility, which results in the public being sensitised 'for only one crisis at a time'.

Sponsors of all sorts (international organisations, major powers, NGOs), as well as the media regard Africa as the continent of poverty *par excellence*; Africa is synonymous with poverty (Amselle 2006). The images of Africa constructed by the mass media in the minds of Westerners in general, and

Canadians and Americans in particular, have congealed into die-hard stereotypes that are damaging not only to Africans but also to Westerners.

The image in the collective mind of North Americans is that of a society-less Africa bereft of universities, factories, cities, research centres, communications, intellectuals, skilled workers and craftsmen. Honoré (2006:1) identified two elements in this one-dimensional image: 'an unbroken chain of natural and social catastrophes, on the one hand, and the multicolour "beadstring" of tourist exoticism'. According to Amselle (2006), the continent is perceived as an 'underdeveloped landmass' afflicted by a host of ills, ranging from environmental and climatic vicissitudes to diseases, famine and civil wars. Amselle notes: 'The verdict is clear. Africa is a cursed continent and its curse is the result of the biblical exigencies which, ever since the fourth century, have been considering black Africans as descendants of the Old Testament Ham. And this pattern is still at the root of the Western perception of Africa that confines the continent within the boundaries of a vicious cycle of poverty-corruption-disease-tribal wars' (p. 3).

A disturbingly large number of Americans and Canadians still look at Africa through categories such as 'savage', 'tribe' and 'primitive'. They believe in the dogma that civilisation is a gift from North American to Africans, and that Africans have contributed nothing to the global stock of knowledge or civilisation. Accepting the Western hegemonic fiction that Africans are inherently inferior, many Westerners, including those who direct or work in NGOs, are sceptical, to say the least, of the great contributions of Africans to world civilisation. They instead remain silent over the persistent atrocities and crimes against Africans by the Trilogy of Slavery, Colonialism and Neo-colonialism (TESCN), euphemistically called 'globalisation', and routinely excuse these crimes and atrocities when they cannot deny them or wrap them in silence. Faced with what some scholars call the 'Black Holocaust', the majority of Euro-Americans blame Africans for what happened to them, and reject their 'overall responsibility for a process they initiated and still control' (Amsell 2006:2). They morally cancel out the violence exacted on Africans through TESCEN with the counter-violence of the Africans who seek to liberate themselves from Euro-American domination.

In terms of their cognitive abilities, Africans are perceived as unable to plan or care for themselves, constantly and inevitably primitive, irrational, superstitious, lazy, and barely managing to survive. 'When these characteristics are transferred to know-how and professionalism', Mezzana (2006) points out, 'the result is a picture of individuals and groups possessing poor cognitive and operative capacity, ill suited to managerial positions and depending on outside aid for any emergency' (p. 5).

On the political level the current stereotype is one of anarchic tribalism which has ignited and continues to set ablaze multiple 'tribal' and ethnic wars across the continent. These conflicts are believed to be driven by blind and irrational forces instead of nationalistic tensions or ideological differences. The continent is also perceived as dotted by a host of despotic and corrupt leaders. The tacit conclusion is that nothing can work in Africa and no form of government, democratic or otherwise, is possible. The image is of a continent in perpetual crisis, developmentally hopeless without palliative and charitable aid provided and managed by good-willed (non-African) actors.

### **Anti-African stereotypes, myths and misconceptions**

The roots of these myths, misconceptions about Africa and Africans are traceable to the North American ethos, political culture and education. The North American mindset about Africans and their continent was conditioned over the centuries with the help of a vast repository of the findings, models and literature in social science. This stock of knowledge has been passed off as universal, neutral and objective. However, as Wiarda (1984) points out, in such a repository the vast bulk of this accumulated knowledge is in fact biased, ethnocentric, and not universal at all. They are based on the narrow and rather particular experiences of Euro-American culture and may have little or no relevance to the rest of the world. Tied to this form of ethnocentrism is social evolutionism. Race logic in America and Europe, which preceded Darwin's evolutionary theory was built on the notion that if humans had evolved, presumably from apes, some humans had evolved more than others. It was presumed that the 'white' race – especially upper- and upper-middle-class white males – is furthest along the evolutionary line.

In the evolutionist eye Africans were less evolved. As Keim (1999:159) notes, Africans were seen as 'living ancestors', present and yet representative of another time. Alternatively, they were 'perpetual children, not yet adults and therefore only marginally significant in contemporary time'. Keim further notes:

In the nineteenth century, the root cause of African backwardness was considered to be their race. Most whites, for example, believed that Africans lacked philosophy because they lacked the biological capacity to produce philosophy. Over time – a very long time – blacks would evolve the ability to philosophize like whites, to create real art and to rule themselves, but until that moment, the best that could be done was for white men to accept the burden of control and care as one might do for children. In practice, of course, the White Man's Burden of taking care of Africans turned into the Black Man's Burden of suffering exploitation.

Because Africans were presumed to represent a more primitive time, most Westerners, including most Americans, could easily accept African subjugation and overlook African contributions to history (p. 159).

Perhaps the most powerful medium, beside the mass media, through which anti-African stereotypes and myths and misconceptions have been transmitted, is the school. The North American educational system is based almost exclusively on traditions, which treat other cultures and histories as at best peripheral and at worst inferior. The education system is essentially rooted in the Greco-Roman and Judeo-Christian traditions and European history, from which derive a set of concepts, ethics, and governing norms and experiences.

North American concepts of justice, fair play, good government, progress, and development are all based on, and reconstructions of, the mechanical, unilinear dichotomies postulated by social scientists and ideological stalwarts that include Kant, Hegel, Durkheim, Marx, and Weber. Underlying these North American reconstructions is the assumption that North America is the exemplar of humanity and progress, the rest of the world should inevitably follow the same developmental path as North Americans. These assumptions, concepts, and ideologies have worked their way into the collective consciousness of many Canadians and Americans (Brooks 2004). Some have crystallised into myths, misconception, stereotypes and prejudices about non-Westerners, including Africans.

Research conducted by the authors in Canada and the USA between 1999 and 2004 revealed lingering misconceptions as well as dangerous myths and stereotypes in the minds of a disturbingly large numbers of Canadians and Americans (Quist-Adade 2005; Van Wyk 2006). The overwhelming impression gained by studying Canadian and American attitudes, perception and language about African people seems to be that African people are 'backward' and 'need help'. Among other things, the majority of those interviewed did not think Africans could take care of their own development needs. Some offered solutions that revealed a superiority complex. For instance, one interviewee remarked: 'They [Africans] need to become like us'. Some were less overt, choosing instead more 'diplomatic' language.

However, even such diplomatic language could not belie the subliminal racism and paternalism of the respondents. Many of the respondents strove to be positive in their attitude towards Africans but still could not resist the temptation of being condescending. For example, one respondent, after referring to Africans as 'innocent victims who we should understand and empathise with', went on to suggest that 'they should have less children, since the source of poverty in Africa is too many mouths to feed' (Quist-

Adade 2005). They try to be positive by referring to African people as 'innocent creatures' or 'childlike'. Others are not so polite. Instead, they adopt overtly racist tones; they describe African people as 'primitive', 'savage', 'tribal', or 'cannibals'. For example, former Toronto Mayor Mel Lastman, used Toronto's multicultural diversity to bolster the city's Olympic bid, and he then turned around and stated that he was afraid of going to Mombasa, Kenya, because he feared of being boiled in a pot by Africans while they danced around. These perceptions of African people often determine the terms of interaction of some individuals and agencies that work in Africa.

Other studies have revealed that Canadians and Americans, as indeed most Europeans, mistake the African continent for a single country. They tend to think of Africa as mainly rural, 'grand landscapes filled with fascinating walks, [and] fearsome animals' (Kenyon 2005). They perceive the continent as a site of major natural catastrophes (floods, volcanic eruptions, droughts, etc.) and brutal social conflicts, but also as a breathtakingly beautiful wild habitat. Thus, in North Americans' eyes Africa is rife with danger (Hawk 1992), yet simultaneously an exotic continent, the land of adventure.

Some think the continent consists mostly of vast stretches of dry desert, while the Sahara Desert actually covers approximately one third of the continent. Others believe that Africa is all jungle or rainforest, when in reality only a small percentage of the continent, along the Guinea Coast and in the Zaire River Basin, is rainforest.

Absent from the collective mindset of Canadians and Americans are that the fifty-three nations in Africa inhabit the second largest continent in the world; that Africa is home to more than 800 million people, is more than three times the size of the United States, and includes 20 percent of the world's total landmass.

Many of these widely held misconceptions about Africa were confirmed by an American museum survey in 1999 (Keim 1999:4). The authors of the present paper replicated the same survey in 2005 in Canada and found remarkable similarities. Historical misperceptions, ignorance, stereotypes and myths about Africa permeate the views of ordinary Canadians and Americans. Respondents believed Africa to be a primitive place full of wild animals and people that need help; they regarded Africans as primitive, savage, tribal cannibals.

### **What is the problem?**

It also became apparent from our survey of NGO activities in North America that Canadian and American aid agencies do not appear to pay adequate attention to the fact that the meanings Africans attach to their lifeworlds are

an essential part of aid delivery and development. They also fail to appreciate that development is a continuous process that cannot be fully understood, explained or controlled by outsiders. Instead, they aid in dumping western-crafted projects and 'solutions' on African societies under the guise of humanitarian assistance. North American aid agencies, by and large, have only succeeded in helping to maintain the global status quo of western hegemonic domination and African dependence by delivering conditional aid.

It is dehumanising to set conditions and apply policies in which people are required to convert or transform their lifeworlds in order to receive humanitarian aid. Claude Ake (1996:118-119) described such policies as 'grim notions that can only be inflicted by people who do not belong to the adjusting society'. African people are bombarded with messages that suggest lifestyle conversions, transformations and alternatives. Canadians and Americans blame African culture and lifestyle for the 'failure to become like us'. The transfer of resources to help the 'inferior African' to 'become like us' or to 'catch up' is perceived by some as the solution for African development needs. Another perceived solution is empowerment. Empowerment was described by one of our survey respondents as: 'Empowerment means we [Canadians and Americans] have the knowledge and the skills to teach them [Africans] the "know how" (van Wyk 2006). These preconceived ideas contribute towards façades of participation. Agencies proudly emphasise that they are working with local organisations and individuals in Africa. However, they never reveal that the participation of African organisations and individuals is restricted, confined to a few selective organisations or individuals that adhere to certain preconditions. This participation façade is often used to create credibility or please big donors.

This is so tragic, because when international NGOs perpetuate these convenient myths, they become part of the long-term problem even while providing short-term, band aid solutions. They have bought into the myths and act in concert with self-fulfilling prophecies, they create stereotypical images of Africa – the continent of the poverty stricken, both in terms of resources and ideas. 'Year upon year, they keep on producing even more pornographic images of poverty in Africa in order to raise money to save a life today and lose even more tomorrow' (Ibid).

This is not to suggest that all types of aid are inimical to Africa, or that the work of INGOs in the areas of HIV/AIDS treatment and prevention or malaria research, for instance should stop. We support the statement of Obeng-Diawuoh (2006) that we should avoid generalisations about the performance and integrity of the numerous NGOs operating across Africa. We need to refrain from a blanket indictment or adulation of 'all' NGOs. Some NGOs



perform essential tasks after wars such as clearing the minefields in countries where governments are overwhelmed with other after war responsibilities (Jez 2006). 'It is not fair to discredit the entire organization's operations of all INGOs in African countries because of a few bad apples' (Qaal 2006). The president of Ghana's International Council on Social Welfare Mr Charles Abbey, stated that it is not fair for society to blacklist the entire NGO body because of a 'few bad nuts' (Adjei 2006). Some of the staff working for NGOs risks their lives (Maseko 2006). Since the middle of 2005 mobile teams from Doctors Without Borders provided medical care and emergency surgery in the Democratic Republic of Congo (DRC), the Central African Republic, Chad, and Sudan. These doctors are not only dealing with war casualties but with health care emergencies where the war wiped out all the local health care facilities (Collins 2006). Their work in Niger and Sudan and Darfur, include the treatment of bacterial meningitis, measles, acute malnutrition and cholera (Defourny and Blanty 2006). There are some NGOs and individuals working for NGOs in Darfur region in Sudan that make remarkable contributions to the lives of displaced people. We recognise the important work of NGOs and we are acutely aware that there are no short cuts to economic growth and prosperity, that African development requires good governance (which is lacking in many African countries) judicious use of resources, the promotion of local talent and hard work.

When all is said and done, development programmes in Africa require more than aid; people involved in these programmes must arm themselves with a deeper knowledge of the historical and structural bases of the continent, and sensitivity to African sensibilities, cultural norms and life-styles. Canadian and American NGOs need to review questions such as: Why is Africa poor today? Is it poor, or in fact impoverished? What is the remedy? Do Africans need assistance? If so, what type of assistance? From whom? Under what conditions? To these key questions, Canadian and American NGOs appear not to have the right answers. From our analysis of Canadian and American NGOs' activities in Africa, we submit that these NGOs either are silent on these crucial questions or give false answers. Consequently, these organisations continue to give false diagnoses and offer false remedies.

We submit the following: First, INGOs have for far too long avoided acknowledging the linkage between the trilogy of slavery, colonialism and neo-colonialism (TESCN) and the contemporary conditions of Africa. Second, NGOs have not adequately addressed the fact that the TESCEN plundered and enriched North America and continue to do so even now. Third, NGOs have not confronted in a bold and innovative manner the fact that the

structures of international relations since the Second World War continue to facilitate the plunder of Africa by the Euro-American powers.

Many INGOs have bought into the myth crafted and peddled by the Bretton Woods Institutions – the IMF and World Bank as well as the World Trade Organisation (WTO) – that free trade is the answer to African poverty. The radical truth, however, is that African countries who swallowed the bitter IMF pill of SAP in the 1980s and 1990s saw exports boom but hunger worsen. It became apparent that export-oriented agriculture hurt the poor. Lappe and Collins (1998) have listed several ways in which export-oriented agriculture is inimical to African countries: It allows local economic elite to continue making profits without trying to raise the purchasing power of local people; it encourages local elite to produce export instead of food crops; it leads to subsistence wages and miserable working conditions due to intense competition among exporters; and it makes local staple foods scarcer and therefore costlier.

Another myth into which INGOs have bought is that more aid from the ‘Global North’ will help African countries. Here again, Lappe and Collins (1998) argue that aid policies of most of the Northern countries often actually make it harder for people to feed themselves. Citing the US, Lappe and Collins say that several things are wrong with international aid as it is currently conceived, crafted and implemented. First, US assistance is highly concentrated on very few governments. Second, US food aid is not related to need, but to bolstering friendly governments. Third, US aid is concentrated on governments dead-set against reforms in favour of the poor. Fourth, the US cuts off aid as a form of punishment. Fifth, the biggest form of US aid is military help to arm governments against their hungry people. Sixth, most development aid fails to help the poor and the hungry. As Lappe and Collins assert, the way people think about hunger is the greatest obstacle to ending it. And they exhort policy-makers to first change the way they think about hunger before they can even begin to end it. Concluding, Lappe and Collins (1998) point out, ‘[I]t is obvious, listening to our policy-makers, that their idea of poverty and hunger is laced with many of these myths. It is why the pro-poor rhetoric is seldom matched by genuine pro-poor action’ (p. 12). This is equally true of INGOs.

### **Reassessment justice, not charity: The need for a new paradigm for African development**

A reassessment of the real cost to the ‘beneficiaries’ of charitable agencies is long overdue. As Professor Jacob Songsore, head of the Department of Geography and Resource Development at the University of Ghana, has rightly

noted about Ghana, that country's frustration in the desire to attain a middle-income status has been blamed on the nation's inability to transform its inherited colonial economic structure (GNA, 12 July 2006:1). Songsore observes that after several decades of structural adjustment programmes, all 33 African countries, including Ghana, that had been touted by the West as high performers were mired in debt and poverty, adding that almost all these countries are those who have had to shift to Highly Impoverished Country (HIPC) status. These countries, he observes, are implementing the same poverty reduction strategy papers, this time as a condition for further donor assistance. '[W]hat we perceive as poverty today is the result of overlays of conscious policies pursued over a long historical period by the state in support of specific interests groups' (Ibid).

Any attempt to address the continent's current problems must be informed by a deep understanding of its historical past. Ignorance of the history of Africa's socio-cultural and political development has impoverished international NGOs' understanding of the continent and contributed to a distorted view of the problems facing Africa today. The detachment from history that characterises contemporary research and humanitarian work in Africa is explained by unquestioning acceptance of Western hegemonic views. According to this perspective, Africa's current crises are rooted in poor management, corrupt and dictatorial leadership, closed markets, and lack of Western-style democracy. Thus, once these 'root' problems are solved, Africa will be on the road to economic development. But this view is ahistorical, universalistic and reductionist. It also deflects responsibility for Africa's recurrent crises away from Western governments and blames the African victims.

Africa is a victim of historical tragedies – the trilogy of slavery, colonialism and neo-colonialism (TSCN). One wonders if it would be asking the impossible to call on INGOs in Canada and the USA to remove the coating of moralism and sentimentality from these historical phenomena. Once this is done, to paraphrase an African journalist, they shall see slavery as the equivalent of removing all the scientists, engineers and computer programmers from a modern industrial economy such as the USA. How many hours would the US economy last without its scientists, computer programmers and engineers? Yet, this is the parallel of what happened to Africa when slavery robbed her labour-intensive, subsistence agricultural economy of its most productive women and men for four centuries (Adjei 2006). Without this historical parallel it is easy for the average Canadian or American to be taken in by racist theories, which tend to dismiss Africans as genetically and intellectually inferior, incompetent, and lazy.

Of course, Africans themselves have contributed to the creation of many of these problems, and have added to or even compounded them through the excesses of their leaders. African journalists and scholars have made no bones about these excesses, or about poor governance. One does not expect international NGOs to become public relations officers for the continent, extolling its virtues. But we expect from these NGOs a more careful analysis of events and issues, acknowledging progress as well as retrogression, success and failure.

In eliciting compassion for Africa's impoverished and advocating on behalf of Africans, aid agencies must be careful not to sacrifice the fundamental right of African people to live in a world that is meaningful to them. Agencies' operations must be geared towards the expectations, hopes and aspirations of African people and not tied to the conditionalities and demands of donor countries. For aid to be meaningful and long-lasting, it must be responsive to needs determined by African people themselves and not by outsiders. It is therefore crucial that NGOs tap into the skills and expertise of Africans living in North America. These individuals can provide vital links between NGOs and local communities in Africa. Their 'native' knowledge of the African conditions, their ability to understand local idiosyncrasies, sensibilities, customs and traditions, could prove vital to the success of projects. Their presence could also remove any sense of suspicion local communities may harbour towards aid workers from Canada and the USA.

It must be emphasised that development in Africa is not about conversion to a Western culture or a Western economic dispensation. Development in Africa is about African values. African development priorities need to be determined by African people, and to the benefit of African people. Outside aid must protect and promote African values, not destroy them.

Agency operations in Africa should begin by making sure multinational corporations, governments and INGOs are not exploitative. Conditional aid, based on pre-conditions of socio-cultural transformation, must disappear. The value of established socioeconomic and cultural patterns needs to be recognised. Agencies should focus on concrete, people-oriented objectives, and strategies that allow African people to manage their own lives.

INGOs must adopt a new orientation towards the sources of Africa's endemic and seemingly intractable problems, an orientation that aims to track the historical and structural bases of the continent's problems. Otherwise, INGOs will only be washing the outside of Africa's 'pot of problems' while leaving the inside of the pot untouched.

## Conclusion

In this article, the crucial question we have sought to address centres round how international INGOs have unwittingly become part of Africa's recurrent crises, by exporting Western-made solutions and values as part of a process of entrenching Western hegemonic control. First, we examined the history of 'development pornography' and the role Canadian and American INGOs play in constructing and reinforcing stereotypes of African inferiority, dependence and lack of development in order to conduct charity work in Africa. Second, we proposed that many North American INGOs spearhead a campaign to bring North American 'civilisation' and North American values to the 'less fortunate' people of Africa. The net result of this campaign is that NGOs work to maintain the international status quo, which is heavily skewed against Africa and other parts of the developing world, the same system they claim to be working to change. While many INGOs began their work as rebels against the 'unjust, unbalanced' global system, they sooner or later became co-opted into the 'establishment', helping to maintain and service the global hegemony of the West. Thirdly, we argued that international NGOs either ignore or refuse to take an historical and holistic approach in understanding Africa's problems, preferring instead to adopt palliative, stop-gap measures that end up deepening the continent's problems.

When considered together, these issues raise serious concerns about the wisdom of *continuing* to rely on the tinkering approach, the band aid, mop-up approach, as international NGOs' method of choice for addressing Africa's problems.

## Notes

1. 'INGOs' is used in this article to refer to the more established NGOs with global focus. The term is used to distinguish INGOs from domestically-focused NGOs and Southern NGOs, i.e., NGOs in the so-called Third World.
2. This is the group mentioned earlier that grows organically with the ruling class, and is their thinking and organising element. For Gramsci it was important to see them for what they were: produced by the educational system to perform a function for the dominant social group in society. Burke (1999), 'Antonio Gramsci', <http://www.infed.org/thinkers/et-gram.htm>.
3. The term 'lifeworld' is borrowed from Habermas; it means the shared common understandings, including values, which develop over time through face to face contacts in various social groups, from families to communities. The lifeworld carries all sorts of assumptions about who we are as people and what we value about ourselves: what we believe, what shocks or offends us, what we aspire to, what we desire, what we are willing to sacrifice – and for what ends – and so forth.

4. James Petras and Henry Veltmayer are both academics but with extensive experience in social movements.

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## **Capitalism, Globalisation and the Underdevelopment Process in Africa: History in Perpetuity**

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### **Abstract**

Since the incorporation of the Third World nations into the world capitalist system, the underdevelopment process seems to have commenced through the use of liberal economic principles. In spite of the obvious pauperisation of these nations, it seems as if there is no alternative even when indigenous governments are in control of affairs. This paper attempts to show why the underdevelopment process has persisted with capitalism entrenched in the garb of globalisation. It suggests that the way out is for the developing world to control and own their means of survival without which the underdevelopment process shall continue. Of utmost significance however is the need to control the intellectual domain.

### **Résumé**

Le processus de sous-développement semble avoir commencé depuis l'intégration des nations du Tiers monde dans le système capitaliste par le biais de l'utilisation des principes de l'économie libérale. Malgré la paupérisation évidente de ces nations, il semble qu'il n'y ait pas d'alternatives même quand des gouvernements autochtones sont aux affaires. L'étude tente de montrer pourquoi le processus de sous-développement persiste avec la complicité du capitalisme retransché dans les habits de la mondialisation. Elle suggère que l'issue pour les nations du Tiers monde est de contrôler et de s'approprier leurs moyens de survie sans quoi le processus de sous-développement va

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inévitablement perdurer. Toutefois, la nécessité de promouvoir le savoir est d'une importance capitale.

### Introduction

The interconnectedness between the past, the present and the future, often encapsulated in the study of history, helps to highlight alternative development perspectives available to a nation or society. Ironically, however this does not seem to be the case for most societies, including Nigeria. The development patterns that have been used so far are those being dictated from outside their shores without any historico-sociological content. Unfortunately, these developmental orientations have been moulded and remoulded in various ways without any positive oriented outcome. Unfortunately, the remoulding process continues without fundamentally changing the basis of the argument.

Except for a brief interjection of the socialist alternative to development in some parts of Africa, the capitalist model has continued to hold sway. In this capitalist model is the assumption of the market as the means and end. Characteristic of these means and ends are the ideas of individualism, subjectivism and naturalism embedded in the neo-classical (neo-liberal) political economic theory (Onimode 1977). The individual is perceived as a rational being and the subjective interpretation of his action, without the cultural context – in Weber's definition of social action – is enough to understand *homo economicus*, 'economic man'. In this economic thinking, man is interested in making profit with societal interest as his focus because, to neo-classical economists she or he is informed by the need to satisfy human wants and not needs. Thus, the scarcity of these wants is the motivating factor for production and exchange. Since 'human wants are insatiable', production would naturally be the motive and it is only through the free market economy of demand and supply that profit becomes feasible.

According to Onimode (1977: 5), such simplistic explanations of political economy governed the material culture that incubated and nurtured neo-classical economies in the industrial capitalism of Britain, Western Europe and North America in the fourth quarter of the nineteenth century. It was also this rationality that somewhat justified the colonisation and exploitation of the Third World countries during this period. The assumption here was that the Third World countries would, naturally, follow the development path of their colonial overlords without any recourse to their socio-historical circumstances. It was indeed, *Modernization by Design* (Morse et al. 1969).

Ironically, more than a century after this experiment, the underdevelopment process has continued to intensify while the prescription for the disease of underdevelopment has not changed. Even when it is glaring that the

majority of the so-called developing countries cannot withstand the competition characteristic of the capitalist world order, due to the 'survival of the fittest' syndrome, the IMF, the World Bank and the World Trade Organisation (WTO) have continued to forcefully integrate them into the global economy. Oswald de Rivero (2001: 5-6) postulates that:

The prosperity and the development of all countries will be achieved this time, as a result of worldwide competition within a totally unfettered global market. Such a belief, with its utopian ingredients, presents globalization as an unstoppable process, beyond human control, as though it were the universal law of gravity – inescapable for persons, for enterprises, and even for nations.

This kind of reasoning informed colonialism and the process is repeating itself in what is now referred to as 'globalisation' even when the 'skin' and the 'voice' are quite identical. It was the 'unfettered access' that necessitated the 'scramble' for Africa and the same 'unfettered access' is making the second 'scramble' possible even when, as Oswaldo de Rivero (2000) further showed, the United States, Europe and Japan never indeed allowed such unfettered access in their development experience. During their development processes, these nations protected their young industries and copied each other's technology.

