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An Alternative African Developmentalism: A Critique of Zero-sum Games and Palliative Economics

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Abstract

Africa's economic growth and dependence since independence has been characterised by a zero-sum economic interaction with the West. This was no more than a continuation of the Centre-Periphery relationship that existed during colonial times. The result of the zero-sum game interaction between Africa and the West has been to further increase the historic unequal exchange. Economic crises marked by massive unemployment, low wages and high prices have led to dangerous migrations from the discontented continent. The problem is that the post-colonial African nations are still firmly tied to the economic theories and programmes of their erstwhile colonisers. Thus the solutions offered by way of the West are no more than palliatives. The solution is to develop new theories and pragmatic solutions that derive from autonomous Africa-centred positions. This is the significance of an alternative African developmentalism.

Résumé

La croissance et la dépendance de l'Afrique depuis l'indépendance ont été caractérisées par une interaction économique avec l'Occident à somme zéro. Cela n'a fait que perpétuer la relation centre/périphérie qui a existé pendant l'ère coloniale. Le résultat du jeu interactif à somme zéro entre l'Afrique et l'Occident n'a fait qu'accroître le déséquilibre historique des échanges. Les crises économiques marquées par un fort taux de chômage, des bas salaires et des prix élevés ont poussé à l'émigration dangereuse hors du continent mécontent. Le problème qui se pose est que les nations africaines postcoloniales dépendent encore

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très fortement des théories et des programmes économiques de ceux qui les ont naguère colonisées. Ainsi, les solutions proposées par le biais de l'Occident ne sont que des palliatifs. La vraie solution consiste à développer de nouvelles théories et des solutions pragmatiques dérivées des positions autonomes plaçant l'Afrique au centre des préoccupations. C'est ainsi qu'il faut comprendre le développementalisme alternatif africain.

Introduction

It is now more than fifty years that Africa and its nation states have had independence from the European colonial powers. At the time they achieved independence, there was a fierce ideological struggle between West and the Communist bloc of nations for the political and economic allegiances of the newly independent African nations. At that time too, there were a set of European settler nations that were reluctant to allow similar paths to independence for the nations that they controlled. The nations in question here are Algeria; the ex-Portuguese-controlled territories of Angola, Mozambique, Guinea Bissau, and Cape Verde; and South Africa, Namibia and Zimbabwe. These nations had to gain their formal independence through armed struggle. So there has been some progress in this regard. I should mention too the cases of Eritrea and South Sudan, but the circumstances there are somewhat different. But what we have now is a set of fifty-four African nations none of which – except perhaps South Africa, now one of the BRICS – has made an impressive mark on the world's economic scene as, say, Taiwan or South Korea. Human history in this world is essentially about human progress in terms of the usages of different forms of technology. And those peoples with more effective technologies quite often dominate economically those with less effective technologies.

It is on account of its relative deficiencies in technological knowledge that Africa came to be dominated by Europe from the fifteenth century onwards. Colonialism was the penalty that Africa paid for its negative comparative differential with Europe in this regard. Africa's contemporary economic performance is also to be understood from this perspective. Africa's goal under the present circumstances and in the light of the above must be to establish those necessary and sufficient parameters for economic growth and development. That set of parameters would include not only strictly economic variables but also those that are cultural, political, and technological.

At the moment, Africa's populations are seething with discontent on account of serious issues such as inefficient and non-viable infrastructures such as poor road and transport systems, lack of readily available water, lack of regular electricity, poor and inefficient health services, very low third

world wages that must contend with first world prices, massive unemployment and underemployment, weak workers' rights institutions, weak social welfare structures, poor or non-existent educational structures, urban pollution, ethnic and religious strife, crime, corrupt and voracious comprador classes, political and electoral corruption, financial corruption with impunity, inefficient and usurious banking systems and services, and the list goes on. The task of development is to rectify these negatives.

But the most important of the above are massive unemployment and underemployment, and low wages. This has led to large numbers of Africans of working age looking for solutions to their discontent by seeking to migrate to the Euro-American world, where wages are much higher and the employment opportunities better – even if clandestine. The desperate trek leads from one Western consulate to another, or across the Sahara, or along the West African coast in non-seaworthy vessels. Africa's discontent is a serious one.

Yet at one time there was much optimism. There were a number of East Asian nations whose per capita GDP was less than the African average. For example, in Geary-Khamis dollars (1990 GD\$) the average per capita GDP of twelve West European nations in 1950 was \$5,018. In 2001 it grew to \$20,024. For 16 East Asian countries, the 1950 average per capita GDP was \$662(GD\$). In 2001, that number had grown to \$3,851. But for the bulk of Africa's nations, the comparative amounts for 1950 and 2001 were \$894 and \$1,489 respectively. So it is evident that Africa has been in comparative decline *vis à vis* other economic areas of the globe. Africa needs structural adjustments of the positive kind. What are they? In brief: political, cultural and economic transformations of a qualitative nature. These considerations will be explored in the rest of the paper. More specifically, we shall first have a discussion on the economic growth and wealth divide between Africa and Europe over the centuries, especially the last 150-200 years. Orthodox growth and development theories will be examined critically, given that theories that comprise a whole library have yielded little in terms of African performance. Developmentalism and the South-originated Centre-Periphery theory will then be examined in the context of the problematic of contemporary development. Finally, solutions will be discussed as a way forward.

