

## The Developmental State Instrumentalities and Their Relevance to the Discourse on Socio-Economic Challenges in Africa

Adekunle Amuwo

As far as the relative autonomy and power of the African post-colonial state to decide the whys and wherefores of economic development is concerned, what colonialism/neocolonialism started, contemporary globalisation has seemingly finished off. But because capitalist globalisation is not an immutable Leviathan, its power, reach and import can be limited by African countries that put their political house in order and do their policy homework properly. An effective historical way of doing this (as the Asian 'Tigers' or 'Dragons' have shown) is through the developmental state (DS). This brief interrogates the instrumentalities of the DS against the backdrop of Africa's socio-economic challenges. It argues that, in order for the DS to begin to have social resonance and relevance on the continent, a democratic DS needs to be constituted to tame and domesticate globalisation, as well as genuinely democratise politics and development.

### Explicating the Developmental State

The DS, which sees the state as the primary agent of socio-economic development, has, since the 1970s, elicited a lot of scholarly and policy attention globally, including in Africa. For one, the economic development evinced by the East Asian experiences has impressed itself on African political, policy and academic elites. For another, African governments have become increasingly frustrated that, under contemporary capitalist globalisation, they have

lost their relative autonomy and power to decide the direction and finality of economic development. Unlike in the past when national strength controlled global presence, the reverse is the case today.<sup>1</sup>

The DS has been explicated as a type of state that is at once "able and willing to create and sustain a policy climate that promotes development by fostering productive investment, exports, growth and human welfare".<sup>2</sup> The *raison d'être* of the DS, its social objectives and the basis of its legitimacy are all tied up with the promotion and sustenance

---

Professor Amuwo teaches Political Science & International Relations at the School of Politics, Howard College Campus, University of Kwa-Zulu Natal (UKZN), Durban. He is, amongst others, an expert on International Political Economy and Francophone Africa.

of development, in particular human development and human security. It is a state that promotes national development through institutionalised and systematic patterns of policy interventions. Indeed, the idea of the interventionist state looms large: different patterns of state interventions take place on account of different resource bases at the disposal of different DSs.

The historic role of the DS is to foster a rapid process of capital accumulation, industrialisation and massive investments in social infrastructure and human capital. The political elite in charge of this project often attempts at the ideational level to define the public interest in such a way that it would elicit an appeal across sundry societal cleavages. The aim is to narrow the gap between, on the one hand, market profit maximisation, and on the other, life-saving and life-bequeathing Keynesian type of state interventions.

The market is equally important within the matrix of development in a DS, though more as a politically regulated mechanism. It is less important than the state because of its many failures when it is most needed. Undoubtedly, the state and the market are best valorised when they operate in tandem. Thus, the eminent suggestion by Stiglitz<sup>3</sup> that appropriate roles of the state and the market in the development matrix have to be clobbered as a function of the failures and strengths of markets and governments. In this way, salient issues such as social justice, distributional politics, equity and, to some extent, democracy, are factored into the development process.

Armed with the ideology of developmentalism, the DS not only disciplines capital, it also guides, directs and uses the market for specific national projects. Though it cannot replace the market, there is more to the state than meets the eye of the market. This is because, historically, no developmental state has emerged, let alone thrived, without a judicious blend between the public and private sectors of the political economy. Two types of blend come to the fore: between market values and social values; and between credit contract and social contract.<sup>4</sup> A successful DS is partly a market economy, but hardly a market society. Yet, the latter is exactly the image that orthodox market reforms seek to cast in Africa.

Development in DS has tended to be about change; it is a premeditated, deliberate and, perforce, deliberative choice by a compact set of the ruling elite. Development has not been left to chance. Whilst the state is little more than 'a specific modality of class domination' – to paraphrase Claude Ake – and democracy is largely putative and prescriptive, development is conceptualised

as a process of the long haul. The final destination is national self-reliance, which foreign capital can hardly spur. Development also goes through an active engagement with labour, politics and sites of counter-power often not in a democratic manner, but with a view to curtailing exploitation by both foreign and domestic capital. This is because, without capital, capital accumulation and socialisation of capital, neither meaningful nor relevant development will take place. The reduction of social inequalities and the strengthening of individual opportunities – including, in some cases, gender-related ones – are high on the agenda.