Today, such may be impossible! As it was in the colonial era, so it is today, and if the situation persists, it may be forever. This repetitive history is what the paper attempts to show in the remaining sections. Section II briefly presents the process of the 'capturing' of 'Africa' and its incorporation into the world capitalist economy under the neo-classical or neo-liberal political ideology. On the basis of the historical experience of the colonial overlords and the need to ensure a free and unfettered access to the colonies by the colonial traders and merchants, state capitalism was recommended as the development paradigm for the newly independent African states. The independence era, which is the third section of this paper, explains the hiccups in the relationship between the elites, on whom governance devolved and the colonial overlords, leading to 'indigenisation' and nationalisation in some cases and even outright rejection of the capitalist ideology in others. With 'glasnost' and 'perestroika' resulting in the collapse of the socialist regime and the triumph of capitalism, the second onslaught began in earnest with the globalisation pandemonium. Section IV exposes how this process is being executed and how it ensures the unfettered access to the underdeveloped economies in a return to neo-classical ideology. The final section summarises the conclusion.

### **Africa in the world capitalist economy**

That Africa entered into the world capitalist economy with a peripheral-satellite status has been succinctly shown by Marxist and dependency theorists since the mid-twentieth century, starting with Baran (1957) in his *Political Economy of Growth*. What is of significance, however, is the diversity of cultures and peoples indigenous to Africa, which were forcefully brought together. The word 'African' can therefore be misleading if it includes more than the persons who do not identify themselves with that continent. The histories of these peoples were annulled by the process of incorporation, hinging on the 'assumption' that Africa had no history (Roxborough 1979; Ajayi 1997; Mazrui 1997). Mazrui (1997: xxxv) asserted that for about two-thirds of the twentieth century during the colonial period, the understanding of Africa was inhibited by four great denials, including the denial of history, the denial of science, the denial of poetry, and the denial of philosophy (including religious philosophy). Such denials, even if only of history, as Ajayi (1997:xxxiii-xxxiv) has posited, 'imply the denial of humanity and vitiate all expectations of development'. It is not surprising therefore that development was (is) to be conceptualised on the basis of foreign history. It is seen as a forward march towards the 'Western' model. This conceptualisation was not a theoretical construct but purposely and consciously designed by colonial overlords. From the 'Dark Continent' illusion, the idea was (still is) to give 'light' or 'civilisation' to those living in 'darkness'. The Christian ideology was therefore a plausible instrument even when the bearers of 'light' might not be 'Christians' (see Olutayo 1991). The ideology was used to encourage slavery and later, for its abolition even when capitalism was the ultimate aim as clearly enunciated in 'The Bible and the Plough'. Indeed, the 'Paper Treaties' signed by the different occupying European countries towards the end of the nineteenth century to justify free access clearly show the depredation of these nations. The 'Papers' were often termed 'Treaties of Protection' from the other 'invading' European nations. The competition for space in Africa led to what is referred to as the 'Scramble for Africa', necessitating foreign negotiations for Africa's lands and peoples and the eventual colonisation.

### **Africa in the colonial context**

The Colonial Development and Welfare Act (1940) represents perhaps the first and only document that clearly stated the colonial development policy for British Africa. It was an improvement on the process of 'borrowing' from the Colonial Development fund set up with the Act of 1929 for the West Indies through grants or loans for 'economic development' in the colo-

nies. Essentially, the Fund was to 'promote commerce with, or industry in, the United Kingdom' – an end which it was hoped to achieve 'by assisting the development of agriculture and industry in the colonies'.<sup>1</sup> Promoting commerce with or industry in the UK was ensured through the importation of agricultural raw materials from the colonies. It was when the required supply was not enough that the Act was modified to include 'any purpose likely to promote the development of resources of any colony or the welfare of its people'.<sup>2</sup>

Fundamentally, trade and thus production for the market, being the basis of the British economy, was an important stage in their historical development. Indeed for most of Western Europe and North America, the technological revolution, mostly in the nineteenth century, already gave them the economic power over land, sea and air with highly developed means of production. Arising from this situation were certain relations of production characterised by capital-labour relations of a wage system and the owners of capital being the controllers of the political superstructure in a liberal democracy. The control over the economy and politics also gave the owners control over the educational state apparatus, having destroyed the basis of the family in the pre-capitalist social formation. It was, in fact, a fundamental transformation of the pre-capitalist social structures which gave birth both to a new understanding of the economy and the emergence of sociology as a discipline to explain the causes(s) of this transformation and the basis of the 'new order'.

Consequently, the paradigms that the founding fathers of sociology introduced constituted a comparison between the 'old' and the 'new', tradition' versus 'modernity', rural versus urban etc. Since this was what the historico-sociological experience of European societies involved; their sociology was so presented. Yet it was also clear that the European nations did not go through the same historical experience both in terms of time and the overall fundamental impact of the technological revolutions on their different societies (Olutayo 2001; Giddens 1971). The inequality and poverty resulting from the new arrangement necessitated certain welfare programmes to reduce the negative impact on society.

In spite of these, and without a critical examination of the African situation, these paradigms were foisted on Africa. 'Urban', 'Gesellschaft', 'modern' societies of Europe were to be replicated in Africa through the 'cloning' of like institutions in Anglophone Africa, and the Colonial Development and Welfare Act was the policy document. By the time the policy was introduced, Africa was not to be treated as the White Man's Burden (Gann and Duignan 1967). Africa was expected to fend for itself through the volume of trade (exclusively with the UK) and the revenues that could be generated

through taxation in the colonies. To increase the volume of trade, roads and railways were constructed<sup>3</sup> through forced labour. Where this was not effective enough, heavy taxation was imposed (especially during the First and Second World Wars.<sup>4</sup>

Generally, the enhancement of trade and commerce involved private foreign merchants and shippers (exclusively British) employing indigenous intermediaries who understood the people's way of life (See Shenton [1986] on the United African Company and Olutayo [1991] on the Elder Dempster Shipping line). The Colonial Administrators were to assist these merchants and shippers who, in turn, paid taxes to the administration. Prices of goods were fixed though the free market economy (laws of demands and supply) so colonial revenues were always fluctuating. Closer to reality was the fact that the higher prices of industrial goods imported into the colony affected the prices of raw materials, which the colonies exported based on the comparative advantage theory (Olutayo 1991). As such, in its entire ramification the colonialists dictated events in the colonies. The indigenous were to 'learn the ropes' of these exploitative processes. Lord Lugard (1922: 5) in his *Dual Mandate* explicitly stated that the administration was: To inculcate in the natives a sense of individual responsibility of liberty, and of justice and to teach their rulers how to apply these principle...<sup>5</sup>

Until it became obvious that colonialism would collapse, indigenous entrepreneurs were not found suitable enough to replace the Europeans. By the mid-1950s, private indigenous enterprises began to emerge. However they were under the control of the state, which created them. Gradually, also, indigenous political elites started to emerge, tutored in European ways of governance. Due to the lack of confidence in indigenous traders, or, perhaps more because European merchants – who later moved into manufacturing and whose industry had to be protected, especially because of their relevance to Europe and the United States – state capitalism had to be the mode of governance. This was however a superstructural arrangement as private enterprises were to be encouraged. Perhaps of more significance is the fact that governments the world over had to play immense roles in macroeconomic planning and management to solve the economic problems which characterised the Great Depression of the 1930s using the prescriptions of Keynesian economics. Thus most African nations used this model of state capitalism recommended to them by their colonial overlords (Nzenwe 1988: 3). Nonetheless, special financial incentives were given to both indigenous and foreign private enterprises with the provision of social infrastructures exclusively by the state. In many cases, government services and parastatals employed most of the citizens, in line with the Keynesian Model, in the health, education, housing, water and electricity supply, posts, rail, air and sea trans-

portation sectors (Onimode 1988: 35) as well as the marketing of agricultural produce through marketing boards. It is important to reiterate here that the marketing boards were created to ensure the steady supply of raw materials to colonising countries for their industrial development under the guise of the law of comparative advantage.

### **Africa in the neo-colonial context**

For most of Africa, there was a carryover of colonial institutions and structures into 'flag independence'. Apart from the intellectual doctrines – which manifested themselves even during the existence of the two separate world ideologies – Africans were fundamentally oriented towards culture, popularly referred to as the total ways of life, of their colonial overlords. Though it has been argued by some authors (for example, Curtin 1972) that it was not a process of wholesale enculturation. The basis of African economy was essentially outside the grasp of Africans. While some superstructural elements exist as African, the basis of survival is disjoined from these superstructures.

For instance, state capitalism was not only carried over into the independence era, the means of production were also not of indigenous creation. Indeed, the capitalist ventures in which the state invested were mainly revenue generating in nature rather than for the fundamental transformation of the social structure. This is not surprising since the market-controlled economy was already the vogue in the former colonising nations. Thus the problem was how to industrialise so as to 'catch up' with the former overlords – the more so when 'modernisation by design' was recommended by the international financial institutions made up of the IMF, the UN and the World Bank. Even the world ideologies of socialism and capitalism recommended technological transfer rather than the creation of technology without recourse to the history of these ideologies and the role technologies played in the development of their economies.

In the capitalist nations, a return was made to Adam Smith's classical two century-old thesis. They opened their economies to market forces, and the neo-colonial economies were made to follow suit. Indeed, this was the case for all of Western Europe's former colonies and Liberia, which was under American 'protection'. For those nations under the socialist influence of the USSR, the control of the economy was indirectly under the Soviet regime but the state controlled the market (not a free market economy). In other words, the aim of the socialist states was not profit making but production for the satisfaction of the needs (not wants) of the society. As such, they attempted to create their own technologies for the production of the needs of the majority of the people, who were directly involved in the crea-

tion of these technologies. Consequently, distribution of products was, relatively, on an equal basis. Perhaps this was more realistic in the USSR than in their African appendages because the technologies were imported from the former to the latter rather than the indigenous creation of their own technologies.

More apt, however, is the experience of African nations with capitalist orientation. Apart from the importation of capitalist industrial technologies, inequality was very manifest in the relationship between the foreign and indigenous industrialist and entrepreneur. The structured inequality is such that the former has better access to finance and industrial capital than the latter, yet the former is more interested in repatriating profits back abroad than the latter. Thus the effects of foreign companies are more strongly felt outside their source(s) of profit since little is ploughed back into the economy. On the other hand, the indigenous capitalists, having secured aids, grants and loans from the government, are compelled to plough back their profits into the economy. Ironically, even their industrial capital is imported, thus they also create markets for foreign companies. Consequently they are at a disadvantage (see Coughlin 1988: 143-163 for the Kenyan experience).

Interestingly, even with the disadvantage, finance capital still remains the means by which African governments attempt to develop. With the indigenisation and nationalisation and the setting up of parastatals in the late 1970s for example, it became clear that these indigenous companies could not compete effectively with the foreign ones. As such most African countries experienced de-industrialisation in the 1980s (Stein 1992; Moseley 1992; Wilson 1990). Botswana which relies on and encourages and promote indigenous, foreign, and jointly owned enterprises without nationalising or indigenising has been able to add value to manufacturing and increase citizen participation in the manufacturing sub-sector. Yet, as Valentine (1993: 31, pdf version 2001) shows, the industrial policy, relying 'merely on finance' (Financial Assistance Policy) cannot meet the full range of enterprise development problems. She asserts that 'Non-financial assistance in the form of managerial and technological assistance may be of great importance in raising the likelihood of success of citizen-owned enterprises, and assisting in raising enterprises out of their infancy' (p. 31). Indeed for Nigeria, although the relevance of the creation or at least internally managed imported technology to improve the quality of life of people is acknowledged, the science and technology policy of 1987 has not created any serious research and development activity to develop indigenous technology to produce a variety of locally made goods. Rather, finished technologies continue to be imported (Davies 1998: 158). In Botswana, as acknowledged in her fourth and sixth National Development Plans, the economy is characterised by gross



inequalities and lack of diversification. The majority of the rural dwellers and forty percent of the urban dwellers are living in absolute poverty. The economy, though export driven, relies mainly on a depletable mineral resource – diamonds. As Mhone (1996) has shown, Botswana is experiencing economic growth without economic development and equity. Mhone (ibid: 98) concludes that:

Trickle-down effects of the fast growing free market in Botswana have certainly failed to slip through to the bottom. While ... financial strategy may be good advice to an individual who has a financial windfall ... (it should be clear that) the present pattern of market-determined resource allocation in Botswana ... would merely be another addition to the economic windfall of the Botswana government and its elite ... unless non-market policy interventions are developed to ensure that the benefits reach the majority at the bottom.

### **Globalisation, Africa and development**

Although the process of globalisation for Africa started with its incorporation into the world capitalist system on the periphery, the conspiracy of the International Monetary Fund (IMF) and the World Bank signalled a major onslaught in effecting a ‘long-term’ strategy for transforming the African social structure (Stein 1992). Such transformation strategy hinges on a rational-deductive methodology and, therefore, a perpetuation of the modernisation by design and the civilising mission thesis (Onoge 1995) of the colonial period. It locates the problems of development in the failure of internal process and structures (Olutayo and Bankole 2002; Olutayo 1991) with the assumption that human beings are rational with predictable behaviour as epitomised in Weber’s ‘ideal type’. In this strategy is a return to the neo-classical model, which assumes that a free market economy will automatically lead to indicators that reflect scarcity and choice. That is, *ceteris paribus*, the free reign of the market will lead to efficient choice on what and how to produce, which are indicative of societal resource endowments. It is a way to introduce the trend in the American and Western Europe’s perception and way of life into Africa and the rest of the world (Nyerere 1998: 14; Hammouda 1999: 74).

In the 1980s, the IMF and World Bank presented a unified package, often in the form of an Economic Recovery Programme, as a condition for African countries to find a way out of the debt crisis. Central to this package is the rolling back of the state from the control of the economy, and encouraging rather a facilitator role. State capitalism that was endorsed in the colonial and the latter part of the 1960s is now perceived as a hindrance to development. In laying greater emphasis on market forces for the allocation of re-

sources, some of the policies that most African countries have now endorsed (since the 1980s) include: (a) removal of government subsidies and price controls; (b) significant devaluations; (c) cuts in public expenditure with deep public sector retrenchments; (d) privatisation; (e) relaxation of foreign exchange controls (f) an increase of interest rates to real levels; (g) the withdrawal of protectionist measures; and (j) an increase in agricultural producer prices.

By 2002, the Human Development Index measured in terms of life expectancy, educational attainment and adjusted real income by the United Nations Development Programme (UNDP) showed that only Mauritius (ranked 64 out of 177), Cape Verde (105), Equatorial Guinea (109) and South Africa (119) are in the top two-thirds of the UNDP's assessment. Most other rank 'low' with Burundi, Niger, Burkina Faso, Mali and war-ravaged Sierra Leone (most in the West African region) occupying the bottom positions. Even when Nigeria had not obtained any fresh loans since 1999, the debt stock increased from US\$30.99 billion in 2003 to US\$32.9 billion in 2004 (*African Review of Business and Technology*, September, 2004: 6).

Indeed, as Hammouda (1999: 74) has shown, the effect of the Structural Adjustment Programme (SAP) is an 'ambivalence between two societies: on the one hand, a modern society, ... integrated in increasingly globalised models of production and consumption, and on the other, a field of ruins spreading from Cairo suburbs to Algiers; from the Burundi and Rwanda countryside, where the world of marginality and exclusion extends, where violence, diseases, and drugs take their toll'. It is expected, as in modernisation theory, that there will be a trickle-down from the 'modern' to the 'pre-modern'—an assumption that did not earlier materialise. Insofar as the free market necessitates the creation of surplus profit, concern for the under-privileged who are always in the majority is out of the question. As Ake (1994: 4) posits in his 'Democratization of Disempowerment in Africa', since the IMF recommends liberal democracy which concentrates on formal pluralism of multi-parties and electoral competition, the ruling groups' organising principle can only be formal freedom, formal equality, respect for private property and government by consent rather than communitarian bonds and values of the majority of the African population who are rural. As such a free market economy will not touch on their real material and cultural needs.

### Conclusion

Recourse to history in perpetuity has been possible because the 'North', with the end of the Cold War, is able to control the IMF and the World Bank. Such control was and is possible because of the North's technological, financial and political strength vis-à-vis the 'South'. By the 1990s therefore, a

'new world order' emerged in which the super powers, under the leadership of the United States, could ride rough-shod over others in world affairs (South Centre 1992). The First Gulf War and the overthrow of Saddam Hussein in 2003 clearly show that the super powers can bring any dissenting nation into line. Indeed, the counter-revolutionary activities of Western intelligence agencies are no longer so hidden (see Ntalaja 1987 for the case of southern and central Africa), but constitute a blatant violation of the independence of other nations.

Of very great consequence, however, is the intellectual domination of the South by the North. Today scholarships and grants are awarded in order to influence the economic development of Africa through sponsored and pre-determined thematic research. Thus intellectuals are brought in line to conform with the North's perception. With this, technologies are imported and the intellectuals only become 'repairers' of these technologies rather than creators and innovators. Not only technologies, ideas about the 'ideal' way of life become North-centred such that a 'colonial mentality' persists. Insofar as this continues, the underdevelopment process will persist.

Put succinctly, the problem of underdevelopment in Africa has persisted because the paradigm within which development is being sought has not changed. Indeed, as Hopkins and Wallerstein (1996) summarised, the modern world capitalist system, which began in the sixteenth century and still persists today, is structured by six vectors which are mutually independent. These vectors – an interstate system, world production, world labour, world human welfare, social cohesion of states (nationalism), and structures of knowledge – perpetuate inequality with the US leading the dominant hegemonic structure over the Third World nations. In this unequal arrangement, nurtured by Newtonian science and liberalism, the oppressed and disadvantaged are sermonised with the idea of an

Inevitable triumph of an incrementalist convergence in human welfare as well as the eventual virtual elimination of violence that would result ... precisely from the increasing cohesion of the state resulting from lessening of inequality (Hopkins and Wallerstein 1996: 7).

Ironically, this inequality continues to deepen and violence prevails, as human conditions are typified by poverty, misery, and frustration. The world is continually being challenged to solve these problems but the dominant structures, being preserved, albeit in various forms, by the benefiting nations, continue to predominate in a rhythmic fashion. As historical systems have shown however, this cannot continue forever because

... there must come to a point when the trends create a situation in which the cyclical rhythms are no longer capable of restoring long-term (rela-

tive) equilibrium. When this happens we may talk of a crisis, a real 'crisis', meaning a turning point so decisive that the system comes to an end and is replaced by one or more alternative successor systems. Such a 'crisis' is not a repeated (cyclical) event. It happens in the life of any system, and signals its coming to an end. And it is not a quick event but a 'transition' ... (ibid: 8).

Such a 'transition' seems to have matured around the late 1960s when the foundation and relevance of 'science' were effectively questioned regarding its ability to deliver the inevitability of progress and prosperity for all.

In the social sciences, this criticism began with the *dependistas* who countered the idea of the inevitability of progress propounded by modernisation theory. They showed that on the contrary, underdevelopment is the result of the relationship between unequal partners in any exchange. Thus 'science' as the liberating principle ensuring 'progress' from rural to urban, or tradition to modernity or underdevelopment to development, is a ruse (for details on the subordination of 'science', see Lee [1996: 178-206]). Yet the idea continues to hold sway as the debt crisis in Africa, necessitated by her peripheral status in the modern world capitalist system, implies that this exploitation will persist. Ironically, at the intellectual level in the university, where the realisation of this strategy seemed apparent in the 1970s, the resulting coercion of the state (as it is pushed to withdraw from funding higher education) has weakened the academic unions such that there seems to be a collusion of the intellectuals with the state regarding restructuring. Entrepreneurial education, for example, being sponsored by international organisations (mainly US and Western Europe), is the new orientation with a view to lessening the 'burden' of the state as the largest employer of labour. It is, thus, part of the World Bank conditionality that is being satisfied.

Of significant interest, however, is the empirical evidence showing that the structure of the modern world system will only continue to perpetuate the underdevelopment process. The attempt to create entrepreneurs in Africa is not a new phenomenon. The colonialists started it. The independent states continued it, yet the result is glaring enough – failure! Such failure, again, at the risk of over-emphasis, is inevitable in a capitalist system, which thrives on inequality. In this structural arrangement, those who own or control the means of production are better able to accumulate capital (Ikeda, 1996). Entrepreneurial education therefore further requires the ability to own or control the means of production in the market economy. To be able to do this, for Third World entrepreneurs, means the ability to control consumption patterns which only the state can ensure. Yet the state is incapacitated due to the interstate system of the global economy characterised by the

removal of trade barriers for the global flow of manufactured goods under the General Agreement on Tariff and Trade (GATT). Consequently, the first level at which independent development can be assured is in the intellectual domain. Even though the initiative came from the 'North' due to intellectual crisis, and rather than resulting in contradictions and crisis, as Obono, (2004: 88) seems to posit, postmodern thoughts, beginning with the emergence of what was once referred to as 'everyday sociology' (Olutayo 2001-2002), the non-rational (or is it irrational) basis of scientific sociological theorising is exposed. Today, contextual analysis with emphasis on the socio-cultural milieu, rather than a generalised theory for all societies is the emerging framework for understanding societies. It was the generalised theory of society that informed the emergence and application of structural-functionalism (even in radically structured theory of Marx which attempted to subordinate the relevance of Marx's mode of production), and social action theories as the legitimate framework for understanding all societies.

The application of these theories resulted in an assumed linear development pattern characterising the underdeveloped societies in their expected movement towards the model of the developed nations. Basically, this is the manifestation as history is being repeated in the extended capitalist garb of globalisation and the continued underdevelopment of Africa. This historical trend can be broken intellectually through contextual analysis as shown in the *Concept of Mode of Production in the Analysis of Development* (Olutayo 2002). Otherwise what Onimode (1987: 30) refers to as 'bankrupt manipulative tools' which have misled African governments will continue to subsist. He states that it is only when this 'bankrupt scholarship' is combated and replaced by 'progressive scholarship' that socio-historical understanding of the societies become clearer and, therefore, the opportunity opens up of offering alternatives to governments. This may only be possible when Africans own and control their means of survival and produce in response to their survival needs. This will impact directly on African culture in such a way that knowledge dependence in language, dressing, information technology and so on will gradually wither until Africa becomes truly emancipated. For its realisation, the social life of the people becomes central. That is the environmental circumstances and social context are foundational to development. For instance, and with respect to the latter, information technology is foreign-language based. Until it is possible to invent IT based on African languages, development will be dependent.

The second level, of course, is for the government to appreciate the genuineness of this new research and theoretical orientation. This can only be a gradual process as the present situation is that of a 'dried fish' that

cannot be bent. As students are turned out with this new orientation, it is to be hoped that a new way of doing things will emerge, because of the immense influence of society on educational institutions. For African intellectuals whose ideas are not often taken seriously except when viewed against the 'western' paradigm, the need is to begin to create their own structures of knowledge relevant to their societies. Such creations are possible when existing indigenous knowledge systems are reassessed. These knowledge systems are the 'myths' and 'superstitions' surrounding the explanations about their existence that require new interpretations. This was what characterised the emergence of the modern world systems in the sixteenth century wherein new interpretations were given to philosophy and theology, thus separating the spiritual from the temporal (Shayegan 1992: 18; Hopkins and Wallerstein 1996: 7).

### Notes

1. 'Statement of Policy on Colonial Development and Welfare' in Supplement to Gazette No. 11 of 17 March 1940 (Presented by the Secretary of State for the Colonies to Parliament by Command of Her Majesty, February 1940).
2. Cmd 672, 'Colonial Development and Welfare Act: Report on the Use of Funds Provided Under the Colonial Development and Welfare Acts, and the outline of the proposal for exchequer loans to the Colonial territories' (Presented by the Secretary of State for the Colonies by Command of Her Majesty, February 1959), London: Her Majesty's Stationery Office.
3. C.S.O. 1/32, No. 123, 10 February, 1914.
4. Cmd 6175 op cit.
5. Since Lugard, or even perhaps before, the creation of a dependent nation/continent through colonialism was the aim; colonialism was thus the non-recognition of, or a rejection of, the hitherto existing culture; hence a need to superimpose a supposedly 'new'/'better' way of life.

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## **Globalisation and Labour Utilisation in Nigeria: Evidence from the Construction Industry<sup>1</sup>**

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### **Abstract**

This study examines the influence of globalisation on labour utilisation in Nigeria using the construction industry as a case study. It reveals that the era of globalisation has given rise to profound changes in the way labour is utilised, specifically in terms of employment patterns as well as the related issues of earnings, job security, unionisation etc. In effect, the way the worker is used by the firms in the industry is determined solely by the dictates of capitalism, i.e. the profit motive. The conclusion is that the consequences of globalisation have been unfavourable to the workers in the so-called 'semi-skilled' category. Thus, neo-liberal globalisation, contrary to the often-benevolent impacts attributed to it, has worsened rather than improved the situation of workers in the construction industry in Nigeria. This then calls attention to the need for inter alia a more focused regulation of the activities of Multinational Corporations (MNCs) and the enforcement of minimum ILO standards in member countries, especially in the developing world where the need to attract the all important foreign investment may override any other consideration.

### **Résumé**

L'étude examine l'impact de la mondialisation sur l'utilisation de la main-d'œuvre au Nigeria avec comme exemple l'industrie de la construction. Elle révèle que la mondialisation a engendré de profonds changements sur la manière dont la main-d'œuvre est utilisée, en particulier en constances de recrutement, de rémunération, de sécurité de l'emploi, de syndicalisation, etc. En effet, la façon dont le travailleur est utilisé par l'entreprise est uniquement déterminée par les

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principes du capitalisme, à savoir le souci du profit. La conclusion est que les conséquences de la mondialisation sont défavorables aux travailleurs, soi-disant, semi qualifiés. Ainsi, la mondialisation néolibérale, contrairement aux effets souvent bienveillants qu'on lui attribue, a détérioré la situation des travailleurs nigériens de l'industrie de la construction plutôt que de l'améliorer. C'est pourquoi il est nécessaire de porter plus d'attention à une réglementation plus ciblée des activités des Corporation multinationales et à une application des normes minimales du Bureau international du travail au sein des pays membres, particulièrement dans les pays en développement, où le besoin d'attirer les très importants investissements étrangers peut prévaloir sur toute autre considération.