It should first be noted that in modern economic development theory Africa was placed at a disadvantage because the earliest theorists were either of Western or socialist bloc (Eastern) origin. Reference is being made here to the period following the end of WW II when the virtues of capitalist market economics and socialist economics were being vigorously promoted on both sides of the ideological divide. of African development has not been left unattended by theorists in economics and political economy. Consider

the structuralist market theories of Paul Rosenstein-Rodan, Maurice Mandelbaum, Ragnar Nurkse, Hans Singer, W. Arthur Lewis, etc. Then there were the unabashedly pro-market theories of writers such as P.T. Bauer and Hollis Chenery. One text that became quite well known in this area was *The Stages of Economic Growth: A Non-Communist Manifesto*, authored by Walter Rostow (1960). The key idea promoted in this text is that there was no need for socialist revolutions to set underdeveloped nations on the path towards development. Development could take place in linear fashion and in stages, all within the context of capitalist market economics. But such theories have hardly made any impact on the structural issues associated with development.

Such pro-capitalist ideas were in turn countered by the anti-capitalist works of theorists such as Paul Baran (1957) and Rene Dumont (1962). To a large extent, the ideas of these writers were a continuation of the anti-capitalist theories of Marx, Lenin and Mao. With the dismantling of the Soviet Union in the 1990s, neoliberal economics coupled with globalization were perceived as the only way forward for economic growth and development. This amounted to African governments being pushed to accept neoliberal notions such as free trade and privatization of the most vital resources. But this approach did not work and as a result a plethora of new theories developed from a variety of national origins. But what was significant was that a number of the critics hailed from the South. These approaches from the South include authors such as Haque (1999), Shafaeddin (2000), Chang (2002, 2003, 2007), Jomo (2005), Mbaye (2009), Amaizo (1998, 2002, 2010), Amin (1977, 2008), Anwar (2003), Traore (2010), De Soto (2003), Oleyaran (2009), Sampath (2009), Raja (2003), Sen (2004), among others. Yet there were critical voices from the North that also made their mark such as Klein (2007), Reinert (2004, 2007, 2010), Collier (2007), Skousen (2007), Kattel (2009, 2010), Kregel (2005), Stiglitz and Sen (2010), Bayard (2010), Petithomme (2009), etc. Such voices were arrayed against the more traditionally neoliberal theories of Sachs (2006), Easterly (2006, 2007), and Moyo (2009).

Economic Wealth Divide: Divergence and Convergence

According to historical statistics of the OCDE: Organisation for Economic Cooperation and Development (Maddison 2003) and using the average GDP per capita, nations and economies were not diverging in terms of prosperity between 1000 and 1870 (see annexes 4 and 5). Eighteen seventy (1870) is considered as the cutting edge of the emergence of wealth bias in the world.¹

Between 1870 and 1950, it appears that Africa, Latin America and Asia (excluding Japan) were unable to boost their GDP per capita. After the geographical segmentation of the world among colonial powers in 1870, the development of the productive structures and the technology advantages

divide between dependent and independent regions increased. The Centre-Periphery paradigm was on its way being an entrenched feature of the international economic landscape.

Between 1950 and 2001, the economic divergence between Africa and the rest of the world accelerated. Ideally one would have expected that the post-independence years – 1960s onwards – witness not only growth but technological development. It is in this context that List's principle of *autarky* could have been applied in the nurturing of local import substitution industries. This transition would indeed have been possible given the bountiful natural resources of the continent and the fact that the cost of labour was quite low. The reason this situation did not occur is that post-independence African development is fraught with politics. The goal of the ex-colonial nations was to maintain economic colonialism – often referred to as neocolonialism – while ceding some minimal amount of political control. The cases of Ghana and Guinea come to mind in this instance. Ghana's attempt to establish an independent socialism was stymied by the capitalist West and Guinea's attempt at establishing an independent route was equally militated against by the French. The international political context in which the West was vying strenuously with the Communist bloc for influence in Africa did not help matters to Africa's benefit. Today, the relative growth and developmental divergence between Africa's nations and the rest of the world is stark. In terms of sheer metrics the average African per capita income is less than that for any other continental averages. The same principle applies to the equally important Gini coefficient.

The Problematic of African Growth and Development Theory

One of the cardinal principles of the modern economy is that it must grow if it is to survive. As a consequence, there has been a plethora writings on the issue of economic growth over the years. Even Adam Smith's foundational text, *The Wealth of Nations* (1776 and 1977) was essentially about economic growth and development. It is in this context of extant growth theory that the post-colonial African economy should be studied. This is especially the case for Africa because all the economic growth theories on the African economy have been of Western provenance. These theories all range from the free market type all the way to those of socialist orientation.

Economic growth, as we know it, is based on number factors of which the main one is an increase in output over a specific time period. But increase in output can eventuate only when there is an increase in investment. And in turn, this investment derives from savings that have not been consumed in the last period. At some point in time when there has been sufficient growth, there will be enough savings to employ such in qualitative economic change that would lead to research in new technologies. The eventual application of

such technologies and the resultant increasing growth is what has been termed economic development. The important question is why didn't this occur in Africa? Answers have been varied, with some arguing that free markets have not been allowed to operate given the obstructing and corrupting powers of the post-colonial statist economy (Bauer 1991). Others argue that in states where there is a shortage of capital, it is only the state that can marshal enough so that vital expenditures be made. This was the basis for the decision made by anti-capitalist communist states such as the Soviet Union and China to opt for the state as the main driver of capital accumulation, economic growth and economic development. In the case of Africa, this approach was also undertaken by Ghana under the leadership Kwame Nkrumah. There was the notable case of what might be called 'village collectivism' undertaken in Tanzania under the presidency of Julius Nyerere. This African version of rural collectivism failed for a number of reasons, one of which was the cultural factor. Opposition from the West was also another reason.