Further, prescriptively, the DS, with its ideological and structural/institutional components, is rooted in a strong sense of nationalism with a core of political, bureaucratic, economic and technological elites devoted to the public interest and the welfare of the public sphere. The experiences of East Asian countries in this respect are illuminating insofar as they did not follow the deregulation mantra of the Washington Consensus (WC). For MacEwan,<sup>5</sup> these experiences indicate that successful economic development is not associated with unrestricted access by foreign firms to a country's national economies. South Korea achieved its growth success by actively favouring its national firms in a manner similar to that employed in Japan. The country's Foreign Capital Inducement Act required that all foreign direct investment be evaluated by the government bureaucracy... in all these countries there was an effort to control and regulate foreign investment towards national development.

## Instrumentalities of the DS

The transition from prescriptive to empirical or concrete DS requires the agency of several instrumentalities. The most salient are the following:

- State-structure nexus, which is coherent, state agencies capable of formulating critical and socially relevant public goals and implementing/delivering key public goods. Arguably, the most important state agency is a relatively autonomous, disciplined and competent bureaucracy and technocracy;
- State capitalism with emphasis on national industrialisation policy and export production;
- Sound macro-economic growth and stability, balanced with equity to achieve national stability and integration;
- Sound social policies anchored on a stock of well-trained human capital;
- Massive investments in physical and institutional infrastructure;

- A governed market approach, which is another way of enunciating the role of the state: not so much the scope, but the type of intervention;
- The nature of the political regime, and a more inclusive approach to public policy: 'good governance,' rule of law, nature of democracy, questions of welfare and equity, state-society nexus, and political inclusion, enunciated below, but many a DS is gradually transiting into a DDS);
- Nature of parties and party systems: how this fosters implementation of programmes of social welfare and redistribution, and accountability through inter-party processes and inter-party competition;
- Constitutional system of government in terms of the extent to which it can engender and promote coherent and authoritative (rather than authoritarian) governance;
- State-business alliance (and, as far as a DDS is concerned, the state's relations with civil, political and economic societies);
- 'Embedded autonomy,' a highly controversial instrumentality, shorthanded as follows: 'politicians reign but technocrats rule'; and, 'government organs are relatively insulated from societal pressures.' The emphasis here is the embeddedness of the DS "in a concrete set of social ties that binds the state to society and provides institutionalised channels for the continual negotiation and renegotiation of policies";<sup>6</sup> and
- Arguably the most important instrumental of the DS is the state and its capacity, which is the state's most important attribute. As the latter shores up, the DS gets stronger vis-à-vis contemporary capitalist globalisation and its major purveyors, the great powers and the transnational corporations (TNCs) that represent their interests globally. What invariably distinguishes the DS from other types of state is its 'stateness' (capacity or strength) to refuse "to bow to the dominant logic of the world capitalist system."<sup>7</sup>

We argue that the foregoing instrumentalities of the DS can begin to have social relevance for, and resonance in, Africa only to the extent that a DDS is constituted to tame and domesticate globalisation and genuinely democratise politics and development.

### The Globalisation Context of Africa's Development: Derailing the Discourse and Praxis on Socio-Economic Challenges

Africa's incipient developmental state of the 1960s and 1970s was effectively derailed by the economic

structural adjustment regime imposed by the World Bank and the International Monetary Fund (IMF), and administered as a shock therapy, beginning in the 1980s. Orthodox market reforms have also halted the industrialisation agenda of many African states. Mkandawire<sup>8</sup> has made the important point that "one of the arguments raised by the World Bank against the wisdom of emulating Asian industrialisation policy was that in this WTO (World Trade Organisation) era, many of the policies would go against trade conventions in which African governments are signatory." He adds: "this may prove to be the most formidable constraint to the edification of developmental states in Africa."

Perhaps most significantly, from the point of view of the people as the major element of development, market reforms equally drove a wedge between African governments and African people. The hallowing out of the African state through the policy prescription of getting economics right, but not politics, resulted in the people being displaced from their hallowed position as the subject of development.

African ruling elites and transnational capital/elites have reaped bountifully from the main tenets of market reforms, namely the minimisation of the role of government through privatising state-owned enterprises and eliminating government regulations and decisive interventions in the economy in favour of the most vulnerable.<sup>9</sup> Yet, it was from the African peasants and workers that immense sacrifices and belt-tightening have been demanded by market reforms.

The view that was canvassed was a technician *qui pro quo*: international creditors and donor communities would release much-needed financial resources for 'development' once African governments undertook the stipulated market reforms. The former- and their foreign principals – hardly considered that it was foolhardy to predicate the continent's development on external resources. The New Partnership for Africa's Development (NEPAD) would enter the scene at the beginning of the new millennium, only to fall into the same narrow donor-dependent development construct.