### **Introduction**

Globalisation, which has been seen in various manner as the continuous narrowing of the gap between nations of the world (see Held 1997; Mittelman 1995; Sakamoto 1994; Campenella 1993; Held and McDrew 1993; Griffin and Khan 1992; Reich 1991; Albrow and King 1990; Ohmae 1990; Hobsbawm 1990), can be perceived as the most resilient factor in today's world. It implies a drastic reduction of distance both in time and space. In other words, globalisation has greatly reduced the obstacles imposed by spatial reality on interactions between nations. Globalisation has thus occasioned a far-reaching assault on state frontiers and a reduction of the communication barriers between states. With this surging socioeconomic reality, there has been the spread of influences, goods and artefacts from one end of the world to another. But just like in most other development related phenomenon, globalisation has created some unequal partnerships between the developed and the developing world. In this sense, the developing world can be seen as more or less the receivers or clients of globalising trends powered or supplied from the developed world.

For Giddens (1990), globalisation implies the intensification of world-wide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away. However, this definition gives the impression that globalisation is a balanced process of interchange or exchange between societies. Globalisation has been everything but a balanced process of interchange between the global South and North. In spite of the controversies that have trailed the concept ranging from its nature as a contested or paradoxical concept (see Geigher 1988; Cerny 1997) to its conceptualisation as a process occurring for ages now (Olurode 2003), globalisation can be clearly distinguished as a new dawn in the process of relationship and interchange between societies in the world. In other words, globalisation as now conceived signifies a new dimension in international relationship premised in reality on inequality between the South

and the North. In the case of Africa, some Authers conceive it as a historical process repositioning Africa between marginalisation and globalisation (see Olurode 2003).

Thus, globalisation as now obtains impoverishes and marginalises Africa. A situation which Nyang'oro and Shaw (1998) see as the outcome of the absence of an African viewpoint in the initiation and implementation of the global change processes of structural adjustment programmes and democratisation and in different world trade agreements foisted on Africa. This entails that globalisation's new routes to Africa were through economic reform programmes and the second wave of democratisation in the continent. In this sense one agrees with the contention that structural adjustment and global integration are interdependent and mutually reinforcing (Aina 1997). Thus, for our purpose here we see the point of departure of globalisation in Nigeria as the mid-1980s with the introduction of the Structural Adjustment Programme (SAP). Therefore I subscribe to the contention that 'the economic restructuring project was, therefore, a major component of the globalisation process introduced into Africa in the form of structural economic reforms known variously as economic stabilization programmes, economic adjustment policies, economic reform programmes or structural adjustment programmes' (Onyeonoru 2003: 39). The SAP is apparently a well-researched issue that need not detain us here. Suffice it to say that it was an economic adjustment measure allowing for the triumph of neo-liberal monetarist economic policies. Prominent in the case of Nigeria were the dominance of market forces, the retreat of the state from economic management, trade liberalisation, currency devaluation, reduction of non-productive investments in the public sector, rationalisation of the work force in the public sector, privatisation and general economic liberalisation, among others. In summary, the SAP in the view of one of its staunchest advocates, Nigeria's former Finance Minister Chu Okongwu, 'combines a nexus of measures aimed at promoting economic efficiency and long term growth with stabilization policies designed to restore balance of payments equilibrium and price stability' (Okongwu 1987: 4). From the eventual introduction of the SAP in the mid-1980s until the present Nigeria has been the willing recipient of the different influences of globalisation ranging from economic policies to social values and lifestyles.

As Lee (1997) pointed out, globalisation has aroused much concern regarding its social repercussions. Fundamental to such concerns are the effects of globalisation on employment, income or wages and labour supply and utilisation. These concerns can be seen as crucial in countries with an underdeveloped economic base. The influence of globalisation on the labour

sector can be seen as very prominent since the economic dimension of globalisation has been the most influential in government policy determination. In fact, the economic connotations of capitalism have led some writers to posit that globalisation is nothing short of the expansion of capitalist hegemony. Be that as it may, such globally propelled economic initiatives, as privatisation, liberalisation and commercialisation, have been instrumental in economic policies in Nigeria. These initiatives, which aim at restructuring and reshaping the economy, may have affected the dynamics of the labour market in the country. In this sense, labour market logic and labour utilisation may be affected by these policies.

Furthermore, the opening up of the economy to external forces on a free market principle may have spawned some enduring influences on the nature of labour utilisation in the country. This can be fully appreciated if it is recognised that while globalisation has meant the movement of finance, ideas and goods more easily across national boundaries, the mobility of labour has not improved likewise, especially in the case of the majority urban-based semi-skilled work force. The semi-skilled 'urban workers' constitute a good number of the workers in any major construction enterprise in Nigeria. These workers, while serving as easy source of labour for the industry, are incidentally marginal or vulnerable to economic processes within and beyond the industry. Thus, while skilled workers are relatively mobile in the global context, semi-skilled workers are largely immobile and often locked into the various sectors of the economy where they find themselves. Hence, while labour mobility has improved a little for the highly skilled workers, semi-skilled labour has become even more immobile.

As a matter of fact, the International Confederation of Free Trade Unions (ICFTU 1999) see trade liberalisation as exacerbating developmental inequalities, environmental degradation, workers' exploitation and gender imbalances. Therefore, the large proportion of Nigeria's labour force which falls into this category may be confronted by labour realities determined by globalisation. It is on this basis that this study seeks to find out the influence of globalisation on labour utilisation in Nigeria with specific reference to the construction industry. The study should be seen as an attempt to add to the existing empirical literature on the relationship between globalisation and labour. It goes without saying that labour studies have become more infrequent in Africa in spite of the tremendous changes witnessed in the labour process on the continent, especially in the context of globalisation. Moreover, most empirical studies on the construction industry in Nigeria were carried out prior to the era of neo-liberal globalisation. Thus this study is an attempt to bridge this critical gap in labour studies in the country.

### **Globalisation and labour**

Globalisation can be seen as largely responsible for rising inequality among workers, especially in terms of wages. In this case, the wage differential between the highly skilled worker and the semi-skilled worker widens disproportionately to the advantage of the skilled worker. In the same vein, the mobility of the skilled worker rises across international boundaries while that of the semi-skilled worker remains almost stagnant. In other words, a skill premium becomes prevalent. Thus globalisation, according to Dawkins and Kenyon (2000), engenders inequality in earnings in many Organisation for Economic Co-operation and Development (OECD) countries. But this trend is not only a phenomenon confined to one socioeconomic or geographic bloc but a growing reality in most economies of the world (Freeman and Katz 1995; Freeman 1995; Johnson 1997; Bound and Johnson 1992; Davis 1992; Katz and Murphy 1992; Gottschalk and Smeeding 1997; Gottschalk 1997). However as some writers have tried to find out (Dawkins and Kenyons 2000 and Paul and Siegel 2000), a question remains whether the wage differential is really a product of globalisation or are some other factors in the environment, particularly technology, working in concert with globalisation.

In this case, it is important to point out that in general terms a reasonable level of the difference in incomes or earnings between the skilled and unskilled workers may be attributed to the impact of technological changes (Lawrence and Slaughter 1993; Krugman 1994). In other words, as more and more technologies are introduced into the work place, the unskilled worker becomes more and more disadvantaged. However, this technology impact cannot totally or adequately explain the existence of this situation, especially in developing countries where the level of technological development and adoption is low relative to the developed world. Apart from this, our investigation in the Nigerian construction firms indicates that the so-called semi-skilled workers are those who operate the machines, use various tools and devices while the so-called skilled workers function mainly in administrative and supervisory capacities with the exception of a few engineers and technicians in the field. This situation is a product of the fact, as Adesina (2000) mentioned, that *credentialism* is still a big factor in labour classification in Nigeria. In such a situation, the possession of a skill without a backing certificate is hardly recognised.

However, what emerges from the above is that globalisation aided by technology breeds a disdain for semi-skilled and unskilled workers. This disdain may be conveyed in the way workers in these two important categories are treated in the global firms of nowadays. But this disdain voids labour standards and creates a situation whereby firms undermine the principle of

fair labour practice. In this case, the driving force becomes purely economic and the firms may as well lose sight of their social obligations and responsibilities. But the question of the nature of labour utilisation goes beyond the social, and has economic implications for both the individual worker and society concerned. As Lee (1997) suspects, the disdain for labour standards might not be unconnected with the neo-liberal views that a smaller role for the state will enhance the efficiency of the market. And a good way of doing this or limiting the role of the state is through a religiously followed privatisation and liberalisation package. In fact, these privatisation and liberalisation notions have been the pivots of economic globalisation in the developing countries. State intervention is seen as a more or less distorting and limiting factor on the growth potentials of the market, which is held responsible for most economic malaise ranging from unemployment to poverty. So in line with this current orthodoxy, the developing economies literally threw open their economies and the government retreated from intervention. However, this has led neither to economic growth nor to a significant generation of employment.

In spite of this, the World Trade Organisation (WTO), while facilitating free trade is reluctant to be drawn into the debate on labour standards. In this light, the WTO has argued consistently that labour issues are not its concern (BBC News, 22 October 1999). However, the concern with enforcing fair labour standards is driven by two different motives between the developed and developing countries. While the developed countries are afraid of the impact of cheap imports from the developing countries (lower wages and loss of jobs) on labour, the developing countries are faced with cheap wages for labour in global terms and the deepening of poverty. The WTO argues that even if individual jobs are lost, free trade boosts national incomes and prosperity as a whole. The views of the WTO that falling wages and job cuts are the products of technological change is supported by the OECD which contends that imports from low wage countries account for only 10 to 20 percent of wage changes in developed countries (BBC News, *Ibid.*)

The era of globalisation may have led to brighter prospects for highly skilled workers in the developing countries generally. In this case, a number of such workers have migrated to countries where their labour fetches them a larger earning power measured by the standard of the reigning international currencies. This emigration has occurred in only a few fields where the emigrants have some comparative skill superiority over a majority of the hosts. This sort of emigration from Africa to Europe and America is very prominent in the area of sports. A good example of this type of emigration was well illustrated in the popular French national football team of the 1998 and 2006 World Cup finals where the team was built on a core of players of

African descent or origin. But this form of labour migration has aroused the concern of the developed countries over globalisation. This concern borders on the fact that cheap labour from outside threatens employment for indigenes. It may also create a situation whereby cheaply produced goods using cheap labour from the developing countries will weaken the competitiveness of home industries or firms. Such concerns are not ill founded. In fact, recently a South African sports administrator opined that the influx of foreign football players from other African countries had lowered the wage demands of the indigenous players, although it has strengthened the league. In other words, even though the developed world may be the attraction of labour migrants, the above illustration shows that such a backlash from globalisation may not be limited to the developed countries only. Hence, the need to restore the dignity of all forms of labour and ensure compliance with labour standards may be a global task. In spite of this, the developing countries may be worse off. Apart from the deepening of poverty engendered by cheap labour, the local industry may stagnate and the enormous capital flight from these economies will eventually undermine any real growth. Based on the foregoing, I will now examine labour utilisation in the era of globalisation in the developing countries.

### **Globalisation and labour utilisation in the developing world**

The impact of globalisation on labour can be seen as lying largely within the discourse on the social implications of globalisation and its key elements in Africa – the SAP, and subsequent economic liberalisation (couched largely in terms of the retreat of the state and privatisation, among others). In this case, quite a lot of work has been done on the social implications of the economic adjustment programmes (Bourguignon, de Melo and Morrison 1991; Dorosh and Sahn 1993; Watkins 1995; UNRISD 1995; etc.). In addition to the adjustment programme, African countries have now been cajoled by the Bretton Woods Institutions into joining the new orthodoxy of open market economics, economic liberalisation or what is called neo-liberalisation in Latin America as well as the over-crowded train of privatisation, often in the name of post-adjustment macroeconomic management. However, apart from the concern which these have raised over income, poverty and the general welfare of workers, little or no attention has been given to the link between globalisation and labour utilisation.

It might be instructive to point out at this juncture that globalisation did not start the inequality between the two classes of skilled and semi-skilled workers. In fact, Slaughter (1999) has traced this inequality in the case of the United States and a number of European countries to the 1970s. In spite of this, the basic point is that the advent of globalisation may have further

widened this gap and created more fundamental social inequality, particularly in the developing countries where the educational difference between these two classes of workers is often gaping. It is obvious that skill is mostly a product of education or prior learning, training and experience so those who are not really educated are hardly considered as skilled by developing countries standard.

The concern with the impact of globalisation on the utilisation of labour in developing countries can be seen as significant in the sense that it addresses a key element informing the formation of the International Labour Organisation (ILO). This element is the social justice or humanitarian concern over the conditions of labour. In this case, the ILO tries to achieve worldwide labour conditions devoid of hardship and privation. When this concern is married to the need to eliminate the negative cross-border externalities in countries failing to observe humane labour conditions, it becomes very necessary to continually interrogate the impact of globalisation on labour conditions. Since globalisation is all about narrowing and eliminating socioeconomic boundaries among nations, it seems logical to expect that global labour conditions and standards might be the norm. But in developing nations, it would appear that as globalisation ushers in an onslaught of foreign or international competitors on the local scene, the labour conditions are left entirely to the vagaries of the workers and the dictates of these international employers.

The main question then has to deal with the apparent wanton disregard of the ILO standards long adopted by member nations. Whilst these international or multinational employers have neglected these standards in order to maximise profits, the developing countries, including Nigeria, have been hard put to really enforce these standards. The reason, apart from the apparent political motive to be accepted as a free country (democratic and liberal), is the need to abide by the current economic vogue of liberalisation and openness. Moreover, these firms are seen as rendering essential services especially in the technical sectors and boosting employment in spite of the conditions under which workers in such firms work. The firms engaged in unfair labour practices and disregard of standards are basically driven by profit. In other words, they do not agree with the submission of Freeman (1995) that there is neither conceptual nor empirical proof to show that a higher labour standard is synonymous with higher labour costs. Therefore, for these firms the name of the game is cutting costs.

It may be interesting to point out that the concern with child labour in the developing nations even though well-founded often reduces the significance of other adverse conditions of labour which border on excessive hardship and privation. Therefore, the impact of globalisation goes beyond debates on



its effects on child labour and includes the labour conditions either engendered or perpetuated by globalisation. This seeming disregard of labour standards in the developing countries in the last two decades calls attention to the need for a more result-oriented approach to the problem. As Lee (1997) shows, the opinion of some developing nations that it may be time to get tough with violators of labour standards is in order. The mere use of moral persuasion and voluntary compliance may not suffice. There may be a need for the international community to evolve more productive mechanisms for enforcing labour standards and ensuring the humane and fair utilisation of labour in spite of the skill content. This is really important, since the cognition that the economic position of the developing countries and their desire to join the train of the developed nations weaken their ability to really enforce any standard on foreign or international competitors who see themselves as involved in an economic rescue mission.

### **Globalisation and labour utilisation in Nigeria**

The expression 'labour' as used here may more appropriately refer to the working population. The fate of the labour class in Nigeria has been the focus of externally sponsored economic initiatives since the mid-1980s. Adesina (1994) argues strongly that the adjustment programme in the country introduced in 1986 and which took its toll on Nigerian workers was based on a fallacy that sees the average African worker as an over-paid and pampered worker. According to him, this apparent falsehood was one engendering force behind the introduction of the programme. On a similar note, Anugwom (2000) has seen the wrong conception of the reality of the African worker by external agents as originating from the backward sloping supply curve of African workers made popular by colonially inspired literature of the 1960s and 1970s (see for instance Arrighi and Saul 1973). This notion argues that the African worker is one of the least productive in the world and labour supply in Africa is inclined towards reduction as the wages increase. In fact, it states that beyond a particular wage level, Africans will stop submitting themselves to labour but concentrate on enjoying what has been earned. This thinking subsequently informed the colonial attitude to Nigerian workers and was carried over to the post-colonial period.

It might be helpful to point out that the adjustment programme marked a very significant impact of globalisation in Nigeria. As has been well-documented (Adesina 1994; Anugwom and Anugwom 2000) the programme was a massive package of macroeconomic panaceas from the Bretton Woods Institutions for the ailing Nigerian economy. However, the adoption of this panacea has not helped the economy of the country in any significant measure. Hence, it might be in order to question the basic premise underlying the

adjustment programme and subsequent post-adjustment economic policies in the whole of the continent. This is especially the case when it is remembered that even though more than thirty African countries embarked on various forms of the adjustment programme, Gross Domestic Product (GDP) stagnated in sub-Saharan Africa and per capita consumption fell in twenty-three out of forty-one African countries during the same period (Demery and Squire 1996). It is crucial to emphasise that the effect of the adjustment on the labour sector was not totally unforeseen. As a matter of fact, the adjustment programme aimed at a reform of the labour sector in Nigeria. Thus, the World Bank (1994) saw this as central to the implementation of the programme. This effort to make the labour market flexible created unmitigated wage failures and long-lasting unemployment and can be seen as the nucleus of the problems of labour today (Anugwom 2001). Even the romance with the so-called post-adjustment economic measures today has been nothing short of the same macroeconomic policies, namely trade liberalisation, floating exchange value (market driven), privatisation and commercialisation, government withdrawal from social provisioning, decreased public sector spending and investment (retrenchment and rationalisation of the civil service) etc. As a matter of fact, the Nigerian government is currently toying with the idea of laying off about 33,000 public sector employees (*Daily Independent* 2006).

### **The method of study**

In order to concretise the influence of globalisation on labour utilisation, we undertook a study of the construction sector in Nigeria using three firms as case studies. 'Construction' in this context refers specifically to the road construction (civil engineering) sector. The choice of the construction industry is a product of the fact that the major firms in this sector are multinational concerns and as Sawyerr (1999) has argued, the multinational or transnational companies have been crucial means for the expansion of globalisation. Therefore, the choice of the construction industry in a study of globalisation in Nigeria was borne out of the verifiable fact that almost all major players in the industry are multinational or foreign firms. Thus, one should expect to see the impact of globalisation on these firms as they are either expectedly run on the dictates of their headquarters or on some global template. We purposely chose three firms who have been part of the sector for at least five to ten years now. In order to take cognizance of the different sizes of firms in the sector, we first ranked the firms into three categories of large, medium and small scale (the three firms chosen can be seen as representative of the construction industry in the country in as much as they are

typical of the three scales of operations in the industry) using such criteria as: length of involvement in the sector; national visibility; number of permanent workers; average number of contracts per annum and capacity (measured by possession of equipment, technical know-how and networking) since the national specification based on the stock capital and number of employees is ambiguous and the industry makes use of a higher percentage of temporary than permanent workers. Using these criteria, the following firms were selected:

Firm	Scale	Capacity*
1. Strabag Construction Ltd	Large	8 points
2. Monier Construction Co.	Medium	6 points
3. Enerco Nig. Ltd	Small	4 points

\* Evaluation of each firm on the criteria listed above under a total score of ten points

We studied the above three firms engaged in road construction in Nigeria using a combination of the interview and observation techniques. Given the predictable hostility of the firms to this type of study, we ruled out the use of the questionnaire and rather engaged the workers in informal but in-depth interviews. Also, the workers interviewed in each firm were purposely selected using the two major criteria of (a) accessibility and (b) level of rank or skill. In accessibility, the study targeted workers that could be approached and who were willing to talk under assurances of confidentiality. Because of the core objective of the research, the focus was on those workers described by the firms as semi-skilled. We must admit that our usage of the expression 'semi-skilled' is rather restricted. In this case, the major difference between workers in this category and those in the skilled category in the construction industry is formal education. In other words, these semi-skilled workers are often more adept at using devices and equipment than some of the so-called skilled workers.

A total of forty-five workers were interviewed (that is fifteen workers from each firm). These interviews were recorded and later transcribed. All the interviews took place between August and November 2000. The study made use of six research assistants divided into three pairs. Each pair took charge of each firm and the interviews were conducted in the areas where the firms had considerable construction work. The interviews took place in Lagos,

Abuja and Port Harcourt (Rivers State). In addition to the workers, three management staff of each firm were interviewed in order to achieve some form of balance in opinion and establish validity. Prior to the fieldwork, the research assistants who are graduate students of the University of Nigeria were trained for two weeks regarding the purpose of the study, instrument administration, translation and interview skills, etc. It is from the result of the interviews and the recorded observation of the researchers that the following discussion was drawn.

### **Globalisation and labour utilisation in the Nigerian construction industry**

The findings of our study reveal the following effects of globalisation on labour utilisation in Nigeria: the re-emergence of casual labour, short-term employment, poor earnings, global control of the economy and de-unionisation of workers. These findings are detailed below:

#### **The re-emergence of casual labour**

The construction firms, as our study revealed, rely enormously on the use of casual labour. Casual labour used to be popular in Nigeria during the colonial era and a few years after independence but declined since the mid-1970s except in cases of people who are basically illiterates and did not spend more than the first six years in formal schooling. Moreover, such people are usually located in the informal sector of the economy. But in these firms it is casual labour with a difference. Most of the people engaged in this sort of work are school certificate and even diploma holders. They are employed in such capacities as clerical assistants, messengers, road surveyors, drivers, etc. The casual workers are ideally daily-paid workers but in these firms, with the exception of one of them, the casual workers are paid at the whim of the firm.

One of the casual workers who spoke to us in one of the firms said he was an unemployed diploma holder in Marketing before joining the firm. According to him, 'I had to join this company after being without a job for four years. I'm just trying to manage, at least I can go out every morning like other people'. On further probes, he revealed that he was motivated by the need to see if he could save money and pursue a university degree in Business Administration. Another youth in his twenties joined the construction firm immediately after his secondary School Certificate training. Poverty, according to him, could not allow his family to train him up to university level in spite of the fact that he possessed the qualification needed for university admission in Nigeria.

What emerged clearly from our study was that only about 10 percent of those occupying casual labour positions in these firms are qualified by virtue of their lack of education and/or experience to be in such positions. The others were induced into the work by poverty, unemployment and frustration. This is especially where the social hardship caused by the economic liberalisation programmes has become enduring in Nigeria. The hardship envisaged at the onset of the adjustment programme was supposed to be for a very short period but as the UNRISD (1995) study has shown such was not the case. In Nigeria, the adjustment created a burgeoning urban unemployment population and exacerbated poverty (Anugwom 2001; Bafyau 1992; Adesina 1994). The adjustment programme really fostered the need for countries to deregulate the labour market. In fact, this was an important policy thrust of the economic liberalisation in Nigeria where reforms of the public sector hinged on work force rationalisation and the restructuring of the sector (Onah 2000). This was a euphemism for retrenchment and a mass purge in the civil service. This policy led to the unpopular retrenchment or labour rationalisation exercises between 1986 and the early 1990s and which continues in different shapes to date (for instance, the so-called monetisation of civil servants allowance which has led to the disengagement of lot of support staff in the public sector). Therefore, even now, the emphasis on privatisation and a declining socioeconomic role for government has meant continuous retrenchment or labour rationalisation for all three tiers of the government. The only difference today is that such retrenchment is effected in small doses and is without the publicity of the previous years. This is understandable in the context of the current democratic spirit and the need of the ruling party to perpetuate the nice guy image. All the same, more people are daily thrown onto the unemployment market and those with any form of employment strive to hang on. However, the casualisation of labour in the period of globalisation may not be by any means a developing world reality only. As has been reported by Kennedy (1998) and Lavalette and Kennedy (1996), the abolition of the National Dock Labour Scheme in Britain in 1989 has led to the re-emergence of casualised, insecure and stressful work condition in the industry. This situation is linked by Kennedy to the re-emergence of the commodification of labour which globalisation has produced.

#### ***Short-term or temporary employment***

This type of employment in the construction industry in Nigeria is closely related to casual employment. However, this form of employment is relatively better in the sense that it enjoys a higher status than casual employment in the rating of the firms studied. But just like casual employment, the

workers employed here have no job security. They are usually employed for the duration of a particular contract or job. But they may be dismissed any time the firms want to do so through one of the managers or site supervisors. The irony of the whole situation is that the firms recruit more than two-thirds of their work force from this category of workers. As our investigations revealed, in each project site there are usually less than ten or at most fifteen permanent staff of the firm while the rest are the short-term or casual employees. Workers in this category are seen usually as semi-skilled (using the rationale of *credentialism* which is very popular in Nigeria) by the firms in spite of the fact that they are engaged in jobs requiring a considerable amount of sometimes complex skills.

Again our interviews with some of the workers in this category show that workers in short-term employment are usually those who have prior experience of having worked in such or similar capacities with construction firms. This may explain why they are also paid more than the casual workers. However, the workers here on the average possess quite considerable skills in the construction sector. This is really a source of worry since one would have expected such workers to form the bulk of the regular or permanent work force of the firms. Again, most of the workers in this category are relatively older people who have been around for some time. One of our respondents in the small-scale firm, a man in his late fifties, informed us that he has been engaged in that occupation for the last twenty years. In his own words, 'I have worked with at least five of the biggest construction companies in this country, starting from Julius Berger, Dantata, RCC ... I mean and others'. Based on this information we sought to find out the reason for the high mobility on his part. He answered, 'my brother when the white man asks you to go, you go or when the construction finish you have to go'. But we went further to inquire if his mobility was a result of his lack of skill but he retorted, 'look if I have the machinery, I can build a road. What is there'?

This notwithstanding, we found out that these workers are usually aware of the short-term nature of their employment. In fact, a middle-aged operator of an earth-moving machine informed us that they are employed mostly for the duration of a specific contract. Therefore, with the expiration or conclusion of the contract they are disengaged. Asked why they submit to this type of employment, he argued, 'it's almost the same in all other construction companies in the country, unless you are very lucky or you want to go outside and find another job but some of us cannot. I for example cannot at this age begin to learn a new trade or occupation, this is the only thing I do well'. Obviously, the firms are capitalising on the structure of the economy and the locked-in nature of the skills of these workers to exploit them.

### ***Poor earnings***

The inhuman utilisation of labour is closely related to the whole issue of income distribution. Those who are exploitatively utilised, as we conceive of it in this paper, are usually marginal to the labour process, underpaid and insecure. In this position, they are exempted from whatever effort is made towards income redistribution. It is beyond argument to state that income distribution is cognisant of labour market status (Rogers and van de Hoeven 1995; Lachaud 1994). In this case those who occupy perceived lower labour market status and whose incomes are low are usually the core target of well-planned redistribution efforts. But this can be hampered when such workers are marginal to the whole labour process. In such a case, a culture of very low income or earning is perpetuated and the workers are impoverished. This situation aptly captures the plight of a majority of workers in the construction industry in Nigeria.