But in general the key question remains: how does economic growth occur? We bear in mind that a necessary condition for economic development is economic growth. The direct answer is Capital. The question then is how does a country deemed technologically underdeveloped acquire adequate amounts of investment capital that would generate sufficient surpluses to reinvest ever-increasing amounts in new capital and other ventures? Those who believe that in a world of large economic units only the state can harness sufficient capital for investment that could yield growth and ultimately development would no doubt see virtue in economic statism. This was the approach undertaken by the Soviet Union under the Communist party led by Lenin. In China, the same statist approach was undertaken under the Communist leadership of Mao-tse-Tung. Others might argue instead for a mixed economy approach according to which the state works in partnership with private equity capital to bring about economic growth. This seems to be the preferred approach these days, given the economic success of countries such as South Korea, Sweden, Germany and Taiwan. China has been following suit and has been registering impressive growth rates of approximately 8-10 per cent over the last decade or so. Success of this nature did not come Africa's way on account of a number of sociological factors exogenous to economic theory.

But the question remains: is it therefore that Africa's economic problems stem more from the application of non-viable economic theories than otherwise? Yet, it is instructive to discuss such theories because they are still being advocated by those who have influence on the growth path of Africa's economies. Reference is made here to institutions such as the IMF and the World Bank, among others.

Twentieth Century Western Growth Models and Their Impact

The question that was tackled immediately after the independence of Africa's nations in the 1960s was: were the best models of development available for the task at hand? First, there was the assumption that the post-World War II growth models of Harrod (1948) and Domar (1946) were the most appropriate. There was also the Lewis model that was applied to Ghana under the presidency of Nkrumah. The Lewis model developed by Lewis (1954) was founded on the assumption that technologically underdeveloped agrarian nations with excess supplies of rural labour could transform themselves from being mainly agricultural to become developing market economies on the basis of the low costs of labour and the ready availability of capital mainly on account of the low cost of labour.

Lewis's thesis states simply that excess labour in rural areas could be made to enter the urban market economic system to serve as labour inputs in the expanding capitalist nucleus. The incentive for surplus labour to leave the rural areas is that the real wage in those areas are at subsistence level and lower than the wage offered in the capitalist sector. Given that labour is plentiful, the wages in the capitalist sector remain minimal, thereby allowing the capitalist entrepreneur to garner maximal surpluses. These surpluses are then reinvested, thereby leading to an expanding capitalist base. For Lewis, the success of the model depends on the propensity of the capitalist to save and invest. So once the capitalist class expands, chances of growth increase at the same rate. One might note that the Lewis model does not preclude the state playing the role of capitalist in this instance. The key point is to increase the amount of the surpluses being saved then invested. But again, this model proved not to be viable. As mentioned above, Lewis was an economic advisor to Ghana in its early years of independence, but his model proved unviable because there was not just a sufficiently large critical mass of private capital to absorb the excess labour from the rural areas. The point is that the newly independent African nations just did not have sufficiently independent and strong banking systems to nurture the growth of private business initiatives as in the West, which continued to serve as economic centre to the peripheral African economies.

It was on account of this fact that Ghana, under the presidency of Nkrumah, decided to opt for the socialist model of development as being practiced by the Soviet Union and its peripheral states. According to this model, the state operates as the major engine of development given its capacity to harness capital. The result was there was some success in the investment of trade surpluses in the early years of independence, especially in the area of human capital; but the socialist-oriented government was not allowed to develop naturally in a Cold War environment. We can conclude in this regard

that the Lewis model had little influence on the growth careers of post-independence African nations.

In fact, what usually happened in the post-independence years is that the subjects of the rural exodus migrated into the cities but remained largely unemployed on account of the weak indigenous capitalist base. Unemployment and underemployment necessarily grew to unmanageable proportions producing the inevitable urban poverty manifested by the growing number of *bidonvilles* and their discontents. The status quo derives from the fact that the weak non-statist governments hardly harbour the wherewithal to alleviate the unemployment situation. Such governments function only as protectors of their respective comprador ruling groups under the watchful eye of their Western patrons.

In this context, it should be noted that in the early years of African independence the ideological conflict between the communist Soviet Union and the capitalist West was the central issue of the time. The question was: which developmental path should the newly independent Third World nations follow? Should it be the autarkic statist model or the free-market model of the West? It is in this regard that Walter Rostow gained prominence in the area of economic growth theory with his text, *The Stages of Economic Growth: A non-Communist Manifesto* (1960), which set out to describe the time path and stages that any non-industrialized economy must experience for economic growth and development to occur. Rostow formulated a model that set down five developmental stages as follows: i) the traditional society, ii) preconditions for take-off, iii) the take-off, iv) the drive to maturity, and v) the age of high mass consumption. The crucial element here is 'the preconditions for take-off'. According to Rostow, these preconditions occur under conditions of contingency with entrepreneurial stimuli being introduced either endogenously or exogenously. These stimuli could be reinforced by novel political and sociological conditions reinforced with new infusions of human capital, etc. The 'take-off' would then be fuelled with new and expanding market conditions and the like. The drive to maturity would entail periods of sustained growth characterized with capital widening and deepening, thereby creating conditions for technological development. The fruition of this economic metamorphosis would be a mature economy with greatly increased consumption of goods and services. Rostow's stage theory of development does seem to have some empirical instantiation in the development of some of the countries of East Asia but the model just did not get traction anywhere in Africa.

What is obvious from the above discussion is that all of the theories of economic growth and development for Africa's nations were in Western research centres, with the sole exception of Ghana's eclectic mix of socialist

theory and African practice and, later, Nyerere's *Ujamma* rural development theory as a form of African socialism itself proved to be unsuccessful. There was just no encouragement from both statist and free market quarters.