Possibilities of constructive reciprocities in state-society relations became *ipso facto* limited. Yet, this type of relations suggests that 'good governance' in African has to be about an interventionist government that provides those public goods that describe social citizenship and the state's legitimacy. According to Goldman,<sup>10</sup> "effective states have learned how to maintain their legitimacy, and their legitimacy helps keep them effective." The African state has remained a service delivery state through the agency of donor-funded, non-state sector of largely urban CSOs and NGOs that have been sucked

into the vortex of economic and political neo-liberalism. In the process, the agenda of state transformation, which is what Africa requires, has been thwarted. The post-Cold War internationalisation of the state has been very hurtful to the continent; the state has become more responsive to transnational and international capital at the expense of very urgent national and regional development concerns.

Three other factors have reinforced the subordinate role of the African state *vis-à-vis* contemporary capitalist globalisation. These are neo-liberal democracy; international aid; and so-called free trade.

Neo-liberal democracy was conceptualised by market reformers as the political correlate of the market. In the heyday of the largely donor-driven political liberalisation of the 1990s, the 'international community' supported an array of supposedly competitive, multi-party elections. Some of these were not only free and fair, but also free from fear. Others – particularly in countries where long term geopolitical and strategic interests of the great powers were involved – were effectively stage-managed in favour of the political stability of incumbent leaders. The result is that the political struggle of the African people, from the outset of political independence for genuinely transformative and emancipatory politics, was curtailed and replaced by a largely libertarian neo-liberal democracy.

Whilst neo-liberal democracy may be a welcome improvement on the stifling one-party and military dictatorships of yore, it falls abysmally short of the stipulations of the democratic development model. Aina<sup>11</sup> has summarised the latter as follows: "democratic development (is) a process through which Africa must feed, clothe, house and educate Africans in reasonably good health." This is akin to MacEwan's<sup>12</sup> submission that democratic development is "defined by the content of its social programmes," such that "people's claim on them derive not from their market power but from their existence as people or citizens." Social citizenship has to be prioritised above consumer citizenship.

There should be no illusion, however, that the great powers, international financial institutions and transnational corporations could be counted upon to support democracy, even in its benign and conflict-free form. Steeped in the tactics of the Cold War era, when they effectively "fostered a culture of corruption and anti-democratic repression," they all tend to "work to subvert efforts at democratic change."<sup>13</sup>

For all the hype, Western aid has hardly been a viable option for undertaking and financing development on the continent. As Lancaster<sup>14</sup> has shown, there is little to choose between recipient-driven and donor-driven programmes as far as developmental

effectiveness of aid is concerned. More worrisome is the fact that aid has served no other purpose than to hold Africa's development hostage. Further, aid constitutes an element of the stranglehold of the donor community on Africa.<sup>14</sup> There is a fundamental sense in which core states are making a fortune out of the unfortunate plight of peripheral countries. Whereas the continent needs capital for development, it has (alongside the rest of the '3<sup>rd</sup> world') been a net exporter of capital to the Global North since the early 1980s, courtesy of crippling debt repayment.<sup>15</sup>

Rostron<sup>16</sup> summarises this nefarious phenomenon thus: "a minority approximately 20% of the world's population consumes more than 80% of the world's resources. They are not about to give this surfeit up, or share it out. The developed world has Africa in a neck-lock and isn't just going to let go. *There are profits to be made from poverty*" (emphasis added).

In the same vein, free trade is a non-starter. There is nothing free and fair about free trade. Competition between rich and poor states is taking place on terms that are getting increasingly unequal because of the seeming immutable structures, strictures and forces of contemporary globalisation. This perhaps explains why, though contestation of the international division of labour, power and resources has continued unabated, both within and outside the corridors of global political and financial governance structures (the United Nations (UN), World Bank, IMF, WTO and the G8, etc.), its vocalisation is muted within African government circles. Yet, there is hardly any veritable historical model of free trade insofar as "the international trading system is not a force of nature. It is a system of exchange, managed by rules and institutions that reflect political choices. These choices can prioritise the interests of the weak and vulnerable or the interests of the wealthy and powerful."<sup>17</sup>

The point is that the contemporary international trading system is heavily skewed against weak and poor states. Thus, contrary to Trevor Manuel's wishes (18), synergies can hardly be created between the policies of the continent's 'development partners' and those policies autonomously and nationally enunciated by African governments that amount to counter-policies. These governments should expect no assistance to meet financing needs in these areas, let alone support for their economic decisions not sanctioned by these partners. Having often reneged on promises they solemnly made, these partners should not be expected to deliver on what they did not promise. It is the primary responsibility of African governments – with the active support of the non-state sector of the public sphere

– to articulate people-friendly, relevant and adequate policy responses to deal with these crucially important issues.