It may actually be inappropriate to label what these workers are paid as wages or salaries. The workers are paid a pittance in comparison with their exertions. Even what Strabag, which is the best paying of the three firms, pays can still be labelled a pittance since it is grossly inadequate vis-à-vis the economic realities facing the workers. It is important to point out that unfair labour standards or the exploitative utilisation of labour the unavoidable outcome of poverty and underdevelopment does not correspond to the real situation. In fact, the empirical evidence indicates that the exploitative use of labour and a gross neglect of international labour standards especially in some industries like construction perpetuates poverty and is a product of the premeditated intention of maximising profit. Therefore, labour exploitation in the form of irregular or temporary employment, job insecurity, inadequate and irregular wages etc., exacerbates poverty and militates against the growth of the economy.

In addition to the very poor pay, the workers are regularly owed money beyond a reasonable pay day. In fact, in one firm, the workers claimed they had not been paid for close to four months. We found out that on the average the workers are paid about the equivalent of between sixty dollars and hundred dollars a month as the total take home pay. This pay is grossly inconsiderate of the prevailing economic situation in the country, since the worker can hardly live on such a stipend. As a matter of curiosity, we asked a man who works in the road-surveying unit of one of the firms how he copes with such a sum of money monthly. According to him, his wife also helps in the up-keep of the family since she sells petty goods in the market in his village. He had been forced to leave his wife in the village about 500 kilometres away. We found out that this was a normal practice imposed by economic

realities on most of the workers with families. The idea is for the family to manage to eke out a living out of farming, trading, and other informal economic activities in the village or another location, preferably a semi-rural environment where the cost of living is considered relatively cheap while the man goes to work and sends home money periodically.

One tool open to workers to redress grievances is collective efforts, for instance, the trade union. But as one of our respondents argued, these construction firms seriously frown at unionisation and those who attempt any serious workers' association are most times quietly eased out. There are however exceptions but mainly among the so-called skilled workers. In fact, unionisation among these workers is difficult considering the nature of their employment (we will look at this later). However, the sad part of this employment scenario is that as mentioned elsewhere a lot of these so-called semi-skilled workers are employed in really high skilled positions as machine operators, mappers, surveyors etc. Apart from this, these workers are not paid on weekly or daily basis but have most times accumulation of unpaid earnings running into months. As one of respondents in the middle scale firm indicated, 'paying salaries here is at the determination of the big men. They pay us sometimes once in three months, so that every time, you are owed arrears of salaries. My brother, it is a hard life'. This situation is worsened with the payment of low wages.

The wage level is really deplorable given the fact that the official minimum wage in Nigeria currently ranges from about forty dollars a month (for the least paid state employees) to about fifty-five dollars a month (for federal employers) (using the street exchange value of the dollar to the Naira as at May 2006). Thus, the official take home earnings of the least paid unskilled public sector worker can be pegged at a minimum of between one hundred and one hundred and fifty dollars. And the equivalent of some of these workers, i.e. semi-skilled civil servants, earn as much as three hundred dollars a month in the public sector and even much higher in some other sectors of the organised private sector, for instance, the oil industry. Even though one of the firms is better in terms of wages, there is all the same no significant difference in their treatment of workers in this regard as our investigations revealed.

Because of the cost-saving nature of this labour practice, these firms end up recruiting only about a tenth of their entire work force as permanent employees. Even if one concedes to the argument that given the seasonal fluctuations in the fortunes of these firms (fluctuations arising from weather conditions and patronage), only less than half of the present number currently employed as temporary workers should be thus employed. Also, there is need for those recruited on a temporary basis to receive fair treatment. In



other words, temporary employment should not be synonymous with social injustice, hardship and privation.

### ***The De-Unionisation of workers***

We discovered that over 70 percent of the workers in the construction industry are not active members of any industrial union. Apart from the animosity of the firms towards labour unionisation as confirmed by various sentiments of the workers interviewed, most of the workers argued that by the nature of their work they hardly find time for unionism. In the views of one of them, 'we don't have time for that. People are always out working till late and sometimes work far into the night depending on the schedule'.

The legislation in the country on unionisation, as apparent in the definition, empowers even those on temporary employment to form unions. As Yesufu (2000) and Otobo (2000) reveal, the latest trade union law on this matter known as the Trade Unions Act of 1973 sees trade union as the combination of workers, whether temporarily or permanently employed, targeted towards regulating the terms and conditions of their employment. The inability of the workers to come together largely because of terms of employment solely determined by the employers creates a critical lapse which is utilised by the firms studied in subjecting the workers to various forms of inhuman work situations. This is really where the central labour organisation, the Nigeria Labour Congress (NLC), should play a crucial role in sensitising workers marginal to the labour movement on their full rights and the benefits of unionisation. It goes without saying that the wrong use of labour militates against improving the quality of working life in Nigeria. As Oribabor (1993) argues, the trade union has a role to play in this regard. The efforts of the union can be guided by the desire to humanise working conditions and ensure the protection of the rights of the average worker. In the continued onslaught of globalisation and the changing work situations nowadays, workers generally stand to benefit more through concerted collective efforts rather than as individuals. The ILO, to which Nigeria belongs, guarantees the full rights of the worker under a democratic and humane working environment as well as the pivotal role of collective bargaining in the labour process.

### ***The foreign control of the economy***

The past two decades in Nigeria have witnessed a gradual but considerable control of the economy by foreign or multinational concerns representing largely external interests. Nowhere is this more pronounced than in the oil and civil construction industries where all the giant firms are multinational enterprises. Even where it appears as if Nigerians are in charge, they are nothing but the surrogates for the foreign owners. The firms we studied are

characterised by this ownership pattern. In fact, in Strabag and Enerco, the entire crop of senior managers and engineers are non-nationals. This of course is not the result of the dearth of qualified Nigerians but the deliberate recruitment policy of the firms concerned. This more or less is the recruitment policy, as it were, of the other big players in the industry. While this may sound all right in the spirit of globalisation, it has created a situation where the firms have disregarded their corporate social responsibilities and perpetuated a culture of strictly business and profit. As a result, the inhuman treatment of workers can be partially explained by the ownership structure of the dominant firms in the industry concerned. These firms are multinational construction concerns.

In spite of this, Ahiakpor (1992) argues that multinationals perform very beneficial services in developing countries and are not given any credit for this. Ahiakpor, adopting a stand akin to the neo-liberal arguments of many African leaders and the World Bank, contends that the multinationals provide opportunity for people to earn higher incomes and consume improved quality goods and services in Africa and other developing countries. As obvious from the foregoing presentation, our concern is not with the provision of employment but the condition under which such employment takes place. Thus, while we agree that the corporations provide employment, we are worried about the nature of labour utilisation in such firms. As we found out in the case of the multi-national construction firms in Nigeria, the workers are underpaid and inhumanely utilised. Our thinking is that Ahiakpor has fallen into an uncritical desperate development syndrome in which anything goes so long as at the end of the day it will bring development to Africa. For one it cannot yield genuine or sustainable development and secondly, multinational corporations (MNCs) are not on any form of rescue mission, they are in it for the profit. Therefore, there is need for their activities to be closely regulated, as they impact on the people and the environment. Moreover, Nwosu (1997), while accepting the job creation role of MNCs, argues that their labour absorption capacity is low because they are interested in maximising profits. This mindset may partially explain why the firms we studied preferred to use over 60 percent of their work force on temporary or casual basis. Despite this, Nwosu concludes that the enormous debt burden, corruption and poverty currently existing in the developing countries do not really portray the MNCs as agents of economic development.

It is really important to emphasise that globalisation especially in the form of the adjustment programme, post-adjustment economic liberalisation (privatisation) etc., have further entrenched MNCs in many economies in the developing world including Nigeria. In a very passionate write-up, Akomolafe

(1994) sees the MNCs in Africa as pursuing a slash-grab-and-run policy that militates against the development of the African continent. Incidentally, he illustrates this policy with the Nigerian case of the Ogonis and the Royal Shell oil company, known as the Shell Petroleum Development Company (SPDC) in Nigeria. However, while we sincerely do not want to join issues with Akomolafe on the controversial and complex Ogoni-Shell relationship (which has been made a human rights issue now in Nigeria), we agree that the MNCs have not given enough to either the environment or the work force, and that this is the picture we got from the construction industry in Nigeria.

***Refuting the facts: The management's response***

Efforts to interview the core management of the firms were unsuccessful, however the supervisors and managers who were interviewed ascribed the prevailing labour situation in the firms to official company policy. According to one site manager in Abuja, 'the company is run according to laid-down procedures that has nothing to do with what you or I think'. Pressed further, he replied, 'what you see here is synonymous to whatever you will see in any firm of this type in this country'. But another manager was frank enough to tell us that, 'the workers were not forced to work here, they can go if they like'. Reminded that the pay was not really anything to write home about, he retorted, 'well like I said the choice is that of the workers. If you don't like the pay you leave, it's as simple as that'. One site supervisor in Lagos was more forthcoming, while agreeing with most of the points we raised regarding unfair labour utilisation in the firm, he told us that most of the workers are veterans of the construction industry and can hardly fit in properly anywhere else. In his own words: 'Given the fact that there is almost little or no difference in the way the various companies deal with site workers; they (workers) have not much choice'.

The question that raises its head in this form of comment is whether the firms are engaged in some form of collaboration against the workers. The management denies this vehemently. Be that as it may, the firms obviously are taking advantage of the economic situation. In this sense, they are aware of the desperation of most of the workers to keep a job.

**Discussion and conclusions: The labour – globalisation interface**

It must, however, be pointed out that relating working conditions in indigenous enterprises to those in multinational ones even under globalisation would amount to the incomparable. This is because the multinational or foreign firms apart from sheer economics of scale advantages are usually mega-

capital firms with astounding profit margins in different regions of the world where they operate. The above picture contrasts sharply with the struggling-to-survive stories of many indigenous enterprises in Nigeria. In fact the Manufacturers Association of Nigeria (MAN) 2006 Report paints a dismal picture of the sector. According to the Report, only ten percent of manufacturing companies in the country are still operational, and capacity utilisation has declined to 48.8 percent (*The Guardian* 2006). Incidentally the fate of the manufacturing industry in Nigeria is not anyhow much different from those of other indigenous economic concerns with the possible exception of the banking industry. Lee (1997) captured the adverse effect of globalisation when he attributed the questioning of labour standards to the increasing globalisation of the economy. According to him, this has raised the priority accorded the promotion of international competitiveness in the rhetoric of public policy. A common view is that heightened international competition as a result of globalisation increases pressures to cut costs, including labour costs, and to achieve greater flexibility in the production system. Thus, governments keen to retain and attract foreign investments make concessions and look the other way while the workers, especially in the face of the debilitating unemployment scenario in most developing countries, are more or less helpless.

The above sentiments succinctly capture the case of Nigeria. Since the advent of the long awaited democracy, the government has gone all out to attract foreign investment in all forms. In fact, a good reflection of the seriousness of the government in this regard is shown by the fact that there is a standing instruction (anonymous source – Nigeria Immigration Service; personal discussion, 11 January 2005) from the Presidency for expediting entry visa requests by foreigners. This coupled with various economic trips abroad by government personnel have yielded results in almost all viable sectors of the economy as the foreign influence has become almost over-bearing. This is particularly the case in the construction industry where the technical nature of the work has made foreign involvement *ab initio* inevitable.

While we agree with the fact that there has always been foreign involvement in the Nigerian construction industry right from the onset, obviously because of underdevelopment in the early years of independence, such original big players like Brown Boveri, Reynolds Construction Company, RGC, Guffanti, Julius Berger, Monier Construction Company etc., have been joined by other big players hitherto uninterested in Nigeria, and a plethora of middle scale international firms. This influx as it were has been since the late 1980s. The overwhelming presence of these MNCs is especially significant in the oil sector too. Apart from an increase in number, there has been a larger scope of operations for these firms in the last decade. This has created a

predictable impact on indigenous firms. In other words, the foreign or international firms have blossomed and taken over, with a resultant competition among them in the Nigerian market. A good illustration of the phenomenal growth of these firms can be given with the case of Strabag Construction Company. This firm, prior to the 1990s, had a very small stake in the Nigerian construction industry. But since the 1990s, Strabag, using a combination of technical expertise and political patronage and of course the liberalisation of the economy has grown to be one of the biggest competitors in the Nigerian market. Another case is the increasing involvement of Lebanese and Israeli firms in the construction industry in the country (for instance Enerco and HFP). Thus, the era of globalisation has witnessed a tremendous growth in MNCs in the construction industry with various implications for the economy of Nigeria.

Therefore, the adverse utilisation of labour, as we found out was the case in this sector, affects other situations of the workers involved. Hence, when the firms are led by profit motive to exploitatively utilise labour, under the pretext that such labour is of the semi-skilled type, then it is obvious that such workers will face declining earnings and poverty. The emergence of this situation even in the present times is indeed worrisome. This is more so when we take cognisance of the fact that the extant literature reveals a continuous inequality of income or earnings over the years in Nigeria (Aigbokhan 1997; World Bank 1996). Perhaps it is instructive to point out that the working conditions of the construction workers were not significantly better in the pre-globalisation era. But while this is true, it may be crucial to underline the fact that globalisation as this study shows has entailed a further increase in both the intensity and scope of negative labour practices. The increase in construction activities in Nigeria and the inflow of finance into the sector have meant the utilisation of a great number of workers while unfortunately not allowing the improved fortunes in the finances of the firms to impact on the workers. But equally significant is that the apparent failure of globalisation to improve the situation of workers in the construction industry contradicts the rosy picture of the influence of globalisation often painted by its advocates.

It may sound too general to conclude here that neo-liberal globalisation has led to a deterioration in workers' income and working situation in Nigeria. However, Onyeonoru (2003) arrived at very much the same conclusion in an impressive study of globalisation and industrial performance in Nigeria. Specifically, he links globalisation to tendencies towards de-industrialisation in Nigeria. As a matter of fact, a recent MAN Report (2006) sees economic reforms in the last couple of years in Nigeria as doing more harm than good and severely cutting jobs and number of operational enterprises in

the country (*The Guardian* 2006). Earlier on, Thomas (1995) argued that research on labour markets in Africa indicates dramatic falls in wages for workers as well as a shrinking labour force due to privatisation and de-industrialisation. It might also be crucial to mention once more that the inappropriate use of labour in Nigeria's construction industry may have predated globalisation. However, our basic finding is that globalisation heightened this practice and gave it some form of conventional seal. Evidence indicates that prior to the mid-1980s there were less than ten multinational construction firms in Nigeria. This number has more than doubled in the last decade (Federal Ministry of Works and Housing 2005, Abuja). Globalisation in this context should be understood in the sense of heightening global influences and values over the last one and half decades in Nigeria. Apart from the real exploitative usage of wage labour, this phenomenon has created a scenario whereby the national economy in Nigeria is mainly in foreign hands. This situation was recently portrayed in one of the soft sell magazines in Lagos, where an obscure Lebanese was reported as being behind the endless fuel scarcity in Nigeria.

The huge foreign presence in the economy is a direct product of the adjustment programme and other subsequent macro-economic liberalisation policies such as the privatisation policy. The privatisation exercise, which first began under the rubric of the adjustment programme, is currently being executed as part of the so-called post-adjustment macroeconomic policies by the government in Nigeria. As a matter of fact, apart from the energy and oil sectors, the government has virtually given up control of the other sectors of the economy. Privatisation as has been argued elsewhere is not synonymous with economic development and often negates the interest of the majority in an underdeveloped and corrupt economy (Okolie 2000). The demands of a speedy externally driven privatisation have created a situation where government has retreated from even social provisioning. As a result, the government's involvement in key social sectors has been declining over the years. For instance, in the area of housing, the government has carefully disengaged itself since the early 1990s by sponsoring a privatisation of housing and the provision of public sector workers housing through pooling together of workers' resources and a loans scheme in a largely comatose National Housing Fund (NHF) (Anugwom and Anugwom 2000; Anugwom 2000).

Given the above realities of globalisation, the African worker is far away from occupying the privileged aristocratic position articulated by Arrighi and Saul (1973) in their famous Labour Aristocracy Thesis. Again, the African worker nowadays is equally distant from being a partner in the expropriation of rural surplus as posited by Lipton (1977). Against the foregoing apparent

truisms, I posit the notion of the *instrumental use of labour* in the era of globalisation. In this situation, as our study shows, the utility of labour and how the worker is used is strictly determined by the dictates of the profit motive. However, given the need for some form of coordination, collaboration and recognition of skill, the global capitalist gives some limited preference to a select few workers in the firm even though this does not transform these few workers into aristocrats of any form. This contention is well supported by the situation in the Nigerian construction industry.

Finally, the solution to the problem may be through the government overcoming its dread of the flight of foreign investment and desperate development syndrome. From this standpoint, the government should effectively regulate the activities of the MNCs, especially in the area of labour utilisation. It can work in concert with the ILO on this issue. Also, there is need for the NLC to step into the construction industry and help the workers in articulating their terms of employment. A good starting point might be in a redefinition of what constitutes semi-skilled labour and the enthronement of a wage level commensurate with the national average in the formal sector of the economy.

### Note

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## **Recent Trends and Patterns in Nigeria's Industrial Development**

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### **Abstract**

This paper analyses recent trend and spatial patterns of manufacturing in Nigeria. In particular, the paper shows that industrial development in the country involved considerable artisanal crafts firms in the early stages and grew progressively in number over the years to large-scale manufacturing. The pattern of the distribution of manufacturing industries at the city level indicates that there is a marked concentration of manufacturing establishments in the southern part of the country, and especially Lagos, Ibadan and Benin in the southwest. Other locations of relative high concentration of industrial establishments are Kano in the North; and Enugu and Port Harcourt in the southeast. Although, this paper shows that production subcontracting increased and varied amongst subcontracting firms, production subcontracting relationships are concentrated in a few locations. The paper concludes that the spatial pattern could change if industrialists adopt the strategy of industrial linkages, and especially production subcontracting which has become a driving force in contemporary industrial development efforts in the world today. It is expected that the situation could be better enhanced given the ongoing privatisation of industrial concerns in Nigeria.

### **Résumé**

L'étude analyse les tendances récentes et les structures spatiales des industries manufacturières au Nigeria. Il montre notamment que le développement industriel dans le pays impliquait, à ses débuts, un nombre considérable d'entreprises artisanales qui se sont progressivement développées en nombre au cours des années pour devenir des industries manufacturières d'envergure. La structure de la distribution des industries manufacturières dans les villes montre qu'il y a

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### **Trends in Nigeria's industrialisation**

The growth in industrial activities discussed in this section is in three phases: the pre-colonial era, the early post-colonial era, and events since the mid-1980s.

#### **Pre-colonial era**

The pre-colonial era, that is, the pre-1900 economy of Nigeria, featured considerable craft industries in the various clans and kingdoms. Modern factory activity was then hardly known (Onyemelukwe 1983). Prominent among these craft industries that featured in local and inter-regional trade were artefacts of wood, brass and bronze, leather, handwoven textiles and bags, iron workings and fire burnt pottery from local clay. The forest zone, especially in and around the old Benin Kingdom, excelled in wood and bronze workings. The Awka-Nri-Igbo-Ukwu area of the Igbo heartland was famous for pottery, woodcarving and blacksmithing. The Oyo area excelled in calabash carving and textile weaving and dyeing. Bida area was noted for glass and brass works. The Hausa-Fulani made leather artefacts while the Ibibio-Efik communities were famous in woodcarving and raffia embroidery.

One major characteristic of these craft industries was that they featured in the different locations in a close link with the available raw materials. However, the crafts industry has declined considerably following the superior competition from modern industrial activities, particularly manufacturing. Onyemelukwe (1983) notes that Nigeria has embraced the factory type industrialisation as the main panacea to her underdevelopment. The coming of Europeans, especially in the wake of formal trade contact, brought about the first widely recognised forms of modern industrialisation. The slave trade yielded priority of place to 'legitimate trade' (Flint 1960), in industrial raw materials obtainable in this part of West Africa. The need then arose for valorisation (Aboyade 1968; Mabogunje 1973; Ayeni 1981; Onyemelukwe 1983).

Valorisation involved the carrying out of the initial processing of raw materials with the object of removing waste matter, improving the quality or converting the produce into a form in which it could be more easily stored and transported before being exported. For instance, the extraction of palm oil from the pulpy pericarp of palm fruits, which was crudely processed, was by the 1920s better and more economically handled in the 'pioneer oil mills'. Cotton lint was no longer extracted through the laborious and slow manual extraction process but mainly handled in modern ginneries. The forest logs were processed as sawn lumber mainly in power-driven sawmills before being exported to Europe. Considerable finishing operations including printing and publishing, baking and furniture works, also featured from the beginning. Whereas processing was geared towards the rapidly expanding

metal, furniture and fixtures, structural metal products and fabricated metals.

The manufacture of agricultural and special industrial machinery and equipment, household apparatus, and transport equipment contributed a low share of value added goods (see Teriba et al. 1981 for details). This growth in manufacturing however witnessed a period of lull following the political crisis which culminated in the civil war until the early 1970s. As a part of the reconstruction efforts, the Second National Development Plan, 1970-74, which had the objectives of a united, strong and self-reliant nation; a great and dynamic society; a just and egalitarian society; a land of bright and full employment for all citizens; and a free and democratic society, had as its major policy thrust:

- (i) To promote even development and fair distribution of industries in all parts of the country;
- (ii) To ensure a rapid expansion and diversification of the industrial sector of the economy;
- (iii) To increase the incomes realised from manufacturing activity;
- (iv) To create more employment opportunities;
- (v) To promote the establishment of industries which catered for overseas markets in order to earn foreign exchange;
- (vi) To continue the programme of import-substitution, as well as raise the level of intermediate and capital goods production;
- (vii) To initiate schemes designed to promote indigenous manpower development in the industrial sector; and
- (viii) To raise the proportion of indigenous ownership of industrial investments.

To attain these goals, the government laid down priorities from time to time and initiated measures to achieve them, such as reconstructing damaged industrial capacities, the promotion of expansion of the intermediate and capital good industries in order to raise the contribution of value added in the manufacturing sector, and the promotion of rapid industrial development etc. The situation continued in this manner to the mid-1980s.

### **Events since mid-1980s**

The industrial sector of the Nigerian economy improved over the years. The relative share of manufacturing industry in the GDP increased from 19.8 percent in 1966–1967 to 32.4 percent in 1971–1972 (Teriba and Kayode

respectively. However, the percentage of local sourcing materials decreased to 46.0 percent by mid-1989.

**Table 1:** Some aspects of Nigeria's Manufacturing, 1981-2002  
(at current price)

Year	Percentage of Total Value Added	Percentage of Gross Domestic Product (GDP)
1981	17.0	9.2
1982	17.3	9.6
1983	17.1	10.0
1984	14.8	7.8
1985	16.4	8.7
1986	16.2	8.7
1987	13.0	6.8
1988	14.3	7.5
1989	10.5	5.3
1990	10.9	5.5
1991	11.9	5.9
1992	10.0	4.8
1993	10.7	5.5
1994	12.1	6.6
1995	N/A	6.6
1996	N/A	N/A
1997	N/A	N/A
1998	N/A	5.9
1999	N/A	6.0
2000	N/A	6.0
2001	N/A	6.2
2002	N/A	6.0

Source: Federal Office of Statistics: National Accounts of Nigeria, 1981 to 1994. CBN-Annual Report and Statement of Accounts, 2003.

The percentage of local sourcing of raw materials was high in non-metallic mineral products; food, beverages and tobacco; and textiles, wearing apparels and leather industry groups in descending order, and comparatively low in basic metal, iron and steel and fabricated metal products; motor vehicles and miscellaneous assembly; and electrical/electronic industry groups.

### **Spatial pattern of industrialisation**

The spatial pattern of industries discussed here pertains to the number of firms as found in the various locations within the country. Earlier studies have confirmed that manufacturing activities in Nigeria are concentrated in a few states and primarily in a few cities, which are mainly state capitals, ports and major administrative centres (Schatzl 1973; Mabogunje 1973; Adegbola 1983; Onyemelukwe 1978; Ayeni 1981a). Thus, there are spatial disparities in the distribution of industrial establishments. Ajaegbu (1976) has shown four industrial-urban conurbations in Nigeria. These are: Lagos-Ibadan, the Kano – Kaduna – Zaria – Jos, Benin – Sapele – Warri, and Port-Harcourt – Aba – Onitsha – Enugu conurbations. This spatial disparity in the distribution of manufacturing activities has often been explained in terms of the need for the valorisation of raw agricultural products or the treatment of raw materials for export, or through the principle of import substitution adopted by the Nigerian governments as their industrial planning strategy (Ayeni 1981a). The result of valorisation means the establishment of manufacturing industries in areas where natural resources such as agricultural products and minerals are found (Abiodun and Aguda 1988).

While valorisation meant the establishment in a few cities of mostly consumer goods industries for which the market existed, import substitution entailed the importation of machinery, raw materials, and in many instances, the skilled labour. In spite of the successive development plans aimed at even distribution of industrial activities in all parts of Nigeria, industrial activities are still concentrated in a few locations. Table 3 shows that out of the total of 2,355 manufacturing establishments in Nigeria in 1994; 768 (32.6 percent) were concentrated in Lagos State alone. Kano State had 216 (9.2 percent), Rivers and Imo States each had 212 (9.0 percent) and 171 (7.3 percent) respectively. Bauchi and Katsina States had 8 (0.3 percent) each, while Abia and Jigawa states had no manufacturing establishments at all.