The Neoclassical Growth Model

In this section I examine in abbreviated fashion the progression from classical growth theory to contemporary neoclassical growth theory, always with the recognition that the application of such theories to Africa's just has not worked. The classical theory of growth as advocated by Smith, Ricardo and Malthus was based on the assumption that price of labour could be kept at subsistence levels and that the extent of land was finite. In a closed economy there was bound to be some final point at which capitalist profits would fall to zero on the assumption that landlord rents would increase continuously as available land was increasingly used. The classical solution was international trade according to the Ricardian principle of comparative advantage. Growth in the classical sense would reduce therefore gains from international trade with the cost of labour maintained at the subsistence level.

The capitalist economic crash of 1929 heralded a sea change in capitalist growth theory. A set of new factors entered the picture, such as the instability of capitalist growth in the sense that unless there was adequate investment the economy would eventually fall into recession, and the fact that wages – on account of growing worker power – were 'sticky' downwards. Couple this with the increased unemployment that goes along with declining investment and the basis is therefore set for a new approaches to growth theory. It is in this connection that the neoclassical growth theories of Harrod, Domar, Lewis, and Solow became popular. Following the Keynesian requirement for growth that savings equal investment, growth rates would depend on factors such as worker productivity, capital-output ratios, and savings ratios. But these considerations were highly abstract and not tailored to meet local requirements. The Harrod-Domar model was assumed to be the correct path to growth and development. This model emphasized increased capital formation and a reduction of the capital (K)/output (O) ratio. But this was no proper recipe for success because these imported models did not take into consideration social, institutional, cultural, and political environments. The 'one-size-fits-all' approach has been an obvious flaw in the developmental recommendations offered to the so-called developing nations. The obvious solution should have been to pragmatically implement local solutions as was the case with Japan and the subsequent 'Asian tigers' (Ozay Mehmet 1995:96-97).

But the growth problematic in the case of Africa still remains on account of a number of factors, not the least of which is the hegemonic role that the IMF plays in dispensing capital to African nations. The capital dispensed

usually comes with political strings attached. The African Development Bank which should be the main capital provider in this instance has been compromised in account of its supine political relationship with the financial institutions of the West. The fact that most of the research on development is conducted in West also makes matters worse in that African nations in their search for capital are beholden to the latest theories that emanate from the developed North (or the West for that matter). Thus the growth theory *a la mode* is the Solow-type growth model which places much stock in technological innovation. But for this to apply to Africa there must be in place dynamic centres for research and development. This is not the case in Africa, except minimally in South Africa, still perceived as a Western outpost in Southern Africa.

In the ongoing discussions about the appropriate growth and development models for Africa, the assumed framework is capitalism. Even the more radical critics of the various growth models such as Stiglitz and Chang assume that market capitalism, despite its flaws, is the best of all possible systems. There is little discussion of the fact that capitalism is a system that is doomed to periodic recessions and depressions. The reason for this is economic growth is driven by profits which must derive from the exploitation of labour. At some point in the growth process, consumer demand will not be equal to the output of products on the market. The production process must then slow down with the laying off of workers, and a falling off of investment. The capitalist mechanism is then saved by the introduction of Keynesian-type solutions involving government investment, etc. But one can extend the argument further by claiming that the paradox of capitalism is that it can be saved only with the implementation of socialist redistribution methods. The reason that capitalism fails periodically is for lack of consumer demand. One of the key principles of socialism is that of the redistribution of income and wealth. It is the redistribution of wealth and income that leads to the increased demand that will eventually encourage business production. It is this kind of analysis as it applies to Africa that the West's theorists of African growth and development hardly engage in.

Developmentalism and the Centre-Periphery Thesis Revisited

It is evident that the growth and development theories espoused by Western theorists regarding Africa have not worked. It would appear that there are a number of structural considerations that could help us explain why growth and development have not taken place in Africa. Developmentalism is the name assigned to theories developed in the West that sought to predict the developmental pattern along the path of the Western model. Examples are the theories embedded in the Bretton Woods institutions such as the IMF and

the World Bank. In more contemporary times, we also have the highly influential UNDP and other such direct grant institutions. But as was pointed out, Africa's economies have not progressed at all according to the strict meaning of development.

If the explanations offered for the problematic of Africa's economies one, theory that has acquired some traction has been the centre-periphery argument. This theory was developed first by Hans Singer and Raul Prebisch (1949). Other economists, mainly from Latin America further developed the idea which eventually had its supporters on the African continent (Amin 1976). The empirically supported argument is that on account of the unbroken post-colonial relationship between the metropolitan ex-colonial powers and the ex-colonies, the economic advantages of such accrue to the industrialised European centre in most economic interactions. The result of all this is that the role of the peripheral areas is to export cheap raw materials to the centre which would then transform them into finished products. The main constraint of this relationship is that peripheral nations' agriculture suffers technological stagnation on account of cheap selling prices for the commodities produced and sold to the European centre.

Since the surpluses that could lead to industrial investments are not forthcoming, the peripheral nations seem condemned to be producers of raw materials in perpetuity. The economic landscape then is weak industrial development, chronic balance of payment of problems all under the management of a neo-colonial comprador class. This neo-bourgeoisie, unlike the classical capitalist bourgeoisie, does not produce much while it consumes state funds and capital. One glaring case of such is the way the French Treasury controls the reserves of the those ex-colonial nations that use the CFA as their legal tender. A post-colonial pact with France stipulates that members of the *Communauté Financière de l'Afrique*, i.e. the ex-West African colonies, must deposit 50 per cent (previously 65 %) of their reserves in the French Treasury with an investment liability of 20 per cent paid too. The CFA Central Bank is the BCEAO (Banque Centrale des Etats de l'Afrique d'Ouest) that issues the currency that is not printed locally but in France. There have been some protests here and there but this blatant dependency situation is yet to be seriously tackled. A similar situation exists for the ex-French colonies of Central Africa. Couple this situation with the fact that France has troops stationed in Senegal, Djibouti and Gabon, and that trade links are maintained on the strict priority granted to that nation. Similar dependency considerations apply to the centre-periphery relationships between the ex-Portuguese territories and Portugal and the Commonwealth Anglophone nations and Britain. But things are not static in the struggle to control Africa's resources. The United States and China have now fully joined the exploitative

zero-sum dependency game of the relationship between Africa and the industrialized nations. The result of these inequalities, as discussed, is the continuing inequality in terms of economic growth and development. We have a situation in Africa of third world wages and first world prices, chronic depression level unemployment and underemployment, very cheap prices for commodities exported to the industrialised centre, imbalanced growth, and weak currencies with little exchange value.

The Problematic of Contemporary Developmentalism

Africa came out of the structural adjustment programmes of the 1980s bruised and battered but still standing. The outcome of these IMF initiatives was to accelerate not only the brain drain but also the less skilled from all parts of Africa. The goal of those escaping from the dire economic conditions of the continent was to migrate to those countries where wages were higher and employment opportunities greater. One positive in all this was the sending back of remittances by the diasporic workers to their home countries. Yet this situation is not ideal because it robs a developing country of those workers with the most invested human capital, thereby setting back potential development.

With the dismantling of the Soviet Union the field was now clear for the West to overwhelm Africa with its neoliberal development programmes. What resulted from this new economic hegemony was the flourishing of new elements of the African comprador bourgeoisie. According to Bartholomaeus Grill there are now 75,000 millionaires with 700 billion dollars of assets and extra 400 billion dollars controlled by Africans outside of Africa (Hippler and Grill 2007). Yet the continent is still plagued with massive problems of infrastructure such as electricity, water, roads, railways, etc.

It is this structural neglect that is at the root of Africa's problems. What compounds matters is the fact that the advice offered to African governments is mere palliative that is being offered by neoliberal theorists such as Jeffrey Sachs (2006) who focuses on issues such as malaria where bed nets of non-African origin are supposed to help alleviate the malaria problem. The question as to why Sachs never promoted the manufacture of such nets in Africa is not raised. The point is that the problem of Africa is much more than the evidently palliative piecemeal approach of the likes of Sachs. But a similar critique can be made of those researchers who develop a reputation from writing about Africa while they are based in Western universities and research centres. Reference here is made to authors such as Dambisa Moyo (2009) and Easterly (2006) have adopted a rather naïve approach to the issue of African development. The problem is not 'aid' per se but rather a complex set of issues involving local institutions and the political relationships between the West and the African ex-colonies. What is most often involved is the

direct subsidizing of the corporations of the centre by their governments. The leakages of funds from the allocated amounts is well-known and reflects the price of doing business. Hernando de Soto (2003) is also a single-issue theorist who focuses on the issue of legally enforceable contracts as necessary condition for economic growth and development. The argument here is for a formal system of titled property rights which would facilitate the granting and honoring of capital. But perhaps two of the most perceptive of the new authors who have been tackling the issue of development as it pertains to those nations that have not shown much progress in the last fifty years are Ha-Joon Chang (2007) and Eric Reinert (2008). The case of Chang is particularly interesting given that South Korea's per capita income in 1950 was IGK\$ 770 but increased to IGK\$ 14,673. Korea achieved such, according to Chang(2007), by a judicious mixture of targeted protectionism and importation of specific kinds of technology.

The developmental thesis of both Chang and Reinert runs counter to the prevailing neoliberal mantra that open markets and comparative advantage trade *a la* Ricardo are the best way forward. The counter-thesis is that the most effective policies of growth and development would entail protectionism of certain targeted industries initially in the area of manufacturing. This was the developmental policy first pursued by Germany under the economic guidance of Friedrich List (1841 and 2005). This approach recognized that economics should be about the general welfare of the nation and not the individual unit if development and progress are to take place. As Chang and Reinert would argue, given the technological imbalances between the industrialised world and the developing world, growth and development along the lines of Ricardian comparative advantage would lead to production of primary products with no incentive for technological transformation. The question then is what ought to be the way forward?

But the problem with the critical ideas of Chang and others is that the authors are based mainly at research centres in the West and as a result are not part of the sociological milieu where the practices of neoliberal capitalism and globalisation are directly experienced. The same holds for even theorists such as Joseph Stiglitz (*Globalization and its Discontents*, 2003) who, though critical of the operational procedures of the IMF and other Western financial institutions, approach the problems of African development from the offices and cubicles of Euro-America. The unfortunate stochastic details of unemployment, corruption and poor infrastructure do not really figure prominently in their models. The point is that there is much to be done in terms of infrastructure and just culturally engendered human behaviour before the critical theories of the North could be applied to the African economic environment.

It is in this context that ideas relating to the collectivist virtues of Pan-Africanism, African intellectual and psychological autonomy, pooling of economic resources, etc., as expressed by eminent researchers such as C.A. Diop in his short but important text *Black Africa: The Economic and Cultural Basis for a Federated State* (Hartford, Conn.: Lawrence Hill and Co., 1978) do not enter into any theoretical and empirical discourse emanating from Northern research centres. The fact that the African continent is a veritable patchwork of mainly weak and unviable states is not seen as serious problematic by researchers from the North. But for the Africa-centred mind, this is an important problem that must be tackled. The individual African states are so weak that only the formation of continental institutions would save them from external exploitation as neoliberal free market economics advocates. Africa at the moment has no continental news media that presents information from a self-conscious African perspective in much the same way that the Euro-American media such as CNN, BBC, RFI, etc, not for their host nations but for Africa too. In line with the Diop paradigm, the same principle applies to continental institutions such as the military, the judiciary and economic security. The latter is particularly important for refugee care and food deficiencies when the need arises. What is recommended here is that the modalities of genuine economic development are more efficiently explored from the perspective of a continental optic than otherwise. Piecemeal and partial solutions will just not work. But this continental perspective will not be implemented automatically given that the same discredited theories in the form of developmental neo-liberalism will still be vigorously promoted. Thus Africa is assailed with superficial initiatives such as NEPAD and MDGs all supposed to push Africa out of the doldrums of underdevelopment. All of these initiatives are wrapped in packages of 'aid' from the World Bank and other Western financial institutions. But they are no more than palliatives for they cannot and are not meant to solve the problem.