The pattern of the distribution of manufacturing industries at the city level in 1989, indicates that there is a marked concentration of manufacturing establishments in the southern part of the country, and especially Lagos in the southwest. The leading position of Lagos in the southwest is clearly shown by the size of the proportional circle. Other locations of relative high concentration of industrial establishments are Kano in the North; Ibadan and Benin in the southwest; Enugu and Port-Harcourt in the southeast. While manufacturing establishments are concentrated in several locations in the south, they are found in a few locations in the north. This industrial concentration is further reflected, and has thus formed the basis for the choice of the Lagos region for research by Ajayi (1998, 2000, 2001, 2002,

## **Recent trends in Nigeria's industrial development**

The section focuses on networks of industrial linkages as occasioned by industrial production subcontracting (a strategic positioning of industrial activities), and privatisation in Nigerian industrial development.

### **Production subcontracting experience**

The Nigerian experience shows that production subcontracting linkages started in the early 1960s, the post-independence period. The earliest stage in the adoption of production subcontracting as an industrial production technique in Nigeria was characterised by insignificant growth and rapid growth thereafter. However, there was marked variation in the adoption of production subcontracting by industry groups over the years (Ajayi 1998, 2002).

Whether in terms of number of contractors involved or volume of production, subcontracting in textiles, wearing apparels and leather industry group dominates the production-subcontracting scene. While the number of subcontractors engaged by any contracting firm ranged from one to a maximum of four, over 50 percent of the contractors engaged the services of a maximum of two subcontractors. The number of subcontractors engaged varied markedly especially in food, beverages and tobacco, chemicals and pharmaceuticals and textiles, wearing apparel and leather industry groups (see Ajayi 1998, 2003a). The dominant form of subcontracting is speciality subcontracting mainly carried out by independent subcontractors over short distances. Production subcontracting became very important after the introduction of the Structural Adjustment Programme in 1986, and it is perceived by industrialists as very important in reducing the costs of production.

The volume of production subcontracting defined in terms of the monetary values increased and varied significantly amongst the contracting firms over the years (see Ajayi 1998, 2000 for details). It is further shown that there is no significant relationship between the volume of production subcontracting and the size and structural characteristics of contracting firms. It is only in the motor vehicles and miscellaneous assembly industry group that production subcontracting accounted for more than 30 percent of the total costs of production in any of the years. Textiles, wearing apparel and leather industry group accounted for the largest volume of production subcontracting in any of the years. While all the industry groups are involved in production subcontracting within the Lagos region, only five of the industry groups carried production subcontracting beyond the Lagos region.

Production subcontractors are concentrated in Lagos, Ikorodu, Sagamu and Ibadan in the Southwest; Jos, Kaduna, Zaria, Kano, and Sokoto in the north; and a few other locations such as Benin, Owerri, Port-Harcourt (in the south) and Ilorin (middle belt). For instance, in textiles, wearing apparel



NERFUND (Ndebbio 1997, 2003), and the Nigerian Investment Promotion Decree No. 16 and the Foreign Exchange (Monitoring and Miscellaneous Provision) Decree No.17 of 1995. All these were directed at both indirect and direct investment in the Nigerian economy for improved productivity, growth and development.

Nigeria has thus adopted the macro-institutional approach to privatisation through:

- (i) lessening the dominance of unproductive investment in public sector;
- (ii) improving the sector's efficiency;
- (iii) intensifying the growth potential of the private sector;
- (iv) trimming down the size of the public sector; and
- (v) contributing to the solution of the country's fiscal problem, etc.

However, the issue of privatisation of industrial concerns in Nigeria has received little empirical investigation. For instance, Udejaja (2003) has shown that although the two (insurance) firms investigated recorded a significant increase in taxation after privatisation, there was a positive improvement in wage income, the share of wage income in the value-added of the firms and the share of workers' wages to the company's overall value-added. Perhaps Onyeonoru (2003), on globalisation and industrial performance, is instructive here. He found out that economic performance of firms in the manufacturing sector during the globalisation period in the study was adversely affected; however, his findings were however limited to the firms in the food, beverages, and tobacco industry sub-sector. Most studies have analysed the policy thrust of commercialisation and privatisation in Nigeria (see Obadan and Ayodele 1998; Oriakhi 2001; Odisa-Alegimenlen 2003; Okoh 2004). There is no known study that has succinctly analysed the issue of privatisation on the industrial (manufacturing) sector of the Nigerian economy.

### **Conclusion**

This paper has analysed the trend and spatial pattern of manufacturing in Nigeria. In particular, it has shown that industrial development in the country involved considerable craft works in the early stages and grew progressively in number over the years to large-scale manufacturing. The spatial pattern largely reflects the established reports in the literature that industries are concentrated in a few locations. However, given the spate of industrial growth, it is hoped that the spatial pattern could change if industrialists adopt the strategy of industrial linkages, and especially production subcontracting which has become a driving force in contemporary industrial development

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## **Multiple Determinants of Milk Production in Africa: The Example of the Diversity of Dairy Farming Systems in the Mbarara Area (Uganda)**

Véronique Alary,\* Julien Chalimbaud \*\*  
& Bernard Faye \*\*\*

### **Abstract**

In developing countries, animal products supply presents a major challenge in meeting the demand for the two next decades. Many researchers point out the necessity for a 'reasoned intensification', especially in agricultural areas, by integrating agriculture and livestock activities. But intensification only occurs on specific farms. How can one explain the different dairy developments or technical options between farms? An analysis of the diversity of dairy farming systems in Mbarara district (Uganda) has been conducted from a monthly cross-sectional survey of a sample of 22 farmers, identified from a large household survey (183 dairy producers). The multi-table factorial analysis allows a thorough review of the interactions and points out some causal relationships between the development of the dairy systems and the social and technical management of the whole farm. This analysis underlines the key factors of intensification such as genetic improvement or market opportunities; but also the degree of intensification which is well correlated to the stage of family development. If the

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livestock may reinforce different functions (security, consumption, cash flow) according to the farm type, the results show that all these functions exist for all the farm types, either in the pastoral or agricultural areas. So these results question the stereotypes built on the different livestock systems in Africa.

## Résumé

Dans les pays en développement, l'approvisionnement en produits d'origine animale présente un défi majeur à relever pour faire face à la demande au cours des deux prochaines décennies. Bon nombre de chercheurs font remarquer la nécessité d'une « intensification raisonnée », en particulier dans les régions agricoles, en intégrant à l'agriculture les activités d'élevage. Cependant, l'intensification n'est pratiquée que dans des exploitations spécifiques. Comment peut-on expliquer l'inégal développement dans la production laitière ou bien les différences de choix techniques entre les exploitations ? Une analyse de la diversité des systèmes de production laitière dans la région de Mbarara (Ouganda) a été faite sur la base d'une enquête mensuelle représentative portant sur un échantillon de 22 exploitations identifiées lors d'une enquête/ménage (183 exploitations). L'analyse factorielle de plusieurs tableaux permet de faire une étude complète des interactions et indique quelques relations des cause à effet entre le développement des systèmes de production laitière et la gestion sociale et technique de la ferme dans son ensemble. L'analyse met en relief les facteurs clés de l'intensification tels que l'amélioration génétique ou les opportunités offertes par le marché, mais également le degré d'intensification qui est étroitement lié au niveau de développement de la famille. Si le bétail peut renforcer différentes fonctions (sécurité, consommation, trésorerie) selon le type d'exploitation, les résultats montrent que toutes ces fonctions sont présentes dans tous les types d'exploitations des zones pastorales comme des zones agricoles. Par conséquent, ces résultats remettent en question les clichés que l'on se fait sur les différents types d'élevage en Afrique.

## Introduction

For a long time, in Africa, milk activity at the farm and the household level has been confined to a way of diversification or intensification in mixed farming systems or looked upon as the main social component of traditional pastoral systems. Today the risk is in restricting milk production development to poverty reduction on small-scale farms. Few research studies consider milk production as a component of the whole strategy of the farm, including social or societal, economic, agronomy and institutional aspects. We propose to use the conceptual approach of 'farming system' to break down the process of milk development at the farm level and to identify the rationality that underlies the different milk strategies beyond the social and geographical determinants.

The present study has been conducted in the Mbarara district in the south west of Uganda which provides, with four others districts, more than one-third of the national milk production. Besides the disengagement of the Ugandan government in agricultural financing, an important dynamic of the private sector around dairy activity is quickly developing, including matters such as transport and distribution, with the creation of five new dairy plants since the mid-1990s. However, the rapid development of intensive and productive dairy activities around Kampala and the low level of milk consumption by inhabitants at the national level,<sup>1</sup> constitute both a threat to the viability of dairy systems in Mbarara and an encouragement to production. The development of dairy production is strongly encouraged by the Ugandan government<sup>2</sup> as a means to increase rural income. Increasing returns, poverty and malnutrition alleviation are the main expectations of this dynamic in a more and more competitive sector.

One first survey of about 183 dairy producers distributed in three agro-climatic zones in Mbarara district differentiated heterogeneous systems of breeding (Grimaud et al., 2004). Between the traditional extensive pastoral systems of dry areas in Nyabushozi county, and the intensive and market-oriented systems of the agro-pastoral county of Kashari, near Mbarara, we can observe a variety of more or less complex systems in which milk may be either a way of investment of the agricultural surplus from the cropping system or a way to diversify the sources of income. Sometimes it is difficult to appreciate the importance of each factor in making the decision to produce and sell milk: what are the various logics which explain the differentiated milk developments at the farm level? Might livestock saving be a safety strategy for which all farmers search? Are the determinants of milk production only confined to market opportunities? How can we explain different degrees of intensification in one very particular zone?

### **Brief overview of the literature**

The determinants of milk production in African livestock systems have been widely described for pastoral systems. In such research work, milk is considered as a social product more than an economic or lucrative concern (Corniaux 2005). In this way, the dairy activity is one component of the pattern of life in which animals embody key cultural and social roles (Van Ecbert et al., 1989; Moll and Dietvorst 1999). In these pastoral systems, the meat consumption or sale concerns only old and unproductive animals and the animal sale intervenes only in the cases of extreme social needs (Boutonnet 2000). Therefore, pastoralists manage their breeding systems and livestock investments so that the milk production covers family and social needs.

Besides, in agro-pastoral systems, small ruminants are often considered as a cash box, and large ruminants, especially dairy cows, as a live saving for agricultural farmers. In this way, animals constitute a capital which may be used to fund some social or agricultural investment or cover urgent social needs (Slingerland 2000; Bosman and Moll 1997). Animals constitute a live saving in the sense that producers invest agricultural income surplus in livestock. Through the by-products (milk, calves), this capital provides more safety and available interest than bank savings which may be unreliable and sometimes even experience fraudulent bankruptcy. For Slingerland (2000), animals are 'risk safe investment'; they are resistant to situations of shock. With animals, producers can thus face up to urgent social needs.

For dairy market-oriented farmers, livestock represents both a live saving and productive capital (such as the land) from which they extract their own consumption and cash products. In the two cases, milk would be the capital profit. But self-consumed milk always contributes an equivalent protein that is difficult to estimate in a low protein ration. Moreover it is difficult to estimate the real benefit in terms of family employment or social effects, such as milk donations in traditional society. When milk production becomes more regular with marketing opportunities, it provides a daily cash flow even in unproductive agricultural seasons or dry weather, and animals provide a means of 'banking' resources (Starr 1987).

Finally, there are the modern dairy farmers who attempt to increase milk production by way of genetic improvements, auto-selection of more productive cows, increasing feed resources (fodder crops implanting, pastoral and water management), material investment to improve milk quality (pick-up transport, metal churns). Milk becomes the main activity and livestock a productive capital, although it always remains a live saving to cover technical or social urgent needs.

The passage from a social and self-consumed product to a lucrative and economic activity is often attributed to the development of a network of dairy collections, in comparison with the dairy development in developed countries (Vatin 1996). But it is easy to observe different individual milk strategies in one locality covered by the same facilities in terms of infrastructure in milk collection.

The scientific literature and expert reports have mainly focused the analysis of the development of milk activity on the traditional functions attributed to the animals as a live capital: investment, saving, or monetary surplus for the different farming systems. But do these key functions of milk attributed to each farm type not conceal a more complex reality? Do not all farmers seek security with the live saving? Are the investment logics in genetic improvement or milk marketing (churns, transport, etc.), only linked to market opportunities?

The contextual literature gives much qualitative description of the live-stock systems and the different functions attributed to milk, notably in term of poverty reduction. But few researchers attempt to formalise and quantify these functions by way of observation and surveys.

How farmers approach decision-making needs help us to identify and analyse the type and the nature of linkages between the dairy strategies and the global socioeconomic structure and management of the farm and the household. The main difficulty is that milk activity is completely integrated in the overall dynamic of the farm development. The driving forces of its development are a function of both the internal decision-making by farmers, and external factors such as infrastructure, milk demand, etc. We propose to identify each function with a set of variables that will enable us to undertake a multi-table factorial analysis.

## **Material and methods**

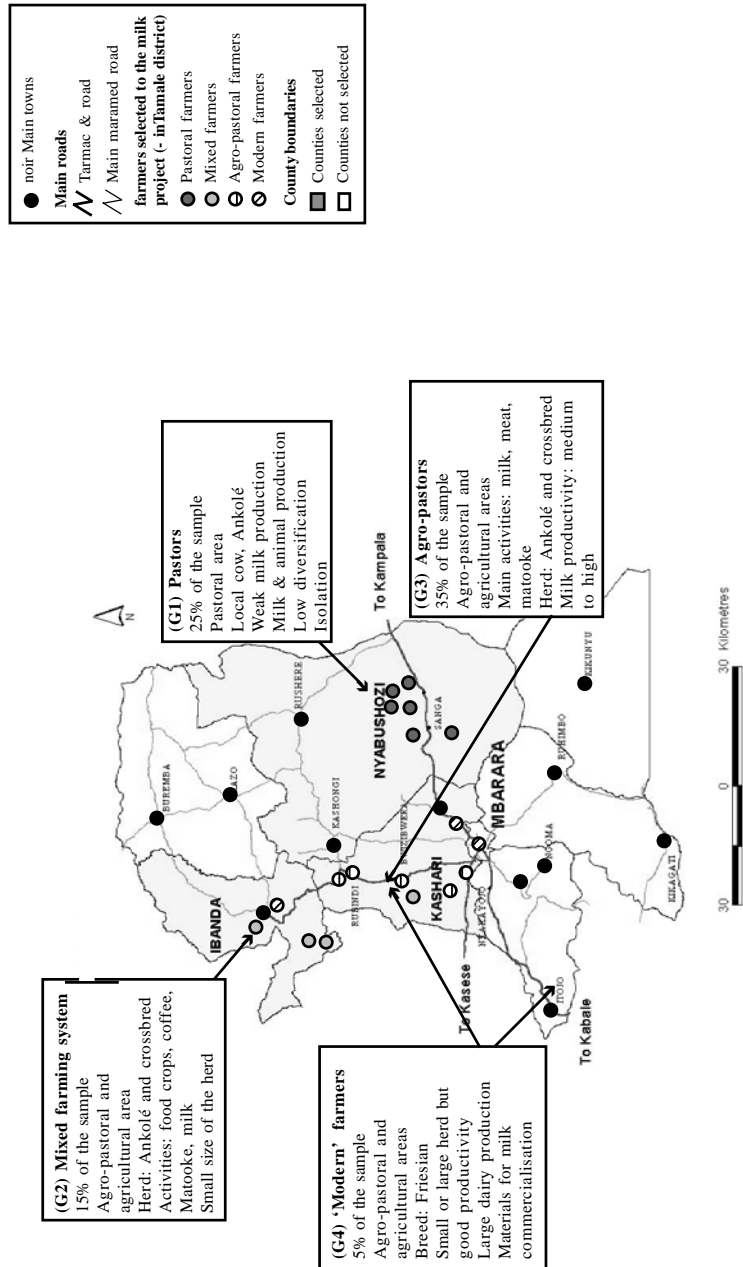
### **Sampling of the farmers**

A previous study performed in 1998 with 183 farmers in three counties made it possible to identify, after clustering, four large groups of breeders who are differentiated in terms of their agricultural diversification, herd structure and breeding (Dabusti and Vancauteren 1999; Chalimbaud et al., 2001; Faye 2000). The authors distinguished four main groups (G1) the 'Pastoralists' or the extensive systems of breeding in the pastoral area of Nyabushozi, based on animal sale and milk consumption; (G2) The 'mixed farming systems' in the agricultural area of Ibanda (mainly a coffee zone) which invest agricultural surplus in livestock; (G3) the 'agro-pastoralists' or agro-pastoral systems located in the county of Kashari, who are improving milk performance through genetic and pastoral management; and finally (G4), the 'modern farmers' or the intensive systems specialising in dairy activity.

To understand the specific logics of investment in milk production and the role of milk in generating income and improving rural livelihoods, a monthly cross-sectional survey of 22 breeders chosen in the four identified groups was undertaken from June 1999 to May 2000. This survey registered, on a monthly basis, animal performances (birth/mortality, disease, calving weight, lactation curve, etc.), breeding management (mainly feeding management), and economic decisions such as investment, expenditure and exchanges (animal sale and purchase, real prices, animal charges, milk receipt). One supplementary survey focused on the approach of the whole farming system, including the assessment of the importance of the other agricultural activities and off-farm activities.



**Figure 1:** Description and localization of the different farming systems in the Mbarara district



### **Strategic and economical indicators**

Measuring the social and economic importance of milk activity at the farm level makes it possible to estimate the functions of saving and of investment and their relative weight in the productive logics of farmers. To distinguish between these two functions (live saving or investment), different indicators are used. The rate of numeric yield (number of calves per cow) is usually used as an indicator of live saving, and the demographic and genetic composition of the herd is an indicator of investment decisions around milk production. But the demographic composition of the herd reflects as much the saving logics of such farming as it does the investment decision. The sale of the surplus of milk could be also considered as the interest on saving, and would be consistent with a saving logic. In contrast, self-consumption decisions reflect economic decisions (nutritive intake of the family work force), as well as cultural decisions (satisfaction of custom) or social decisions (the exchange or offer of milk calabashes).

The degree of milk specialisation and intensification is estimated by the rate of milking cows in the herd, the milk productivity, and the level of capital investment per Tropical Livestock Unit (TLU). The logics of specialisation and intensification or the logics of live saving and investment are in keeping with farming strategies and household objectives. This implies the need to identify links (or absence of links) among these logics represented by the herd structure, the livestock system and the milk strategies in themes 3, 4 and 5, and the pattern of living (theme 1) or the degree of diversification (theme 2) (Table 1).

One supposes that the strategic choices of farmers in matters of intensification and specialisation are strongly linked to the demographic composition of the household (notably the ratio of consumer numbers and active members). But they also involve the individual characteristics of the head of the household, such as his social origin, which defines or orients social, cultural and economic rules. This does not mean that intensification will be confined to only one community or only one type of head of household. But the modes of intensification or specialisation might vary with family or community factors.

Besides, the degree of diversification in agricultural activities or in off-farm activities has generally been considered as one strategy or attitude towards risk aversion in the literature. This degree of diversification is demonstrated in particular in very vulnerable areas (hard climatic conditions, decline of ground fertility) or in dynamic areas where important commercial activities are developing alongside urban demand (Reardon et al., 1992). But the level of diversification varies also with the competence and the availability of family workers, the social and economic expectations or needs at the house-

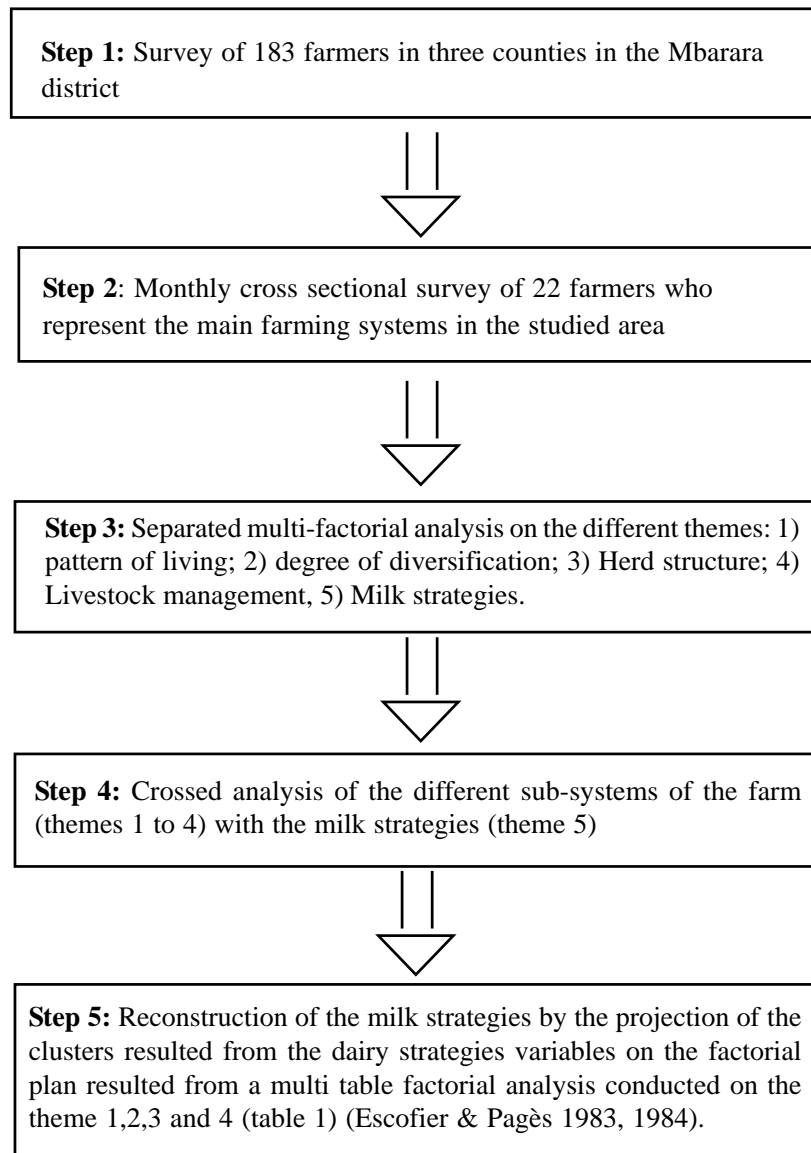
hold level, and the local opportunities (Tchayanov 1924). This explains the choices of two themes: theme 1 on the pattern of living and theme 2 on the degree of diversification.

**Table 1:** The set of variables representing each theme at the farm level

Theme	Variables
Theme 1: Pattern of living	Characteristics of the head of family (age, scholar level) Family members (schooled children, number of dependants) Environment (isolation, distance to milk collect centre or market, non-agricultural activity)
Theme 2: Diversification	Cropping system (part of food crop, cash crop like coffee or matooke); Other breeding activities in 99/00 (small ruminants); Family and salaried workers on the cropping system
Theme 3: Herd structure	Number of cows, males, young males, heifers and veal per race; Genetic composition of the herd; Milk TLU / Total TLU;
Theme 4: Livestock management	Animal sale and purchase; Charges per TLU (salaries, transhumance tax, veterinary fees, rent charges, cost of production of fodder crops, maintenance, water charges); Family and salaried workers implied in breeding management; Private pastoral area/ Total area
Theme 5: Milk strategies (intensification, specialisation, marketing)	Seasonal daily milk yield; milking cow/ productive animal; Material investment; average sale price; Destination of milk; self-consumed part per capita.

### Statistical analysis

The multiple factorial analyses constitute interesting statistical tools to analyse the dependencies or causal effects between groups of variables that reflect one aspect or one profile of the whole farm system (Faye et al., 1990). This method allowed us to analyse the complementarities (or not) between the different functions for each milk strategy farm type. The advantage of this method is that one can attribute the same weight to each group of variables. The different steps of the analysis are described in Figure 2.

**Figure 2:** Description of the methodological step

## Results

### Decomposition and reconstruction of dairy strategies

The separate statistical analysis of each group of variables relating to one theme (see table 1) reveals original profiles of the population for each theme. From this analysis, it was possible to determine new sub-groups that gathered farmers who belonged to different communities or socio-agro-climatic areas. Table 2 presents briefly the different sub-groups resulting from a separated factorial analysis on each theme (col. 1, table 2). Four main variables allow the differentiation of the pattern of living: the degree of isolation (geographic location), the age and schooling of the head of the household, and the number of dependent persons in the family. Three modes of diversification are identified: the *matooke*, the staple food in association with coffee or small ruminants. Four modes of livestock management are identified: (i) herding in cowsheds; (ii) a feeding system with fodder crops,<sup>3</sup> (iii) a grazing system with investment in water or pasture management, and (iv) extensive grazing systems. The last theme, herd structure, classified farms according to the degree of genetic improvement. Five sub-groups were identified: (i) the 'Ankolé, local cow' sub-group that included mainly the pastoralists; (ii) the 'Unknown breed' sub-group that referred to farmers who make their first investment in livestock; (iii) the 'crossbred' sub-group consisting of farmers who have a mixed race herd, and (iv) the 'genetic improvement' sub-group where farmers attempt to invest in improved milk cows but may have difficulty in maintaining the dairy herd and (v) the 'Friesian dominance' sub-group referring to farmers who have invested in a high-yield dairy herd.

These different sub-groups are cross-tabulated with the main dairy strategy sub-groups presented in figure 3. The first sub-group, 'extensive', represents the extensive systems in the pastoral area oriented to milk consumption. The sub-group 'surplus' represents the traditional systems in the pastoral or agro-pastoral areas in which a small part of the milk is sold. The 'saving' sub-group is composed of agricultural systems in which the farmers attempt their first investment of the agricultural surplus in livestock activity. The 'diversified' sub-group represents the mixed farming systems which make a profit out of dairy livestock. The 'intensive' sub-group refers to agro-pastoral systems in which farmers invest in pastoral management. Finally, there is the 'modern' sub-group where milk specialised systems exist.

**Table 2:** Cross-tabulation between the sub-groups of each theme and the milk strategies sub-groups  
(Sample: 22 farmers surveyed in 2000)

<i>Milk strategies</i>	<i>Nomen</i>	<i>Extensive</i>	<i>Surplus</i>	<i>Saving</i>	<i>Intensive</i>	<i>Diversified</i>	<i>Modern</i>
<b>Theme/ Sub-groups</b>							
<b>Pattern of living</b>							
1. Very isolated	Fiso	***	*	***	*		
2. Young	Fjeun					*	
3. Educated head of farm, isolated	Fel		*		*		***
4. Large family, near market	Fagri		*		*		***
5. Isolated, Kashari, large family	Fvill	*	*		***		
<b>Diversification</b>							
2. Matooke	Dmatoo		*	***	***	***	***
1. Staple food +coffee	Dviv	*		*	***	*	
3. Small ruminants	Dpel		***		*		
4. no diversification	Dnon	***					*
<b>Livestock management</b>							
1. Herding in cowshed	Cbat	*	*	*	*	***	***
2. Fodder crops, no family workers	Cfou		*	*	*	*	*
3. Water & pasture management	Cparc		***	*	*	*	
4. Low investment	Cext	***					
<b>Herd structure</b>							
5. Frison dominance	Rfri						***
3. Cross bred	Rxxx			***	*	*	
1. Genetic improvement	Rmixt	*		*	*	***	*
2. Unknown races	Rinc	*	***	*			
4. Ankolé, local cow	Rank	***	***				

Note: see next page

## Notes to Table 2

1. Strategy milk sub-groups: 1. 'Extensive': Extensive systems in the pastoral area oriented to milk consumption; 2. 'Surplus': traditional systems in pastoral or agro-pastoral area in which a small part of milk is sale; 3. 'Small saver': agricultural systems with first investment in livestock; 4. 'Intensifying': agro-pastoral systems in which farmers invest in pastoral management; 4. 'Diversified': Mixed farming system; 6. 'Modern': Milk specialised systems.
2. Dark grey with three stars: for the theme, more than 50% of the farmers in the strategy milk sub-group belong to the sub-group of the theme; no star: for the theme, less than 50% of the farmers in the strategy milk sub-group belong to the sub-group of the theme; White with no star: for one theme, no farmers in the strategy milk sub-group belongs to the sub-group of the theme.

The results presented in table 2 show the degree of linkage between the strategy milk sub-groups and the others sub-groups. These results demonstrate significant relationships between the milk strategy sub-groups, and the degree of diversification and herd structure. This link is not found for the two other themes, pattern of living and livestock management, for which the farmers of some sub-groups of milk strategies are scattered in the different sub-groups of the two themes.

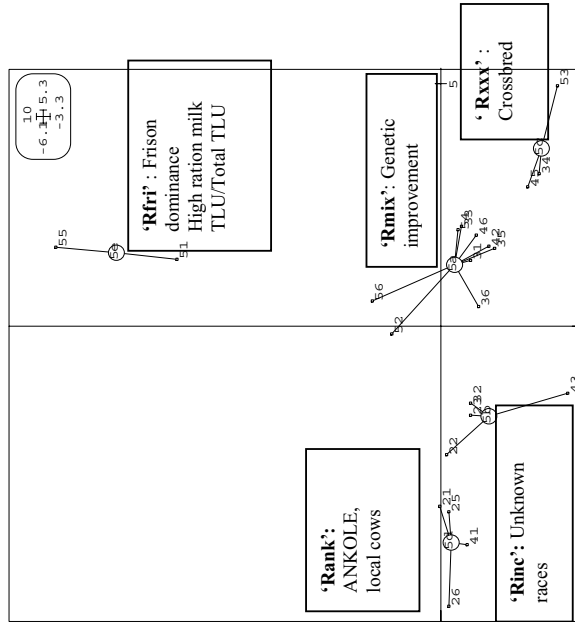
These results confirm other evidence, for example, the farmers who make the highest profit on dairy activity invest in the most productive animals, like Friesian cows. Farmers oriented to self-consumption maintain their local breeds. Further, the more remote farmers consume the majority of their milk production, unlike the farmers located near a market who sell a large part. But these results allow also one to challenge some common stereotypes.

First, there is only a small difference with regard to livestock management, especially concerning the housing and feeding systems. The farmers who keep animals in stalls ('Cbat') are listed on all the dairy strategy types. Vice versa, in each milk strategy sub-group, farmers practise different feeding systems. Only the 'extensive' and the 'modern' systems are quite well distinguished from the housing and feeding system. The 'extensive' systems practise mainly grazing for their herds, without cowsheds. At the opposite extreme, in the 'modern' system, the herd is raised in cowsheds with mainly transported feeds.

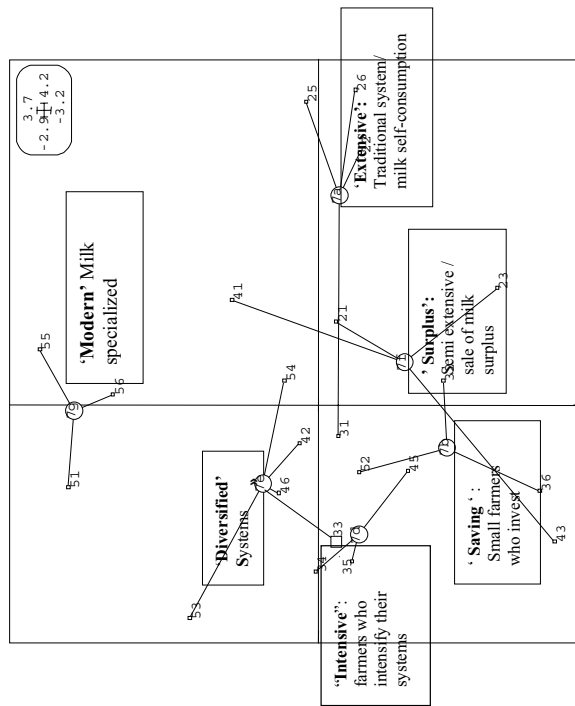
Second, if distance from a market is an important factor, it is insufficient to explain some dairy strategies, especially those oriented to dairy marketing. In the 'diversified' sub-group, the majority of farmers are isolated but continue to sell more than one-third of their milk production, at opposite to the



**Figure 4:** Typology of farmers in function of the herd structure



**Figure 3:** Sub-groups of dairy farms projected on the common factorial plan





'saving' group. The main factor that differentiates these two sub-groups is family structure, especially the number of active family members. The 'diversified' sub-group is composed of more than eight members, of whom six are active, while the 'saving' sub-group consists mainly of young heads of household with young children.

Finally, the sub-group 'Genetic improvement' ('Rmixt') under the theme of herd structure, with a mixed genetic herd, is composed of farmers who originated from agricultural, agro-pastoral and pastoral areas (figure 4). In this figure, this group occupies a central position from where we can differentiate farmers who practise permanent genetic improvement ('Rfri'), farmers who invest in pastoral or breeding management with a more and more crossed herd ('Rxxx') and farmers who have difficulty in maintaining genetic improvement ('Rinc'). This last group is obliged to sell animals seasonally to face current expenditure. In this configuration, the sub-group 'Rmixt' includes farmers for whom the system fluctuates, between the different positions according to the season, and unforeseen expenditures. It is well represented in the Mbarara district.

Where the determinants of milk strategies have been identified, it is important to define the economic importance of milk in the different dairy systems that complete the profile for each of milk strategy sub-groups.

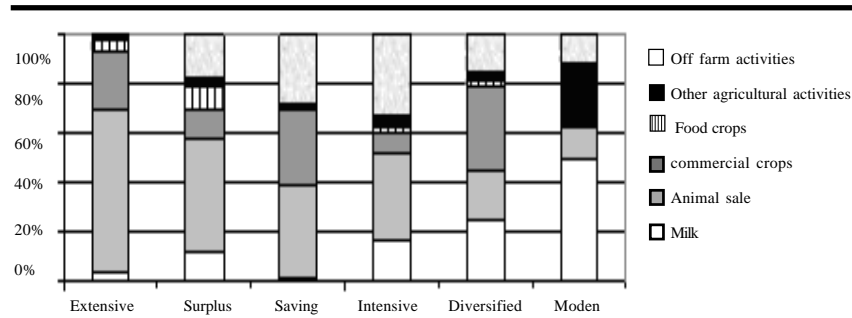
### **Milk profitability and its contribution to farm viability**

The integration of all sources of income at the farm level permits a consideration of the viability of farming systems. It also allows researchers to study the contribution of dairy activity in maintaining or improving the economic sustainability of the farm and in improving family livelihoods. But first, it is desirable to evaluate the profitability of milk production by working out the costs, and the amount deriving from the sale of milk in the total livestock income.

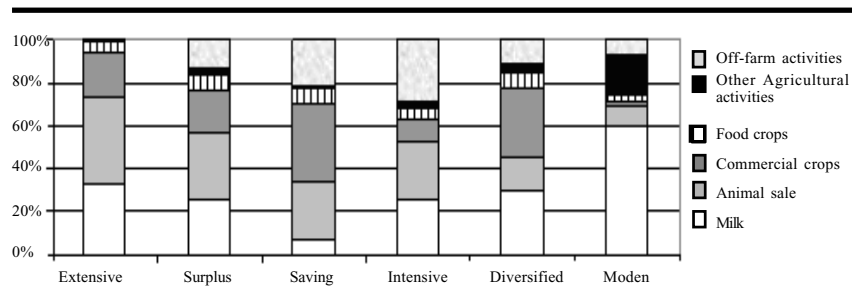
For the 'diversified' or 'modern' systems, the milk production represented more than 20 percent of the total monetary entries (total receipts), while the receipts from the sale of animals represent less than ten percent of total income. In contrast, for all the others sub-groups, milk receipts are marginal compared to those from the sale of livestock (figure 5). One notes also the important role of off-farm income for the 'intensive' and 'modern' sub-groups. The off-farm income for the 'saving» group' does not exceed one million Sh., against 5.5 millions for the 'intensive' group, even if the relative part of off-farm income is similar.

The results of an analysis of the potential sources of income, estimated by the outcome of milk produced times the average producer price, can be

**Figure: 5** Structure of receipts for different milk strategy groups (in % of total receipt)



**Figure: 6** Structure of gross products (in % of total gross product)



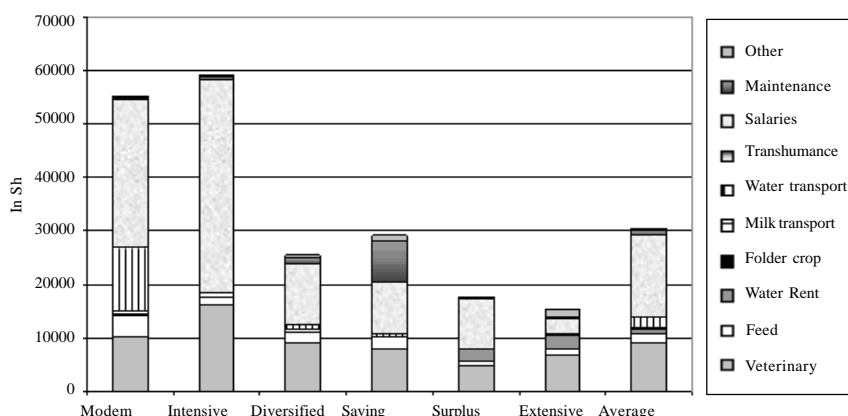
seen in the structure of the gross product given in Figure 6. It reveals the relative importance of milk for all the farmers, including the 'extensive', 'surplus' and more marginally, the 'saving' sub-groups. If social habits and the priority given to self-consumption explain a part of the none-oriented market strategies of these three sub-groups, it is not sufficient to explain the difference between potential and real receipts for the 'extensive' and 'surplus' sub-groups. In the 'saving' sub-group, despite the low level of sales, milk consumption per capita in the household (calculated at about 0.6 litre a day), does not cover the recommended protein need.

Calculation of the production costs per TLU shows the importance of wage and veterinary expenditure for the market-oriented farmers (i.e. the 'modern' and 'intensive' sub-groups). The wage expenditure exceeds 60 percent of total expenditures (Figure 7). If water transportation represents around one-quarter of the expenditure for the 'modern' sub-group, water charges (including fees for access) constitute the main costs for milk production in the pastoral areas, mainly for the 'extensive' sub-group. The struc-

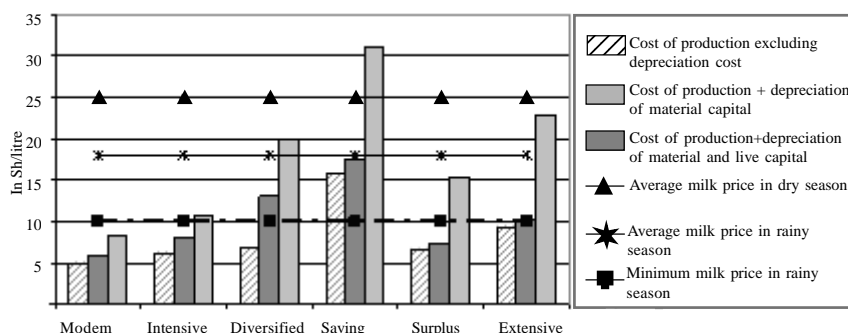
ture of the costs of milk production also shows a large gap (around double) in terms of capital investment between the ‘modern’ and the ‘intensive’ sub-groups and the other sub-groups.

The total costs of milk production based on current expenditures (without integrating the depreciation of capital represented by the herds), are globally maintained below the average milk producer price, at around 180 Sh./litre (Survey Data 1999–2000, figure 8). This average price, however, conceals imbalances among the geographical areas. In the rainy season, the average producer price in pastoral areas (around 100 Sh./litre) does not allow the profitable commercialisation of milk production.<sup>4</sup> Similarly, the ‘saving’ farms that register the main expenditure during this period (seed, fertilizer purchases, etc.) cannot make an adequate profit from milking. If depreciation of materials and buildings are included, the ‘diversified’ sys-

**Figure 7:** Total cost per TLU and per farm group (in Sh)



**Figure 8:** composition between cost of production and farm-gate price



tems register a cost around 130-140 Sh./litre. With the integration of all the depreciation costs (including live capital), the margin is the most important for the 'intensive' and 'modern' farms.

The concept of viability implies the economic and social reproducibility of the farm in a sustainable way in the long-term. In this study, the concept is restricted to economic reproducibility, which can be represented by a farm's current account. This construction of a farm's current account underlies various difficulties in analysing the data, due to the strong interaction and complementarities between milk and meat activities, and also between agricultural and livestock activities (Cordonnier 1986). Most of the time, the division of the costs of livestock maintenance between milk and meat activities could be considered as merely secondary in explaining the economic advantages of milk at farm and family level. But such a distinction is essential for appreciating the significance and role of milk for farms.<sup>5</sup>

Tables 3 and 4 present the main components of the breeding and farm current accounts and the contribution from milk sales. First, and surprisingly, one can see the large part played by milk production (about 40 percent) in net profits from livestock for the sub-group of 'saving' farmers. Milk and calf production together bring in around eight percent in interest, as against the three percent from a bank account (Table 3). If the value of milk products are similar for the 'extensive' and 'diversified' farmers (in absolute and relative terms), for the 'diversified' sub-group that spends a considerable amount on constituting the dairy herd, the profit from animal products is half as much (Table 4).

These results do not reveal the overall social and economic weight of milk for the family, due to the under-estimation of self-consumption. For all the sub-groups (except for the 'saving' sub-group), milk constitutes more than 70 percent of daily protein intake (Table 5).

**Table 3: Current account of herd activity for the different farm types**

	Extensive	Surplus	Saving	Diversified	Intensive	Modern
Milk product (in Sh.)	1 239 918	1 359 850	268 463	1 206 874	2 417 570	9 401 124
Total animal sale (in Sh.)	1 875 750	2 080 500	830 000	585 000	3 060 000	2 240 000
Milk animal sale (in %)	55.4	47.0	50.6	65.4	60.3	30
Total animal purchase (in Sh.)	0	87 500	153 333	412 500	313 333	3 333
Milk animal purchase (in %)		100	43.5	83.0	84.0	0
<b>Animal Gross Product (in Sh.)</b>	<b>3 115 668</b>	<b>3 352 850</b>	<b>945 130</b>	<b>1 379 374</b>	<b>5 164 237</b>	<b>11 637 790</b>
Animal variable charge (in Sh.)	574 656	433 350	124 866	338 650	447 566	690 466
Of which milk variable charge (in %)	45.5	46.5	41.3	65.8	44.1	64
<b>Animal Gross margin (in Sh.)</b>	<b>2 541 012</b>	<b>2 919 500</b>	<b>820 263</b>	<b>1 040 724</b>	<b>4 716 670</b>	<b>10 947 324</b>
Animal structural charge (in Sh.)	242 100	580 150	259 000	278 800	1 194 566	2 319 583
Of which milk structural charges (in %)	46.2	54.5	41.8	64.7	44.5	57
<b>Animal Net Profit (in Sh.)</b>	<b>2 298 912</b>	<b>2 339 350</b>	<b>561 263</b>	<b>761 924</b>	<b>3 522 103</b>	<b>8 627 740</b>
<b>% Milk Net profit / Total animal net profit</b>	<b>32</b>	<b>33</b>	<b>40</b>	<b>24</b>	<b>56</b>	<b>54</b>
<b>Net Profit /worker (in Sh./active)</b>	<b>1 212 826</b>	<b>1 045 052</b>	<b>353 589</b>	<b>325 956</b>	<b>1 039 786</b>	<b>1 210 401</b>

**Table 4: Farm Current account for the different farm types**

Item	Extensive	surplus	Saving	Diversified	Intensive	Modern
Milk products (in %)	28.9	20.1	7.3	28.2	16	42
Animal sale (in %)	53	33.3	16.9	29.1	26.4	44.9
Crops products' sale (in %)	17.5	28.4	48.7	25	14.2	2.4
Other agricultural incomes (in %)	0.7	2.3	0.4	0.1	5.6	5.4
Off farm incomes (in %)	0	15.8	26.7	17.5	37.8	5.4
<b>Total receipts (in Sh.)</b>	<b>4 297 606</b>	<b>6 754 257</b>	<b>3 672 027</b>	<b>4 279 848</b>	<b>15 141 666</b>	<b>22 402 567</b>
Herd charges (in %)	81.1	60.1	65.5	72.6	88.2	85.4
Other Charges (in %)	18.9	39.9	34.5	27.4	11.8	14.6
<b>Total Net Profit (in Sh.)</b>	<b>3 290 393</b>	<b>4 923 286</b>	<b>2 851 347</b>	<b>2 861 940</b>	<b>12 924 904</b>	<b>18 873 685</b>
Net Profit / worker (in Sh./active)	774 210	661 954	456 215	289 816	2 009 052	1 811 873
<i>Animal Net Profit (in Sh.)</i>	2 298 912	2 339 350	561 263	761 924	3 522 103	8 627 740
% Milk Net profit /						
Tot. animal net profit	32%	33%	40%	24%	56%	54%

**Table 5:** Nutritional intake per person for each farm group

	Extensive	Surplus	Saving	Diversified	Intensive	Modern
Calorie content / person	2723	3217	2026	2420	2202	2951
Milk Calorie content /person	1462	1208	275	872	1074	2389
<i>% milk calorie/ total calorie intake</i>	54%	38%	14%	36%	49%	81%
Protein content/ person (in gr.)	87	83	41	71	68	126
Milk protein content/ person (in gr.)	70	58	13	42	52	115
<i>% milk protein/ total protein intake</i>	81%	70%	32%	59%	76%	91%

### Discussion

If the multi-factorial analysis is a descriptive and a static method, the analysis of the interactions among the different sub-groups reveals interesting profiles of dairy farming systems, that most of the time are ignored in dairy development schemas. It also allows the identification of some relationships among the different sub-groups that take place over time. This continuum with regard to the sub-groups challenges the stereotypes related to the study of livestock systems.

A significant linkage among the different milk strategy sub-groups concerns the stage of family development. At the beginning, the young farmers in the 'saving' sub-group, living alone with their wife and children, cannot undertake dairy activity because of the lack of time. At this stage, only the surplus is saved. With the enlargement of the family, the sons participate in the agricultural work. Then dairy activity constitutes a way of diversification in an area that may experience problems regarding land pressure. The importance of the farm cycle had been well demonstrated by Tchayanov (1924). This factor could be important in explaining the different dairy strategies in agricultural areas, without omitting the geographic factor. The demographic factor explains also why the 'saving' and 'diversified' systems are both in the two sub-groups of agricultural diversification ('Dmatoo', 'Dviv'). In the same way, in the pastoral community, sons are encouraged to leave the father's farm with a part of the herd as soon as they reach the

age of marriage. Under this mode of inheritance, the average number of family members does not exceed six people in the pastoral areas, although two or three generations frequently are found on the same farm in the agricultural systems.

The combined analysis of the different sub-groups underlines the dynamic process of dairy development in agro-pastoral or agricultural systems. The first livestock investment would constitute a kind of hoarding of the agricultural surplus. Only with the enlargement of the family and the pressure of social needs, livestock can be seen as an activity of diversification, given the monetary valuation of animal products such as calves, milk, and manure. Milk is the product of agricultural diversification in the cropping system, before it becomes a way of income diversification, and then a factor of intensification in agricultural activities.

This analysis should not omit the cultural determinants that define the global environment of the farmers in terms of rules and norms. In this sense, this analysis shows the specific position of the pastoral farmers (represented by the extensive' category) who have a specific way of life, well established or rooted in the cultural tradition of the Bahimas. Nevertheless, shifts over generations can be observed. The young generation displays interest in the economic development of milking, and so join the 'saving' group. At the opposite end, non-Bahiman farmers in the groups 'Rinc' and 'Rank' always treat livestock as live saving, and prefer Ankolé cows because of their rusticity and resistance to infection. Moreover, the sale price of one Ankolé does not exceed 250,000 Sh., against the 500,000 Sh. for a Friesian cow. The costs of social needs of farmers are nearer to the Ankolé sale price, although the rate of interest (milk yield) is less. This explains the widespread maintenance of local cows in the more traditional systems.

More generally, if the cross-sectional analysis confirms the strong relationships among genetic improvement, degree of specialisation and intensification, market proximity and family expectations, the analysis also reveals rapid movement from one sub-group to another, as a result of unpredictable expenditure. In sum, it is difficult to analyse dairy strategies without taking into account the whole farming system and the family situation. The analysis shows the important relations between the social, cultural, economic and zootechnic factors that confirm the multiple and changing roles of livestock for farmers of the region (economic security, social status, risk insurance, etc.).

The construction of farms' current accounts from the analysis of the costs of milk production make it possible to demystify the social and cultural role of milk in the pastoral systems, and to identify some rational factors



from an economic point of view that explain the various milk strategy development according to the farm types.

Firstly, the decisions with regard to breeding systems (feeding system, veterinary expenditures, etc.), depend overall on the role, or non-existence, of other agricultural activities on the farm. This explains the large investment gaps in the dairy sector between the 'modern' and 'intensive' sub-groups and the other farmers who have little access to other financing sources, in part owing to their isolation. One other main factor for dairy development is the availability of work. This factor constitutes a major problem for the pastoralists. Not only must the children leave their family very early on, but the physical distance between camp sites and the milk centres makes commercialisation time-consuming. Moreover, in these remote places, it is difficult to find occasional workers. Study of the pastoralists suggests that most of the time is spent in search of livestock grazing feed.

Secondly, the evidence from farm current accounts demonstrates the complete rationality in terms of profits around decisions on selling milk. In contrast to 'diversified' systems where farmers may profitably produce milk by selling to neighbours or the informal market where prices are 15 to 20 percent higher, pastoralists are completely dependant on milk collection centres that pay very low prices during the peak milking season (Pastel 2001). Therefore both consumers of milk and private dealers should take production costs into account if they wish to see higher productivity in the dairy sector. Low profit margins dampen investment and the renewal of herds among these farm types. Surprisingly, the 'diversified' farmers registered the lowest net profit per capita. This shows the high vulnerability of 'diversified' systems due to the role of dependant family members. In term of cash flow, pastoralists registered the lowest receipts due to the low integration with markets. We can note positive results for farmers who decided to invest in their milk production. This finding bears out the fact that when financing is available, milk activity may be a very lucrative activity.

Finally, the recomposition of farm current accounts confirms the importance of milk production for all the sub-groups of farmers, including the 'saving' group. It reinforces the point that efforts concerning milk development should not neglect small farms, as if milk production there must be low.

This analysis does not integrate the embodied capital value represented by livestock when compared to rates of inflation in insurance markets. It is also difficult to assess the other roles played by milk production, such as cementing friendships, the availability of milk on ceremonial occasions, and the immediate convertibility into cash to meet urgent expenses. Therefore these current accounts under-estimate the importance of dairy farming in

the economic and social life of farmers in the region. But at least these preliminary results allow for an understanding of the reasons for the low involvement of some farmers in the commercialisation of milk.

### Conclusion

The reconstitution of the current accounts for each farm type allows the analysis and understanding of the milk production strategies and the decisions concerning market orientation. The results confirm the limited advantages not only for pastoralists, but also for small farmers in selling milk. This situation is mainly due to the decline in the terms of exchange for these farmers (as it has been already demonstrated in pastoral areas, Thebaud 1988). The sale price does not exceed 100 Sh./litre in the rainy season, the main productive period. For the 'saving' farmers, milk activity does not represent their main objective, since they are in a phase of investment. If the milk market was more profitable, they could of course increase their welfare. For the pastoralists, milk consumption remains a family priority and it explains the importance of this product in current accounts. Nevertheless, one cannot ignore the problems of infrastructure which help explain decision-making relative to milk valuation. The low profit margin for the 'intensive' farms should alert decision-makers and development personnel to the issue of whether milk production is a priority.

### Notes

1. Milk consumption was estimated at 21.5 litre per year per capita in 1999, as against 25.8 litres in Africa as a whole, and 28.1 in East Africa (FAOSTAT, 2000).
2. For example by the promotion of free milk distribution at school.
3. *Matooke* is a variety of banana for cooking.
4. The milk producer price is established at 180 and 300 Sh./litre, respectively in the rainy and dry seasons in the agricultural and agro-pastoral areas, compared to 100 Sh/Litre in the rainy seasons and 200 Sh./litre in the dry seasons in the pastoral area.
5. The milk product is estimated by multiplying the total collected milk with the average yearly producer price. For animal sales and purchases, the transactions with regard to calves, heifers and cows are incorporated in the milk charges, and those relative to males in other animal charges. To estimate the part of variable or structural charges in milk activity, a weighting based on the milk livestock unit on the total herd livestock unit (TLU) was used.