Zero-Sum Games and Palliative Economics

In competitive games of decision-making, the idea of the zero-sum game is a central element. In economic transactions one can easily apply the idea of the zero-sum. In fact, this model sums up well the relationship between colonial and post-colonial Africa. The colonial relationship between Africa and Europe was one in which the gains of Europe were losses or near-losses for Africa. What made this possible was that raw materials were obtained free of charge practically for the industries of Europe. And the workers who were dragooned into the serf-like work structures that exploited the mineral and agricultural resources were themselves exploited to the maximum. The

economic surpluses that accrued to the European centre were derived from the quasi-free labour provided by African workers. It is these surpluses—whose beginnings lie with the trans-Atlantic trade in captive African labour—accumulated during the colonial era that led to the rapid growth and development of Western Europe economic centres such as France, Britain, Holland, Germany, etc. In Africa, urban areas on the coasts of Africa sprang up to facilitate the shipment of raw materials to the European metropolises. African life was necessarily transformed negatively with maximal economic losses, in the sense that the workers were exploited in terms of wages and the costs to themselves. The case of South Africa represents the zero-sum game relationship between Europe and Africa in ideal terms. The system of Apartheid was essentially an established system of extreme economic exploitation buttressed by law and extreme violence on the part of the Apartheid state, fully supported by the European centres. South Africa grew wealthy and developed in terms of infrastructure on account of the very minimal costs involved in the exploitation of South African gold, diamonds and agriculture.

This zero-sum game relationship is further more easily understood by recognizing that the unequal exchange of labour and raw materials on the one hand and maximal profits on the other hand is an intrinsic element of capitalism as an economic system. Marx's well-known equation of capitalist dynamics, $M-C-M^*$ says it all. In a general way, M represents bank capital with interest costs, which, if successfully invested, must be transformed at the end of the dynamic into M^* . For growth to occur, M^* must contain not only a profit component but also interest payment to the banks. Capital as machinery cannot be exploited in the same fashion as non-slave or non-indentured labour. In modern times, there are no initial costs for labour except wages for work done. So the more labour is exploited, the greater the profits. This is zero-sum game aspect of capitalism as an economic system. It is this dynamic that explains the growth in wealth and development of the centre colonial nations and the growing poverty of the periphery nations in colonial and post-colonial times.

It was assumed that with political independence from the 1960s onwards the nations of Africa would begin to gain some independent footing. But this was not the case given the fact that almost all the ex-colonial nations chose to remain within the economic sphere of their ex-metropolises. Although the new nations established their own governments as a way of demonstrating independence, they quickly realized that their currencies were not convertible to the European currencies and that their values quickly deteriorated on the basis of the ministrations from the IMF, especially in order to obtain loans.

According to IMF doctrine, devaluation of currency supposedly boosts exports. What this leads to is further pauperization of populations because the imports they purchase – often manufactured from cheaply acquired African primary products – are sold at the prices higher than those that prevail in the European metropolises. First world prices and third world wages are what prevail in the post-colonial African nations. This applies not only the prices of commodities for consumption but also to real estate. The price of land and the cost of housing construction in Africa approaches first world levels. What keeps this unjust game going is the presence of a small comprador class and expatriates from Europe and West Asia (Lebanon). Thus the Gini coefficients of most African countries are among the highest in the world. This is the source of much discontent.

The zero-sum game situation that prevails in most African nations eventually leads to great indebtedness. To allay indebtedness, the African governments then appeal to the IMF for relief. The prescriptions offered are the infamous structural adjustment programmes. At this point the Western nations step in with their economic programmes that are not more than palliatives. This is the neocolonial function of institutions and projects such as UNDP, UN Millennium Project, NEPAD, etc. Even the African Union (AU) which is supposedly the framework on which important Pan African institutions are built is funded mainly by Western neoliberal nations. These organizations have all been failures for Africa, but a success for the West in that they represent the conduit whereby economic control is maintained. Donor support, neocolonial NGOs, AID, etc. are all morphed forms of Africa and the zero-sum game in the context of the Centre-Periphery *enjeu*. It should be noted, parenthetically, that the term 'AID' is a purely euphemistic term which, when unpacked, is not more than third-party contacts for Western businesses with kickbacks for the comprador governing elements.

What is to be Done: Specific Solutions

Some of the major and immediate problems facing Africa today are unemployment and low wages. The problem, it would seem, is structurally sociological. In modern society, individuals must first spend years in schooling situations where they are taught the basics of modern education, i.e. reading, writing and calculation. This is the norm in urban areas. The urban jobs that such individuals seek are usually what are called 'low-skilled' jobs. Here comparative salaries are extremely low and employees at this level never earn enough to save. The lure again is the West where low-skilled jobs pay some twenty-five to forty times as much and even more. The same principle applies to individuals who continue investing in their own human capital at the university level. After many years of study in areas that are no more than

replicas of the Western university pedagogy, the individual is faced with the same problem of employment. Given the economic deficiencies of African nations in terms business depth the opportunities for employment are quite small. Thus, in such situations where the numbers of university graduates far outnumber available openings, nepotism, jobbery, patronage, and even bribery are the principles that are applied. Again, the lure of the West beckons, where salaries are much higher even for non-skilled employment. For example, what is the point of graduating with degrees in engineering when there are no jobs available? Of course, in all this there are the obvious social benefits of being educated. It makes for a better civil society. But individuals do need employment for obvious reasons.