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## **The State of the Process of Decentralisation in Cameroon**

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### **Abstract**

The pace of the process of decentralisation in a given context unavoidably depends on the degree of favourableness of the legal environment and the dynamism of stakeholders (especially of local authorities, the state, development cooperation partners and civil society). This paper seeks to inform on the state of the process in Cameroon by exposing its current legal environment, its constraints and the level of organisation of its key actors in relation to the legal environment. Drawing from this assessment, the paper assesses the shortcomings of the decentralisation process in Cameroon while arguing that the objective for embarking on decentralisation in each context varies with its promoter. In the case of Cameroon, decentralisation constitutes the legal, institutional and financial means through which regional and local authorities operate to foster local development with the active involvement of the population. Through the devolution of powers to local entities, local development could be enhanced and a contribution made to the fight against poverty. The assessment of the legal framework and of its stakeholders shows that the decentralisation laws passed in 2004 in Cameroon have local development and governance as their main thrust. The new laws certainly create an environment that represents an irreversible step forward for the process of decentralisation but are in need of completion by the passing of legal instruments of application for them to effectively accelerate the pace of the decentralisation process and good governance. There is also need for better organisation and coordination of interventions of the stakeholders. The process is currently hampered by especially financial constraints on local authorities and limited capacities of the actors and beneficiaries of devolved powers. The paper concludes with a plea in favour of inter alia

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the strengthening of the capacities of all stakeholders through an approach that is sustainable if the objective of decentralisation is to be met.

### **Résumé**

Dans chaque contexte, le processus de décentralisation dépend inévitablement des opportunités qu'offrent l'environnement juridique et du dynamisme des acteurs (surtout les collectivités locales, l'État, les partenaires au développement, la société civile). A travers une analyse de l'environnement juridique, de ses contraintes et du niveau d'organisation des acteurs clés, le présent article a pour objet d'informer sur l'état des lieux de la décentralisation au Cameroun. Sur la base de l'analyse juridique, les défaillances du processus sont identifiées avec une argumentation suivant laquelle l'objectif de la décentralisation varie dans chaque contexte selon son promoteur. Pour le Cameroun, la décentralisation constitue le moyen légal, institutionnel et financier par lequel les collectivités locales œuvrent en faveur du développement local avec l'implication active des populations. Le transfert des compétences aux collectivités locales participe à la mise en œuvre du développement local et la lutte contre la pauvreté. L'analyse du cadre juridique montre que le développement local et la gouvernance sont au centre des lois camerounaises. Certes ces nouvelles lois créent un environnement qui est un pas irréversible en faveur de la décentralisation. Néanmoins elles attendent d'être complétées par des textes d'application afin d'accélérer véritablement le processus. De plus, l'environnement lui-même a besoin d'une meilleure organisation et coordination des intervenants. Les contraintes financières des collectivités locales et les faibles capacités des intervenants et bénéficiaires des pouvoirs transférés, comptent parmi les contraintes majeures identifiées. Cette étude conclut avec la remarque que ce sont ces constats qui justifient un plaidoyer en faveur du renforcement des capacités des intervenants à travers un approche durable, si on veut atteindre l'objectif de la décentralisation au Cameroun.

### **Introduction**

Institutional reform in African countries in recent years has been marked by trials of various forms of decentralisation. In general, hitherto centralised governments have initiated a reform agenda with the aim of transferring some powers, tasks and resources to regional governments and local authorities. Cameroon is one of these countries.

Cameroon experienced different forms of decentralisation before the 1990s. Decentralisation in its current form here is based notably on the Constitution embodied in Law No. 96/06 of 18 January 1996. On the strength of the provisions of article 55 of the said constitution, 'decentralised local entities of the Republic shall be regions and councils ... decentralised local authorities shall be legal entities recognised by public law. They shall enjoy administrative and financial autonomy in the management of local interests.

They shall be freely administered by boards elected in accordance with conditions laid down by law'. In Cameroon therefore, decentralisation constitutes part of the framework of national policy on democratisation that started in the 1990s.<sup>1</sup>

The pace of the process of decentralisation in a given context unavoidably depends on the degree of favourableness of the legal environment and the dynamism of stakeholders (especially of local entities, the state, development cooperation partners and civil society). This paper seeks to inform on the state of the process of decentralisation in Cameroon by considering the current legal environment, constraints and the level of organisation of its key actors in relation to the legal environment. To this end an overview of the objective of decentralisation is useful.

### **The objective of decentralisation: A brief overview**

The ultimate goal of reforms that decentralise centralised systems differs depending on whether its promoter is the state or part of the community of donors. States embark on decentralisation with the objective of bringing the government closer to the people and thereby involve them more actively in the process of development.<sup>2</sup> Decentralisation 'furthers popular participation' (Midgley 1986). R Lemarchand (1998) and Marc Totté et al., (2003), however, doubt that decentralisation *per se* enhances participation of the masses in development. Donors and some theorists like Wunsch et al., (1990), Cheema et al. (1983), and Esman et al. (1984), on their part, view decentralisation as a means of combating corruption and alleviating poverty; considering that decentralisation provides avenues for participatory management and better use of available resources. Sawadogo (2001) is of the view that decentralisation constitutes an excuse for treating diverse problems: 'good governance, development, democracy, poverty alleviation, administrative reform, privatisation etc. at the same time'. In this paper, the state of decentralisation is perceived as the institutional and financial means through which regional and local governments operate to foster local development and governance with the active involvement of the population. By the same token, decentralisation contributes in combating corruption and alleviating poverty.

### **The legal environment**

Three bills<sup>3</sup> voted by the Cameroonian House of Parliament in June 2004 were promulgated into law on July 22, 2004. These laws replace the hitherto disparate laws of 1974 on local councils with their multitude of subsequent amendments.

Under the provisions of the laws of 2004, there is a devolution of powers accompanied by the transfer of means, financial, material and human, to local entities that are made of 10 regions and 339 councils.<sup>4</sup> The President of the Republic can by decree create or redelimit the geographical boundaries of a local authority as well as rename or decide on the temporary regrouping of local authorities.<sup>5</sup> Moreover a common decentralisation fund is created (article 23(1), Orientation Law). For the steering and evaluation of the decentralisation process there is a national decentralisation council and an inter-Ministerial Committee<sup>6</sup> of local services (article 79, Orientation law). These new laws (that essentially focus on local development and governance) constitute the basic framework of rules on decentralisation in Cameroon.

Prior to July 2004, local entities were endowed with largely social functions like the celebration of marriages and delivery of birth and death certificates (1974 law relating to councils). In the transfer of powers for *local development* under the 2004 laws, local authorities are assigned the task of promoting economic, social, health, educational, cultural and sports development (article 4(1), Law of Orientation). Powers that correspond to the promotion of development in these sectors are devolved to local authorities under conditions laid down by law (articles 18–24 of Rules applicable to Regions; articles 15–22 of Rules applicable to Councils). The development opportunities implied in the execution of these tasks are new to local authorities in Cameroon. Here, the local authority can only act as catalyst to local development by at least strengthening municipal infrastructure (especially social infrastructure), carrying out a broad range of activities under the heading of ‘governance’ (institutional capacity building of local government structures as well as civil society organisations and especially the interface between them) and an endowment with the capacity to lead local development for wealth creation. This way, devolved powers will greatly contribute in serving development.

The decentralisation laws of 2004 further set the pattern of the exercise of power by local authorities which represents the framework for governance and democratic practice. Local authorities are endowed with legal personality and administrative autonomy by law. These structures are administered by entities whose organs are elected through direct universal suffrage. The activities of these elected local entities are overseen by the representative of the supervisory authority, that is, the Governor and the Senior Divisional Officer at the level of the region and the council respectively (articles 46–57 of the Orientation Law). Local officials are not only accountable to the electorate but to the Chief Executive of the state too. The latter can dismiss an elected official for embezzlement (article 95(1) Orientation law).



Each local authority has two organs, one deliberative and the other executive. To increase dialogue over municipal matters, there are four statutory meetings (unlike two under the 1974 Law). Local authorities are empowered to undertake decentralised cooperation and form unions of councils (article 131 Orientation law). On democratic practice within organs of local authorities, a quorum of two-thirds of the membership is required for a municipal council meeting to be held. Decisions are taken by simple majority vote and as a general rule council sessions are open to the public. Extracts of proceedings of council sessions must be communicated to the public eight days after the council session (art 40(1)).

The practice of having local governments that are elected directly by the population actively involves them in the choice of their local leaders who in turn are accountable or answerable to them. It is therefore evident that laws that define such a pattern of the exercise of power at local authority level enhance democratic practice and good governance. The attainment of this objective through laws that devolve such powers determines the process of decentralisation and contingent on the level of contextual constraints and the dynamism of its stakeholders.

### **Stakeholders and Developments**

The stakeholders or actors of the process are the state, local authorities, civil society and development cooperation agencies, all of them exercising roles that are complementary.

#### **Development co-operation agencies**

Donors active in the decentralisation domain in Cameroon are the United Nations system, Germany, France, Canada, European Union, the Dutch<sup>7</sup> and the Swiss<sup>8</sup> governments. The UN system assisted in the elaboration of training manuals for elected councillors for use nationwide. The European Union and all of the bilateral stakeholders support the strengthening of the capacities of the local actors either at the level of the Ministry in charge of decentralisation (where there is a French technical adviser to the Minister) or at the level of specific local councils. For example, German technical and financial assistance (via a twelve-year programme that is split into three phases of four years each) is to be implemented by the combined effort of four technical organs<sup>9</sup> in three regions that count 165 councils. This donor envisages carrying out capacity building in at most 25 of the 165 councils of the three regions<sup>10</sup> by the end of the total programme phase of twelve years. Swiss assistance is limited to supporting capacity building in sixteen out of a total of 59 councils of the North West and South West Provinces of Cameroon.

In effect therefore, the assistance of donors is thematic and limited in geographical scope to a few councils. Ideally, comprehensive assistance to the process should at least cover the strengthening of municipal infrastructure (especially social infrastructure), carrying out a broad range of activities under the governance heading (such as the capacity building of local government structures and civil society organisations as well as the interface between them) and assistance to councils for the strengthening of their capacity to lead local development for wealth creation.

The sheer enormity and the financial implications of assisting decentralisation nationwide perhaps explain the limitation of donor intervention to a relatively small number of councils and to a theme or two each time. Nevertheless, the donor community is interested in the decentralisation process.

#### **The Ministry in charge of local entities**

The creation of a Ministry of Territorial Administration and Decentralisation (MINATD) by Decree No. 2002/216 of 24 August 2002 seems to translate the will of the state to advance the process of decentralisation while at the same time taking into account imperatives of preserving national unity and social cohesion in a country characterised by social and cultural diversity. As the supervisory authority of regions and councils, MINATD<sup>11</sup> is currently in the throes of a study that aims at reforming and aligning the system of administration to the advent of decentralisation. Besides, the National Governance Programme (PNG) (composed of a decentralisation and local development sub-commission) liaises with the Directorate in charge of councils in the MINATD towards the implementation of decentralisation. Also, the Local Government Training Centre (CEFAM) and the Special Inter-communal Equipment and Support Fund (FEICOM) are the other specialised state institutions under MINATD that are meant to assist the latter in the implementation of decentralisation.

FEICOM plays two useful roles for decentralisation. It collects and redistributes the additional council surtax and provides financial grants and soft loans to councils. The Local Government Training Centre (CEFAM) is responsible for providing training and refresher courses to municipal staff. Tenders for the reform of CEFAM and of FEICOM were advertised per interview of MINATD (2005) and declared abortive in October 2005. The objective of the latter tenders was to put in place support structures to MINATD that enhance the implementation of decentralisation.

On the very important subject of capacity building, MINATD has embarked on a vast training (in one week workshops) of municipal councillors and officials on leadership and council management, in partnership with development cooperation agencies. Six of the ten provinces have already been

covered by this training programme (2005 *Cameroon Tribune*, interview with MINATD). The initiative to train councillors is welcome but though here, like in Francophone West African states as Totté et al. (2003: 29) remarked, 'peasant structures lack the capacity to ensure sustainable development'.<sup>12</sup> The training modules are unfortunately mute on the subject of local development which is a key and new task of local entities. Moreover, the approach is severely flawed in being one of 'fire and forget', i.e. devoid of a clear and predictable follow-up strategy. It is common knowledge that sustainable local development requires proper supervision and monitoring mechanisms. The MINATD approach to training may also seem to be too paternalistic for assuming that councils alone are in need of capacity building. It is hoped that future training exercises will envisage the inclusion of all the other actors in the decentralisation process because it is common knowledge that focusing more on local officials 'usually leads to local passivity' (Wunsch et al., 1990: 87).

#### **The Union of Councils and Cities of Cameroon (UCCC)**

The association of local councils (UCCC) was created in December 2003 by a fusion of two associations that brought together all the councils of Cameroon. UCCC has of late manifested an increasing dynamism both at provincial and national levels. National elections of officials of this association were held in May 2005 after a session of its General Assembly. These elections saw the participation of all the mayors of UCCC. A temporary Bureau that had been put in place by the General Assembly in December 2003 was re-elected into office until 2007. The national office of UCCC (formerly lodged at the offices of the Yaoundé 1 City Municipality) is now set up on neutral premises in the Bastos neighbourhood of Yaoundé.

In terms of marketing of the potential of local councils in the electronic age, UCCC now has a web-site: [www.mairiesducameroun.net](http://www.mairiesducameroun.net). This site posts a giant map of Cameroon showing the ten provinces (or regions under the 2004 laws) that in turn are broken up into 339 local councils. A page on the website is dedicated in the website for each of the 339 local councils wherein can be found a presentation of the council, a word from the Mayor, ongoing projects, a list of companies operating within the council, and current and useful addresses of the council area. The site also posts a summary of territorial administration of Cameroon and takes a brief overview of FEICOM.

Regarding local government activities, UCCC recently lodged a petition to the supervisory authority over the management and other shortcomings of FEICOM. The reaction of the supervisory authorities to this petition has been swift. For example, according to the newspaper, *Le Quotidien Mutations*, the board members of FEICOM at its meeting of July 2005, 'ex-

pressed doubts over the sincerity of the accounts' presented by FEICOM's General Manager. Thereafter, the Minister in charge of finance promptly withdrew key government employees seconded to FEICOM by that Ministry (*Le Quotidien Mutations*, 2005). FEICOM's former Director General was not only dismissed but has been behind bars since 7 March 2006 on charges of embezzlement of public funds. This shows that UCCC (backed by its 339 council membership) is a force that can muster tremendous clout. The problem is that it is still very young as a structure and requires institutional, managerial and financial support for it to play its rightful role of a catalyst and oversight to the decentralisation reform agenda.

### **Specialised civil society organisations**

There is an emergence of civil society organisations (CSOs) that specifically support the decentralisation process. The Centre des Nouvelles Alternatives d'Appui au Développement (Canadel),<sup>13</sup> Action pour le développement équitable et durable (ADEID),<sup>14</sup> Alternatives Durables pour le Développement (ADD), Service d'Appui aux initiatives locales de développement (SAILD),<sup>15</sup> Zenu Network<sup>16</sup> and Espace Dschangshuss pour la Gouvernance Citoyenne en Afrique Centrale<sup>17</sup> constitute some of these CSOs. The written media counts *Alert Gouvernance* among organs specialised in the dissemination of information on decentralisation. A developed civil society will provide proper oversight of the decentralisation process. For the time being, these specific CSOs need better organisation, training and means if they must play their role in the process. They currently are weak.

### **The larger political environment and the process**

Views and actions of the people as expressed by their elected representatives especially in the House of Parliament of Cameroon reflect those of the bulk of the political environment. Members of the 180-strong House of Parliament were disenchanted with the level of corruption and were convinced that decentralisation constitutes one strategy for curbing the evil. Parliament was then led to debate and vote the 2004 decentralisation laws when the bills were presented by the executive arm of the state. This is why and how far the people, through parliament, have manifested in favour of decentralisation as a political issue. The pace that would turn this manifestation of the will of the masses to effective reality depends however on completion of the laws by legal instruments of application signed by the Executive.

Otherwise, the foregoing is evidence of the linkage between the legal environment, stakeholders and the organisation of the latter which creates synergies that invigorate and accelerate pro-decentralisation initiatives and activities. The pace of the process nevertheless depends on the level of the constraints under which stakeholders operate.

## Critique of the process

### Legal instruments, vital missing links

The new laws revisit the role and powers of supervisory authorities over local entities.<sup>18</sup> Devolved powers on the subject of local development entail an adaptation of the relationships of deconcentrated government ministries with local authorities. This implicitly involves traditional and religious authorities, civil society organisations, and development cooperation agencies that have hitherto taken up local development initiatives alongside the state. The interface between all of these actors requires proper clarification. There is therefore a vast task of research, training, organisation and reform involved here. The result will enable each stakeholder, in the process, to master where their duties commence and end so that each of them plays an effective role in the process. On this score there is absence yet of legal instruments (laws, decrees and orders) completing aspects of the organisation and functioning of decentralised local authorities as provided for by the Constitution of 1996 and the laws of 2004. Most urgent are instruments of the law<sup>19</sup> governing conditions for the election of regional councillors. The signing, publication and application of the latter will mark the effective birth of regions. Similarly, the law defining the financial system (*régime financier*) of local authorities as well as the relevant tax (*fiscalité locale*) system is awaited. So too is the effective setting up of the National Decentralisation Council, the Inter-ministerial Committee for local services and the decentralisation of the Administrative Bench of the Supreme Court that is currently centralised in Yaoundé; structures through which stakeholders can best oversee, influence and determine the pace of the decentralisation process. The operationalisation of the functioning of decentralised local services also depends on an awaited decree.

### Stakeholders need urgent accompaniment

In general, the laws devolve powers to local authorities that are yet in need of the capacity to effectively manage the said powers. The laws therefore seem to be comparatively advanced and with this comes the risk that is comparable to liberalisation of the economies of African countries in the 1990s without first ensuring that they were competitive.<sup>20</sup> There is a dire need for an accelerated and continuous capacity building of stake holders so as to neutralise whatever error there was in devolving power before training its beneficiaries on how to exercise the said powers.

**Coordination of stakeholders by the supervisory authority awaited**

Stakeholders in the decentralisation process today in Cameroon are like the proverbial colony of ants carrying a large cricket (decentralisation). It is said that when one sees a colony of ants carrying a large cricket, it is because they all know to where they are heading. It is submitted that this is not the case with development cooperation agencies and other stakeholders assisting in the decentralisation process in Cameroon. The latter currently seem to be doing so in the absence of coordination by the supervisory authority. A committee was recently created to serve this purpose, yet is well-nigh impossible as of now to immediately tell which donor or actor is doing what, where, with what resources, for how long and with what degree of success. This is because a recipient-driven coordination forum or mechanism for dialogue between all actors is yet to be put in place. In the absence of such a mechanism whereby MINATD spells out priorities of the process, the current multitude of actors (like ants without a sense of vision and in need of leadership) will, with all good intentions, continue to retard the process by duplicating efforts and wasting useful resources through dispersion.

**Decentralisation accompaniment structures wanting**

Structural readjustments of the state apparatus, especially those that are meant to accompany the implementation of decentralisation (like CEFAM and FEICOM), are awaited. FEICOM, created by the 1974 law<sup>21</sup> on local councils and reorganised in 2006,<sup>22</sup> currently manages mainly the 'additional council tax' (with workings and procedures that do not yet permit a clear identification of its criteria for the distribution of resources). The law on the Orientation of Decentralisation (and corresponding provisions of the 2004 laws relating to Councils and Regions) in article 88 simply abrogates the 1974 law on local councils. It is submitted that a structure like FEICOM, that owes its birth to a law and that has apparently been killed by another is dead in the eyes of the law. The current legal status of FEICOM is therefore unclear.

**Pace of process hampered by constraints in the legal environment**

A major constraint stems from Law N° 2004/018 of July 22, 2004 laying down rules applicable to councils. Article 115(1) of the latter law puts into question the principle of free administration of decentralised local entities, albeit by the creation of 'city councils' with special status. According to Boudine (1992), 'the essence of the autonomy of local authorities emanates from the mode of designation of their leaders by direct universal suffrage and the freedom of the deliberating assembly to define norms that bind them; with the *proviso* that they do not conflict with national law'.<sup>23</sup> The appointment of government delegates to head local authorities (even if of large cit-

ies) introduces a unique twist into the classical meaning of 'autonomy of local authorities'. Although some theorists of constitutional law (Guimdo 1998; Troper 1980) seem to gloss over this fine point, it would appear that the appointment of these government delegates to lord over large cities in accordance with article 115(1) of the said Cameroonian law contradicts the principle of the free administration of local authorities by officials locally elected by direct universal suffrage, considering that government delegates are appointed by presidential decree. In such conditions, these municipal administrators are neither mayors nor municipal councillors attached to some local authority. This constitutes a serious setback especially at the level of the local entities where this provision is applied.

Were it indeed the case of large cities in an emerging democracy tampering with the principle laid down by law whereby local authorities 'shall be freely administered by boards elected in accordance with conditions laid down by law', it is submitted that there is a need to find alternatives that conform to the law. For example, the appointment of the government delegate in each case from *amongst elected local councillors* in one breath permits respect of the spirit of the law without expressly excluding avenues for the expression of the interest of government in the choice of officials charged with administering the cities. In the absence of such a formula, the introduction of the notion of government delegates questions the principle of elections as a means of designating municipal executives accountable to the electorate; thereby subverting the democratic and decentralisation process.

Again, the new laws seem to pay little attention to measures that stimulate appropriation of the decentralisation process by the population. For example as indicated earlier, the 2004 laws simply state in a top-down fashion that the President of the Republic can create, rename, and re-delimit geographical boundaries of local authorities. This approach relegates the participation of the masses in the definition of their own identity, albeit at local level, to the rear.<sup>24</sup> This piece of legislation seems to directly contradict the political intention referred to earlier whereby the objective of decentralisation is to better involve the masses in the process of development. It is submitted that this contradiction and relegation is a clear and major obstacle to the appropriation of the process by those who ought to ensure proper oversight and success of the process.

The third serious constraint to the process of decentralisation lies in the centralisation of government financial resources as a result of the principle of a 'unicité de caisse' (single till) instituted by the finance law of 1962. Local councils were reminded to respect this principle by a May 2005 decision of the Minister in charge of Finance ordering all councils to close all accounts held by them in high street banks and to immediately transfer the

proceeds into the national treasury.<sup>25</sup> The financial status of councils, albeit 'autonomous' under the principle of 'unicité de caisse', becomes precarious because dependent on the liquidity situation of the state treasury. It has been argued that a repeal of this decision would weaken the state. However, it has to be admitted that its continuous maintenance is at the root of the current financial difficulties of local authorities. Efforts need to be made towards reforming this principle (as was the case in 1990 granting a special waiver in health matters relating to the provision of essential drugs in the health sector) for local authorities to effectively experience financial autonomy as provided by law.

### **Apparent pussyfooting by the Executive in the application**

#### **of the law**

The pace of the process of decentralisation would seem to be retarded in part too by the Executive. It would appear that certain provisions of the law are not yet effective even though the 2004 decentralisation laws did not make them contingent upon the signing of legal instruments of application by the Executive. A glaring example of this has to do with ensuring that the council executive draws its legitimacy from the electorate of the council area. It is for this reason that the creation of 'special regime councils'<sup>26</sup> hitherto lorded over by government delegates appointed by decree was repealed by section 156 (1) of the 2004 law applicable to councils. More than two years after this repeal, however, the said delegates of 'special regime councils' are still in office, although the transitional and final provisions of the 2004 decentralisation laws apparently do not expressly state that they shall keep their positions, even for the time-being.

Though observers across the board agree that it is thanks to the government of August 2002<sup>27</sup> that decentralisation has been put on an irreversible track, this level of pussyfooting in the application of the law lends credence to critics who charge the government with the absence of the political will to effectively decentralise. The former ask what guarantees there are that legal instruments of application will be signed if dispositions of the law (that are applicable without more) remain a dead letter to date.

### **Conclusion**

Through the brief statement of objectives of decentralisation, it is apparent that the latter is a process. Whether it is to alleviate poverty, to provide essential services to the population, fight corruption through good governance and the active involvement of the population in the affairs of the city or development, decentralisation takes time. In Cameroon, the decentralisation laws of 2004 represent a framework (albeit incomplete) on which to con-



struct decentralised local entities that reflect the social and cultural specificities of the country without turning a blind eye on modernity. The promotion of local development and good governance seem to be the main thrust of these new laws. It was noted earlier that the laws in themselves are very advanced as they devolve powers to local entities that still have to be trained on how to manage the said power. In spite of the constraints identified, the present state of the law and of stakeholders and recent developments seem to show that decentralisation has taken an irreversible forward turn here.

More than two years after the decentralisation laws were promulgated, there are no signs of changes that can be represented by empirical data on how councils and regions have performed under the new laws. Finding and recording any such performance is difficult or premature, because the legal landscape still awaits instruments that will render the new laws applicable. However, a lesson that is not lost here is its portrayal of the serious limitations and frustrations that parliament creates when it votes laws – in the form of legal frameworks like the 2004 decentralisation laws – which leave many gaps (without which the laws are inapplicable) to be filled by the Executive without a time-frame. Parliament is only effectively capable of ensuring the pace of the application of reform agenda if such a practice is cut to the barest minimum.

The 2004 laws and the opportunities they present alone may not however suffice. The success of this reform agenda requires, *inter alia*, the manifestation of a strong political will to decentralise, time, resources, because ‘true decentralisation only occurs when local decision-making bodies have control over financial resources’ (Midgley 1986: 33), active involvement of all the stakeholders, concrete institutional and human capacity building at all levels to enable local authorities to fully assume their new roles, tasks and duties. The dangers of the failure to accompany the new laws with the transfer of means and effectively and expeditiously build the capacities of beneficiaries and stakeholders of powers devolved by the new decentralisation laws are comparable to those that come with say the gift of a car to an untrained and unlicensed driver who in turn hits the road. The benefits now, of embarking on organisation and concentration on human and institutional capacity building (in order to well found decentralisation) are however immeasurable.