One solution to this unfortunate situation is that the African pedagogical systems of education should be reformed. There ought to be more emphasis on training the student in a multiplicity of skills that are in constant social demand. And all these skills should be buttressed with basic training in accounting. The same should hold for education at the university level. What would certainly alleviate the problem of unemployment would be formation of work guilds that would help provide basic capital for new university graduates. Thus a graduate in architecture would first become a member of the guild of architects which in turn would guide the new graduate into work situations first as an apprentice, then later as an independent architect with access to bank capital courtesy of the guild itself.

Yet the economic purists would ask about the issue of hiring up to the marginal points where costs equal received revenues. The answer is that such a situation could easily be solved by the reduction of workloads and work hours for company workers on average as the number of employees increases. At some point in time, the new employee would hope to launch his or her own independent business enterprise with the assistance of the profession's guild.

Yet there remains the issue of low wages. To rectify this situation, good governance is required in the sense that workers' rights in all dimensions would be encouraged. Workers, via their guilds would therefore have the right to negotiate for better salaries. Governments by a judicious developmental policy would seek to wean the populace away from purchasing imported items of all types, minimally at least in the area of consumption commodities. These are all non-textbook ideas as to how the serious economic issue of low-wage unemployment could be solved. The solution lies therefore in creative and pragmatic thinking for perhaps the most serious problem facing contemporary Africa. But, again, the most important point I should want to make is that the education systems inherited from Europe are not adequate for post-colonial Africa.

What is to be Done: A General Solution

The problem of African growth and development is a serious one. I have argued that the attempts at development, exogenously determined for the most part, have not been more ineffective palliatives. Reference here is made to the plethora of poverty reduction and sustainable development programmes. New approaches are needed. First, there are certain structural changes of a political and cultural nature before the foundations could be set for genuine economic development. These structural changes derive essentially from political reorientations. Consider the fact that there are ongoing neocolonial links between the ex-colonial powers and their erstwhile colonies. The French maintained links by way of the French Communauté, the British Commonwealth, and the Lusophone spheres are obvious instances of such. These neocolonial relations often hinder political and economic relations between even neighbouring African countries. The fact that France has troops stationed in Africa more than fifty years after formal independence should be taken to mean that France's goal is to maintain serious neocolonial links with its African neocolonies. The point is that despite some group initiatives concerning trade on the part of the developing nations adopted at the WTO Doha round in 2001 the economic status quo of dominant Centre and subordinate Periphery still remains the norm.

This impasse could be overcome with the following considerations which require only the effecting of political will. A single currency under the control of a continental Central Bank would be effective in this instance. Such a bank would do much to reduce the present dependency on the exploitative IMF and World Bank. Interregional trade would also extend regional trade areas leading to increased economies of scale and efficiencies. But more than these interregional structural changes there is need for revolutionary changes of a cultural nature within the various nations themselves. The state should cease being the personal preserve of the existing comprador classes who consume state resources with impunity. The revolutionary impulse to institute social welfare governments such as those of the Scandinavian nations must be generated. It is unconscionable that oil-producing states such as Nigeria, Gabon, Angola, Algeria, etc, should not have sought to institute such kinds of government decades ago. Furthermore the cultural stumbling blocks to development such as those associated with religion, ethnicity, region, etc, should be shelved for the goal of development in all its dimensions.

But the most crucial ingredient in this is the requirement of human capital investment in massive proportions, especially in the area of technology. Such should not be undertaken by the nations of Africa separately but collectively for greater research depth. One envisages in this instance new research centres and universities being established. Consider the dire need for research

in malaria, solar energy, pharmaceuticals, computer technology, etc, all within the context of joint continental efforts.

South Korea and Taiwan: Neoliberal Anomalies

In the modern era of socialist economics, market socialism, neoliberal market economics, mixed Keynesian type economies, etc, there are two non-Western economies that stand out. They are South Korea (population 50 million) and Taiwan (population 23 million). These two countries have been able to progress from mainly agrarian societies in the post-World War II 1960s to modern technologically advanced societies. In the 1960s the per capita GDP of South Korea was approximately on par with those of Senegal, Zimbabwe, Nigeria, Congo, etc., put at approximately \$700 per annum. While these mentioned countries have stagnated in terms of qualitative growth and development, South Korea has become a major player in the world's current economies. South Korea is now one of the leading providers of industrial and technological goods in the world. It is the world's largest ship builder as undertaken by major companies such as Hyundai, Daewoo, Stx (Korea and Europe). It also is major builder of oil drilling platforms by way of the same companies that also produce almost everything from automobiles to household electrical items. South Korea's average GDP is now \$30,000, which puts it on par with most of the countries of Europe.

The same may be said for Taiwan (per capita PPP GDP: \$35,000), which though developing from a different set of circumstances has been transformed from a country of mainland China political migrants who fled to the island during China's communist revolution in 1948. Taiwan is now the world's largest manufacturer of computer chips and other computer appurtenances. Putting it briefly, Taiwan is at approximately the same technological level as South Korea. The question then is: how did they do it? To effect developmental transformation three conditions must hold: 1) motivated governmental leadership, 2) access to cheap capital, and 3) a trained workforce reinforced with adequate amounts of human capital investment (Tien: 1996). Thus it is obvious that development of South Korea and Taiwan did not go along strict neoliberal lines with minimal roles for the government and minimal tariff restrictions. Yet despite that fact, what really got development moving in both South Korea and Taiwan is the fact that both nations were recipients of massive amounts of cheap capital from the United States as it sought to thwart the communist threat as was presented by North Korea and China respectively. The United States was also able to encourage Japan to do the same. The point here is that, with discretion, the Korea and Taiwan experiences can be exploited for genuine African development. After all, countries like Nigeria, Gabon and Angola do have access to capital through their petroleum exports.

Taking Stock: Some Considerations

We have seen from the above discussion that Africa is nowadays the continent of discontents. This discontent is compounded by humiliation incurred during the colonial era (Traore, 2009). Africa has become the continent of massive unemployment, weak technological base, weak currencies, political corruption and subordination to the economic dictates of the Euro-American centre. Africa is the perennial zero-sum victim of the world's international and political game. In this game engineered by a rampant economic neoliberalism under Euro-American peripheral hegemony, institutions such as the IMF, the World Bank, and the WTO play important roles. The present situation is one of a politically and economically balkanized Africa under the local direction of neocolonial comprador classes that are in turn beholden culturally and economically to a central Euro-America. The political and economic role of Africa's comprador classes is facilitate the economic exploitation of Africa by international capital while receiving in exchange the commodity products of neoliberal capitalism.

When crisis strikes the Euro-American growth and development institutions offer up self-serving palliatives in the form of NGOs, Millenium projects, NEPAD, and the like. These gestures eagerly embraced by Africa's comprador governments just have not worked. Africa's planners need to approach the issue of development from outside the 'box' of neoliberalism and playing the centre-periphery game. Asian development offers a useful precedent: their respective governments did not cut all tariffs, did not allow foreign capital entry without controls, and did not eliminate support for local businesses, etc (Cavanagh et al., 2002). With an annual average income of less than \$100 there is a serious need for reform and bring about a situation that is Africa-centred (often termed as 'Afrocentric') (Asante 1988; Haque 1999; Mbaye 2009). In more practical terms Africa needs to enforce a 'contractual solidarism' (Amaizo 2010) with appropriate collective benchmarks (Amaizo 2002) entailing peer reviewed discipline while organizing on a democratic basis new perspectives of wealth creation and prosperity sharing. A comprehensive social science approach will be helpful in this regard (Bayart 2010).

The Africa-centred approach entailing collective efforts on all fronts – political, economic-financial, infrastructural, military, technological, medical, etc. – would seem to be the most viable option given Africa's competitors in the international arena. Else, we would have to continue to tolerate Africa's present menu of weak, corrupt, and failing states which constitute the majority

on the continent (Reinert, Amaizo, Kattel, 2010). In short, the recipe ought to be an 'Africa-centred Pan Africanism' according to which the goal will be maximum and autonomous African growth and development in an environment of political and economic federalism funded by African governments. In the context of an Africa-centred autonomy, the embarrassment of having, for example, the African Union funded by the West will not be tolerated.

From the above discussion it is obvious that the way forward for Africa in terms of economic development is neither the neoliberal paradigm nor the new developmentalism, but alternative developmentalism. This alternative developmentalism would be based firmly on foundations of an Africa-centred pan-continental approach on the basis that the vast majority of Africa's states are just not sufficiently robust to compete individually on the world's economically competitive landscape. Investments in human capital and scientific-technological research must all be undertaken collectively if positive results are to be realised.

Conclusion

The economic career of post-colonial Africa, especially for those states that did not experience the destruction wrought by wars of independence, has been disappointing. The key issue of concern in this regard concerns the paramount need for economic growth and development. The problem has been that prescriptions for growth and development have been monopolized by economists of Western provenance whose theories have not helped Africa to build strong, independent, self-sustaining economies. This paper is an attempt to explore the reasons for Africa's poor economic performance as being largely due to: the unbroken links that African nations maintain with their ex-metropolises; non-dynamic cultures; lack of regional and continental cooperation; and an unreflective commitment to Western-engendered development programmes. Prescriptions offered include: greater investments in human capital; changes to the inherited Western-oriented educational systems; and, more intellectual autonomy to solve Africa's pressing problems from an Africa-centred point of view. It is this approach that is encapsulated in the concept of an alternative developmentalism.

Table 1: Benchmarking selected Economies, 1950-2001, Per Capita Gross Domestic Product
(1990 International Geary-Khamis Dollars (IGK \$))

Economies	1950	2001	Retrogression/P rogression
ASIA			
China	439	3,583	∅
India	619	1,957	∅
South Korea	770	14,673	∅
AFRICA			
Côte d'Ivoire	1,041	1,297	∅
Democratic Congo (Zaire)	570	202	∅
Ghana	1,122	1,311	∅
Madagascar	951	731	∅
Mauritius	2,490	11,318	∅
Nigeria	753	1,157	∅
Senegal	1,259	1,474	∅
South Africa	2,535	4,208	∅
Togo	574	575	∅
Tunisia	1,115	4,710	∅
LATIN AMERICA AND CARIBBEAN			
Brazil	1,672	5,570	∅
Haiti	1,051	785	∅
EUROPE			
France	11,664	21,092	∅
United Kingdom	10,767	20,127	∅
NORTH AMERICA			
United States of America	4,091	27,948	∅
Canada	7,291	22,302	∅
FORMER EASTERN EUROPE			
Russia (USSR)	2,841	6,027	∅
Poland	2,447	7,491	∅
Romania	1,182	3,168	∅

Source: Maddison, A., *The World Economy, Volume 1: A Millennial Perspective and Volume 2: Historical Statistics*, Paris: OECD.

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