### Notes

1. With the passing of a series of laws on rights and freedoms.
2. End of Year 2002, 2003 and 2004 policy speeches to the Cameroon nation by the President of the Republic.

3. Law N° 2004/017 of July 22, 2004 on the Orientation of Decentralisation; Law N° 2004/018 of July 22, 2004 laying down rules applicable to Councils; Law N° 2004/019 of July 22, 2004 laying down rules applicable to Regions.
4. Law N° 2004/017 of July 22, 2004 on the Orientation of Decentralisation, chapters 1-3. Councils number 360 as at 2007.
5. *Ibid*, art. 6; Law N° 2004/018 of July 22, 2004 to lay down rules applicable to Councils, articles 4-7.
6. Arrêté N° 130/CAB/pm du 6 octobre 2006 portant création, organisation et fonctionnement d'un comité de concertation pour la mise en œuvre de la décentralisation.
7. Netherlands Development Organisation (SNV).
8. Swiss Association for International Co-operation (Helvetas).
9. German Development Cooperation (GTZ), German Development Service (DED) and Friedrich Ebert Foundation (FES), German Development Bank (KfW).
10. Centre, Far North and West per unpublished minutes Négociations Intergouvernementales germano/camerounaise, mai 2004.
11. Orientation Law *supra*, art. 66.
12. Author's translation from the French.
13. P. O. Box 3799 Yaoundé, Tel: +2372221 3140, Fax +2372220 5520.
14. P. O. Box 12977 Douala, Tel: +2373342 76878; [www.ADEID.org](http://www.ADEID.org).
15. P. O. Box 11955 Yaoundé, Tel: +2372222 4682, [www.Saield.org](http://www.Saield.org).
16. [www.zenu.org](http://www.zenu.org).
17. [www.dschangshuss.net](http://www.dschangshuss.net).
18. Articles 66-77 Orientation law.
19. Law No 2006/004 of July 14, 2006 to lay down conditions governing the election of regional councillors.
20. It is submitted that the result has been the current accentuation of poverty in contrast with the case of the now wealthy South East Asian countries where the institution of competitive economies preceded liberalisation.
21. Art 91 of the 1974 law as amended by law No 95/21 of August 8, 1995.
22. Decree No 2000/365 of December 11, 2000 and very recently by Decree No 2006/182 of may 31, 2006.
23. Author's translation from the French article by J. Boudine, 'La distinction entre collectivité locale et collectivité territoriale. Variation sémantique ou juridique?', 1992, R.D.P., p. 179
24. For an example of the bottom-up approach that gives voice to the population here, see: 'Decentralisation in Mali: Putting policy into practice', SNV & CEDELO Bulletin N° 362 (2004) pages 18-22.
25. Cameroon, Décision N° 05-232/MINEFI/CAB of 16 May 2005.
26. Section 177 of Law No 74/23 of December 5, 1974 and the subsequent amendments thereto.
27. Decree No. 2002/216 of 24 August 2002 reorganising the Government of Cameroon.

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## **Integrating Remote Sensing, GIS, Census, and Socioeconomic Data in Studying the Population–Land Use/Cover Nexus in Ghana: A Literature Update**

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### **Abstract**

Land is a very important asset and a means to sustain livelihood. In the face of a rapidly growing global population, increase in technological capacity, and affluence, the earth's land cover has been transformed, especially in developing countries. At the same time, social organisation, attitudes, and values have also undergone profound changes. In contemporary times, issues of sustainable development, pollution prevention, global environmental change and related issues of human-environment interaction have been a major concern globally. This concern has largely been sparked by the phenomenon of global warming and its consequences, which are threatening the very existence of humans on the surface of the earth. Remotely sensed data (mainly from aerial photographs and satellite images) in combination with Geographical Information Systems (GIS) have been observed to have potential scientific value for the study of population-environment interaction. This paper provides an account of how Remote Sensing, GIS, census (mainly population and agricultural) and socioeconomic (household, district and regional) survey data have been integrated in studying the population land-use/cover nexus in Ghana. It also identifies the major methodological challenges, and solutions.

### **Résumé**

La terre constitue un atout majeur et un moyen de subsistance. Devant une population mondiale qui ne cesse de croître de manière rapide, devant une croissance des capacités technologiques et des richesses, on assiste à une modification de la couverture terrestre dans le monde, en particulier dans les

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pays en développement. Simultanément, les structures, les attitudes et les valeurs sociales ont aussi subi de profondes mutations. Aujourd'hui, les questions de développement durable, de prévention de la pollution, de changement de l'écologie mondiale et autres problèmes liés à l'interaction de l'homme avec l'environnement constituent une préoccupation majeure dans le monde. Cette préoccupation est suscitée par les phénomènes tels que le réchauffement de la terre et ses conséquences qui sont une menace à l'existence même de l'être humain sur terre. On a constaté que les données de télédétection (en provenance, en majeure partie, de photographies aériennes et d'images prises par satellites) combinées aux Systèmes d'information géographique (SIG) ont un potentiel de valeur scientifique sur l'étude de l'interaction des populations avec l'environnement. L'auteur fournit un rapport détaillé sur la façon dont les données recueillies grâce à la Télédétection, les SIG, les recensements essentiellement démographiques, agricoles et socioéconomiques (à la suite d'enquêtes menées auprès des ménages, des districts et des régions) ont été intégrées dans l'étude de la relation entre l'utilisation des sols par les populations et la couverture terrestre au Ghana. Les principaux défis méthodologiques et leurs solutions ont été également identifiés.

### **Introduction**

Land is a very important asset and a means to sustain livelihood. It is the key and finite resource for most human activities including agriculture, industry, forestry, energy production, settlement, recreation, and water catchments and storage. Land is a fundamental factor of production, and through much of the course of human history, it has been tightly linked to economic growth. It comprises biophysical qualities such as soil, topography, climate, geology, hydrology, biodiversity and political divisions. Land is also defined as consisting of such socioeconomic factors as technology and management. Land use has been defined as the way in which, and the purposes for which, humans employ the land and its resources (Meyer 1995). Land cover on the other hand has also been defined as that which overlays or currently covers the ground, especially vegetation, permanent snow and ice fields, water bodies or structures (USDA Forest Service 1989).

In the face of a rapidly growing global population, increase in technological capacity and affluence, the Earth's land cover has been transformed especially in developing countries. At the same time, social organisation, attitudes, and values have also undergone profound changes. In contemporary times, issues of sustainable development, pollution prevention, global environmental change and related issues of human-environment interaction have been a major concern of the global scientific community as well as citizens and policy makers of the world. This concern has largely been sparked by the phenomenon of global warming and its consequences, which are threatening the very existence of humans on the surface of the earth. In

understanding global environmental change, a consideration should be made to the conditions and changes in land cover engendered by changes in land use; the rates of change in the conversion, modification and maintenance processes of use; and the human forces and societal conditions that influence the kinds and rates of the processes (Lambin et al., 1999).

Even though remote sensing is not a new technology, since aerial photographs have been in widespread use for a half-century (Carls 1947) and satellite images for a quarter-century (Estes et al., 1980), remotely sensed data have been observed to have potential scientific value for the study of human-environment interaction, especially land use/cover changes and have therefore been identified as a useful tool to aid the process of understanding human-environment interaction (Dale et al., 1993). Furthermore, remote sensing and global positioning systems (GPS) have given rise to the advent of more precise and geographically referenced data on cover and use of land, which in turn have created opportunities for improved assessments and analysis. With the aid of these new data, researchers have now started to unravel the processes that drive the cycle of land use change and resource degradation. Airborne and satellite remote sensing data have been proven to be one of the best techniques for monitoring forest clearing, shifting cultivation, and land use conversion patterns and has therefore been partnered with socioeconomic surveys and censuses as well as other biophysical information gathering techniques, to bring about a better understanding of land use/cover dynamics and the factors that drive them (Quattrochi and Goodchild 1997).

Remote Sensing is particularly very useful for population studies and the following are a few of them. Jensen and Cowen (1999) for example, identify three ways in which population estimates can be attained through Remote Sensing. These are (i) individual dwelling units count (ii) measuring urban extent and (iii) land use/cover classification. Remote Sensing can also provide intercensal population estimates. For instance night-time lights have been used as a proxy to estimate population (Mathur 2002). Finally, remote sensing can also assist in planning censuses by identifying areas of new development and provide regular updates of new housing stock for planners. This paper provides a literature update on how Remote Sensing, GIS, census and survey data have been integrated in studying the population land-use/cover nexus in Ghana. It also identifies the major methodological challenges, and suggested solutions provided by some researchers in this new area of scientific enquiry.

### **Studies in developing countries**

Extensive studies on the human dimensions of global change have been undertaken by the Land Use/Cover change (LUCC) project of the International

Geosphere-Biosphere Programme and the International Human Dimension Programme on Global Environmental Change. These studies have focused largely on indirect linkages between information embedded within spatial imagery and the core themes of the social sciences. These works are exemplified by assessments of the proximate causes of land use/cover change (for example, slash-and-burn cultivation, clear cutting of timber), environmental constraints/opportunities associated with human activities (soil sustainability and zones of intensive cultivation), or assessment of infrastructure in planning (for example, green spaces, road networks) (Ehrlich et al., 1997).

Other researchers have also used remote sensing data to analyse population and land use/cover change in many parts of the developing world. Notable among these areas are the Nang Rong district of Thailand (Entwisle et al., 1998), the Amazon Region of South America (Skole and Tucker 1993; Moran and Brondizio 1998 and Pfaff 1997), the Peten in Guatemala (Sever 1998), the Chittagong Region in Bangladesh (Rahman and Csaplovics 1999), Costa Rica (Veldkamp and Fresco 1997), Ecuador (Koning et al., 1999), China (Verburg et al., 1999a), Java in Indonesia (Verburg et al., 1999b), and Jordan (Millington et al., 1999). The most extensive studies in sub-Saharan Africa using a combination of satellite and survey data to study the socio-economic drivers of land use and cover change are the ones by Guyer and Lambin (1993), Mertens and Lambin (1997) and Mertens et al (2000).

### **Trends in Ghana**

Ghana has a surface area of about 238,533 km<sup>2</sup>. In 1921, the country had a population of 2.2 million, which almost doubled within a period of 27 years, reaching 4.1 million in 1948. The population from then increased rapidly between 1948 and 1960, rising to 6.7 million. The 1970 census put the country's population at 8.6 million while in 1984, 12.3 million people were counted in the country. By the year 2000, Ghana's population had reached 18.9 million and projections show that it is currently about 20 million. The annual growth of the population has been recorded to be 2.4 percent during 1960-1970, 2.6 percent in 1970-1984 and 2.7 percent between 1984 and 2000. Ghana's population can therefore be said to have grown at a high rate of 2.6 percent since 1960 (GSS 1989 and 2002). The current rate of population growth suggests that Ghana's population would double within the next 27 years and there is therefore little or no sign to show that Ghana's population growth rate has declined in recent times. Due to rapid population growth, population density rose from 28 persons per km<sup>2</sup> in 1960 to 39 persons per



km<sup>2</sup> in 1970. In 1984 it was 51 persons per km<sup>2</sup> and in 2000 it reached 79 persons per km<sup>2</sup>.

The demographic trend in Ghana since 1970 can be said to have been that of a high but moderately declining fertility and a declining mortality. Total fertility rate (TFR) has declined from a high of around 7.4 children per woman in the 1960s (Caldwell 1965) to 6.4 in 1988. In 1993, TFR was recorded as 5.5, which further declined to 4.6 in 1998 and 4.4 in 2003, i.e. a reduction of two children per woman within a period of 15 years (GSS 1999 and 2004). Cultural beliefs and practices that encourage large family sizes and low modern contraceptive use are mainly responsible for the fertility rates among different population sub-groups in the country. Due to the issues mentioned, crude birth rate (CBR) has been high at about 45 per 1000 population in the 1960s and 1970s with marked declines observed only during the 1990s.

Mortality trends have also shown some steady improvements over the years. Infant mortality has declined from a level of 77 per 1000 live births in 1988 to 66, 57 and 64 per 1000 live births in 1993, 1998 and 2003, respectively. In the same way, overall under-five mortality, which was 155 per 1000 live births in 1988, declined to 119 in 1993, 108 in 1998 and 111 in 2003. This has all culminated in a steady decline in crude death rate (CDR). CDR which stood at about 23 per 1000 population in the 1960s, steadily declined to as low as 10 per 1000 population (Population Reference Bureau 2004). The fertility and mortality situation in the country implies that the natural population increase has shot up following a widening gap between fertility and mortality.

As far as migration is concerned, the trend and pattern in the country during the 1960s was more of rural-rural movements. This was as a result of the cocoa boom, where most of the forest areas in Ashanti, Eastern, Western and Brong Ahafo Regions became important receiving areas for migrants mainly for cocoa and other cash crop production. The pattern of internal migration, however, changed in the mid-1970s towards the cities and large towns. According to the 1984 population census, in terms of volume, internal migration was 35.3 percent urban-urban, 25.3 percent urban-rural, 22.9 percent rural-rural and 16.6 percent rural-urban. On the international migration front, the contribution to Ghana's population growth has not been that much. Cross-border population movements between Ghana and her neighbours, i.e., Côte d'Ivoire, Togo and Burkina Faso have constituted the main sources of international migration in Ghana. Another aspect of this phenomenon is the crossing of herdsmen from the neighbouring countries, particularly Burkina Faso, into Ghana with large numbers of their cattle dur-

ing periods of drought. Finally, a number of refugees from the West African sub-region, particularly, from Liberia and Sierra Leone following the civil wars in those countries, have also migrated to Ghana.

### **Population growth and land degradation in Ghana**

Rapid population growth and low economic standards of living in Ghana have brought in their wake a lot of consequences for agricultural land and forest resources. As Benneh and Agyepong (1990) put it, among the three factors that have contributed to greater competition for land, hitherto covered by trees and now devoid of vegetation, one is demographic pressures. In their opinion, as population increases, so too does the need for land, to expand settlement infrastructure and other utilities. Furthermore, there has been increasing use of fuelwood in both urban and rural areas in Ghana, as it is the cheapest form of energy. Faced with development constraints, including low incomes, shifts from the use of fuelwood to use of cleaner fuel alternatives such as electricity, kerosene, and Liquefied Petroleum Gas (LPG) have not been possible. While large areas continue to be depleted, the trend of fuelwood use has been increasing in Ghana. Between 1966 and 1975, countrywide fuelwood consumption increased at the rate of 5.8 percent per annum (Ardayfio-Schandorf 1986).

A 1988 study of charcoal production and use in Ghana indicated that over 500,000 metric tonnes of charcoal are consumed annually (Nketia et al., (1988). This translates into more than 3.6 million tonnes of wood extracted each year from forests and farmlands for charcoal production. Corresponding estimates for fuelwood consumption indicate that an annual total of 5.83 million tonnes of wood are cleared. Put together, the total amount of wood cleared to meet Ghana's annual fuelwood needs is equivalent to over 650,000 hectares of forest land (ERG Bulletin 1989). Furthermore, Benneh and Agyepong (1990) estimated an annual domestic consumption of 5,547,200 m<sup>3</sup> of fuel wood and 1,992,400 m<sup>3</sup> of charcoal in Ghana. Alhassan (1993) also found that per capita fuelwood consumption in Ghana in both urban and rural areas increased from 485 kg per capita in 1980 to about 525 kg per capita in 1993. These figures are well above the growth of wood stock (Tufour 1989), and deforestation and energy problems could even get higher with time unless the trend is halted. The annual rate of deforestation in Ghana was estimated to be 1.72 percent or 120,000 hectares during the period 1990–2000 (FAO 2000). In the opinion of Nketia et al. (1988), Ghana's dependence on fuelwood is a large factor behind the deforestation witnessed in recent times.

Due to wasteful and uncontrolled forms of logging in Ghana, the country is increasingly under the threat of desertification. The northwestern section of Upper West Region, the eastern half of Northern Region and parts of Upper East Region are at the highest risk. Also, deforestation has led to increased soil erosion and loss of reliable water supply, all of which has brought about a marked decrease in agricultural productivity and a lowered standard of living among the population. As a result of rapid population growth, conflicts over land have been rife in Ghana, assuming various dimensions from minor conflicts between individuals and families to large-scale ones between ethnic groups. The northern parts of the Volta Basin in Ghana constitute an area plagued with ethnic conflicts. Bloody conflicts, which have brought in their wake devastation of groups of people and in some instances desolation of entire settlements, have raged between the Nanumba and Konkomba (1980), Gonja and Vagla (1984), Konkomba and Bimoba (1990) and Nawuri and Gonja (1991). The loss of lives and property that is associated with such conflicts over land, places a great socioeconomic burden on the nation's scarce resources and, consequently, hampers development.

### **Remote sensing in Ghana**

Prior to 1901, there were only few survey and mapping activities. The first survey institution, the Mines Survey Department, was established in 1901, but the Survey Department itself was set up in 1908 (Abu and Brimah 1989). Aerial photography can be said to have begun in Ghana in earnest about 1946 with coverage of a small area on the dip slopes of the Kwahu Scarp around Abetifi by the then Royal Air Force. According to Amatekpor (1999), a land use map of Ghana was not available until 1998. In his opinion, the land use map of Ghana, which was available in 1959, was not only obsolete, but also of little or no value for intensive land use planning. He further mentioned that the development of Remote Sensing and Geographic Information Systems (GIS) technology enabled Ghana to complete in 1998 a detailed land use/cover map of the whole country at a scale of 1:250,000 under the Ghana Environmental Resource Management Programme (GERMP). Until 1956, only small areas (southwestern coast, Nsaba cocoa growing area and parts of Mamprusi) were covered mainly for specific investigation such as oil exploration, agricultural census and land use planning. However, since 1972, satellite remote sensing coverage of Ghana has been available (Agyepong 1989), and remote sensing technology has been applied to a great deal of natural resource management research in Ghana. Some of these are: soil resources inventory (Agyili 1989), water resources research (Amuzu 1989), forest inventory (Agurgo 1989), disaster management (Kyem 1989), land use inventory and mapping (Duadze et al. 1999), environmental monitoring

(Amamoo-Otchere 1989), geological problems (Adjei 1989), rainfall calibration (Kakane and Hooijer 1999), road map updating (Mensah and Nyamekye 1999), and groundwater exploration (Banoeng-Yakubu 1999).

Although this began later, Ghana has benefited from a few studies that combine Remote Sensing/GIS technology, censuses and socioeconomic surveys to study the population-land use/cover nexus. For example, Benneh and Agyepong (1990), used a combination of the two methods to conclude that population increase, development policies, urbanisation and settlement expansion, logging, agricultural land use including wood fuel demands, have among others contributed to greater competition for land, leaving areas formerly covered by trees devoid of vegetation and subsequently leading to woodfuel scarcity.

Kufogbe (1999) used a digital analysis of time sequential SPOT-XS images and the Makov chain model to assess the changes in the land use/cover over the period 1988 and 1994 in the Afram plains of Ghana. His results indicate that the dominant land cover comprises wooded savanna and transition forest. According to him, deforestation in the plains is indicated by various stages of forest re-growth, which have been associated with decline in cocoa cultivation from the beginning of the 1980s.

Braimoh (2004a) investigated the impact of seasonal migration on land-use/land-cover change in an area within the Volta Basin of Ghana. It was revealed that the most drastic land-cover change involved the conversion of woodland to agricultural land, while there was also a general transition to less vegetation cover. Socioeconomic surveys revealed that most of the migration occurred during the post-structural adjustment period in Ghana with declining soil fertility accounting for the highest percent of causes of migration. Multiple regression results highlighted the role of population size and distribution, marketing of agricultural produce and technological evolution of the household in determining agricultural land-use change.

Braimoh (2004b) further identified land use/cover change in a 5,400 km<sup>2</sup> area within the Volta Basin of Ghana using multi-scale, spatial statistical analyses and household surveys. Land cover change trajectories were also defined using multi-temporal Landsat TM images acquired in 1984, 1992 and 1999. Results show that the dominant land-cover change process was conversion of natural vegetation to cropland, which occurred at an annual rate of five percent between 1984 and 1999. Furthermore, linear multiple regression identified increase in household size, frequency of tractor use, proportion of rice marketed, child dependency ratio, labour availability and distance from localities to the main market, as the major factors determining the amount of land a household cleared for agriculture. It was concluded that the choice of an appropriate scale for land use/cover change models to sup-

port land-use planning requires a trade-off between spatial detail and extent. At the scale of individuals, households and commercial farmers (30 m – 1050 m), land use change processes are highly heterogeneous, requiring a large amount of data for characterisation. It was recommended that future land change models should be based on 3 km to 7 km spatial scales.

Codjoe (2004) used geo-corrected LANDSAT satellite images for 1991 and 2000 and the population censuses of Ghana for 1984 and 2000 to assess the effect of population change on forest cover between 1990 and 2010 in the Volta River basin of Ghana. Population data, which were available at the local council level, were matched with forest cover at the local council level. The forest cover information was derived from land cover maps of 1990 and 2000. A local council map of Ghana was superimposed on the forest cover map using GIS applications. Proportions of forest cover for each local council were then determined and converted to actual area extent in hectares. Association between forest cover and population for 2000 was then determined from a simple regression model and was used to predict the effect of population growth on forest cover in the various local councils in 2010.

The projected population for each local council for 2010 was inputted into the simple regression model. Together with the constant, the required forest cover in 2010 was determined. Predictions show that the Jaman and Brekum local councils areas that fall within the Black Volta sub-basin and the Kete-Krachi local council in the Daka sub-basin will have depleted forest cover in 2010, as a result of increases in population density. Finally Duadze (2004) also used a combination of LANDSAT satellite images for 1986, 1991 and 2000 and population census reports of Ghana in a study in the Upper West region of Ghana. Results show that population increased from 1984 to 2000 by 32 percent. Since a high proportion (75 percent) of the economically active population were farmers, it was concluded that population played a role in land degradation. Declining soil fertility in the farmlands and increasing population, therefore, caused pressure on land, which led to land degradation. This in turn caused the farmers to move to other areas to farm. This practice was argued to have resulted in progressive loss of woodland.

### **Methodological challenges in integrating remote sensing, census and survey data to study the population–land use/cover nexus**

Despite the apparent usefulness of remotely sensed data for social purposes, Rindfuss and Stern (1998) are of the opinion that remotely sensed images have not been a popular data source for social science research. Their reasons are that, firstly, the variables of greatest interest to many social scientists are

not readily measured from the air. Many social scientists find visible human artefacts such as buildings, crop fields, and roads less interesting than the abstract variables that explain their appearance and transformation. Secondly, social science is generally more concerned with why things happen than where they happen. Even areas of social science in which one might expect a spatial orientation are curiously a-spatial (Faust et al., 1997). It must, however, be mentioned that social scientists in contemporary times are using remotely sensed images for analysis.

Furthermore, a major challenge faces the Remote Sensing and GIS community. The problem is to link people to pixels, and to do so at the appropriate spatial and temporal scales, so that the behaviour of individuals, households and communities can be linked to changes in land use/cover and to the population, biophysical and geographical processes that serve to define the landscape in terms of composition and spatial organisation and their changes over time and space. According to Carrao and Caetano (2002), the spatial resolution of the image affects the measurement in the landscape. This challenge arises mainly from geo-referencing land use data and linking them with the Remote Sensing data. Although there is the danger of mixing up the levels of analysis (Mayhew 1997), land use/cover change trends can be easily assessed and linked to population data if the unit of analysis is the national, regional, district or municipal level. However, for a comprehension of the actual factors that influence land use at a very small level, i.e., the village level, the scale of analysis should be very small. Since that calls for a household survey, that is where the linkage between the two data sets is very difficult. Global Positioning Systems (GPS) have been used to circumvent this problem, but that only allows for smaller sample sizes due to time constraints (Rindfuss et al., 2002).

In using GPS, farmlands are geo-referenced and co-registered with the Remote Sensing image. A problem that may arise from this exercise is lack of good ground control points. Also, in some instances, farm size may be smaller than pixel size. Other problems include cloud cover on image, and error of classification during the processing of the image. It has been suggested that land use data should be made to conform to the Remote Sensing data at a common scale (Geoghegan et al., 1998). Also, population census data at for example a district level can be transformed to conform to the grid of 2.5 by 2.5 latitude-longitude cells on the satellite image (Diechmann et al., 2001). Evans and Moran (2002) have linked household survey data to Remote Sensing images with the level of aggregation being the farm.

One other limitation of using data from census and other sources is that significant causal factors may not be included in those public data sources. Thus, causal variables at the finest level may not be available.

### Conclusion

Land is an essential asset and a means to sustain livelihood. It is the ultimate source of wealth, the natural capital for production and the foundation on which civilisation is based. Land use/land cover plays an important role in global environmental change and sustainability, including response to climate change, ecosystem structure and function, species and genetic diversity, water and energy balance, and agro-ecological potential. Studying the effect of population dynamics on land use/cover globally and for that matter Ghana in the past was not so successful until the advent of Remote Sensing and Geographical Information Systems. Remote Sensing and global positioning systems (GPS) have given rise to the advent of more precise and geographically referenced data on cover and use of land, which in turn have created opportunities for improved assessments and analysis. With the aid of these new data, researchers have now started to unravel the processes that drive the cycle of land use change and resource degradation.

This study has demonstrated that even though Remote Sensing and GIS started quite late in Ghana, there have been some studies that integrate Remote Sensing, census and survey data to study the population-land use/cover nexus. However, these studies have encountered a major methodological challenge. This challenge is merging the satellite and census data into a single data base, i.e., aggregating the land cover data to conform to the boundaries of each district or municipality used in the analysis. The paper shows that land use/cover change trends can be easily assessed and linked to population data if the unit of analysis is the national, regional, district or municipal level. However, for a comprehension of the actual factors that influence land use at a very small level, i.e. the village level, the scale of analysis should be very small. Since that calls for a household survey, that is where the linkage between the two data sets is very difficult. Global Positioning Systems (GPS) have been used to circumvent this problem, but that only allows for smaller sample sizes due to time constraints.

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