## Towards a DDS in Africa?

A DDS is superior to a DS in several respects. For one, participatory democracy reinforces representative democracy. A DDS underscores the importance of the political regime as enunciated above, with a view to making the public policy process as inclusive as possible. Kamrava<sup>18 19</sup> has argued that “an emerging democratic state needs a corresponding civil society that is pluralistic, autonomously and vigorously organized.” The challenge is to free civil society from the grips of neo-liberalism and make it more pervasive in the development process so that it will not only “maintain the democratic political order, but also ...keep it intact and meaningful.”<sup>19 20</sup>

For another, a DDS, to the extent that it is armed with a democratic economic development strategy – “a strategy capable of delivering the benefits of development to the general population” – will not only empower the people politically to participate meaningfully in critical economic decisions, it will also “put them in a position where their lives are not dominated by either the market or the state.”<sup>20 21</sup> The need for a state-society nexus (in all its ramifications, including state-community and state-political society) can hardly be over-emphasised.

The African state needs to reconnect and reconcile with the African people if more indigenous and more engaging notions of political participation and legitimacy are to be valorised. Africa has to get its politics right as a prelude to getting its economics right, insofar as the latter, like the market, is an eminently political enterprise. A reconnection between the state and an empowered people will strengthen the state and allow it to claim legitimacy, legitimate authority, as well as the moral high ground. It will also furnish an enabling ecology for the pursuit of the agenda of democratisation and democratic consolidation.<sup>22</sup> Reconciliation will also facilitate the process of extricating civil society from its mainstreaming in the international development and governance processes as part of the dominant market ideology.

Further, a DDS’s democratic economic development strategy involves not only the enunciation of unambiguously stated policies towards the private sector, but equally significantly, public power and its uses.<sup>23</sup>

Whilst much of the foregoing may appear more prescriptive than empirical (much like a large portion of contemporary literature on the DSs), the

point to underscore is that what drives development is the stock and quality of knowledge deployed. *And she who says knowledge says human capital* – and you hardly get to release human capacity and energy unless there is a legitimate and authoritative (or non-authoritarian) policy environment.

Unlike many Asian and Latin American countries that successfully emerged as DSs without democracy, Africa cannot but develop democratically. This is against the backdrop of bureaucratic-authoritarian one-party and military regimes in earlier decades that promised development within a constricted democratic framework. The countries involved ended up with neither development nor democracy. A DDS for Africa posits that the economic system – no less than the politics – can only aid and abet development if it reflects the cultural history of African countries and societies.

This history would necessarily imply that orthodox market policies could not be imbibed hook, line and sinker. Rather, they would have to be selectively accepted *vis-à-vis* their relevance to effectively addressing the continent’s most challenging contemporary socio-economic issues. African states and people should reserve the right to choose their own development path. Mercifully, globalisation is not an immutable excuse: whilst it may be a powerful social force, it also evinces its own counter-forces.<sup>24</sup>

## Policy Challenges/Recommendations

Several policy challenges and recommendations can be deduced from our analysis. The most salient ones include the following:

- Democracy should be conceptualised and used by the state, following Crawford Young,<sup>25</sup> as a theory of challenge to imperialism, a vehicle to contest its hegemony and lessen the negative intensity of globalisation, its benign emanation;
- Much in the same way that Africa’s nascent and burgeoning industries should be protected from undue competition with transnational capital and TNCs, the continent’s democracy should also be protected from negative outside interferences. This will be reminiscent of the smooth democratic transitions of Spain and Portugal in the 1970s, which were sheltered by the European Union (EU) and North Atlantic Treaty Organisation (NATO);<sup>26</sup>
- There is the need, within the community at large, to evolve and sustain a counter-power to the state. The goal is to challenge the dominant position of the state within the policy-making matrix in order to keep it on its toes;

- Issues of appropriate technology and foreign economic domination have to be seriously and urgently addressed at all levels of the policy process;
- The state needs to massively invest in social and physical infrastructure, as well as human capital;
- The need to genuinely democratise local/municipal governments cannot be over-emphasised; and
- Finally, since power is the principal thing, African countries have to work assiduously to recover the power lost to Western powers during the colonial period. “When one society finds itself forced to relinquish power entirely to another,” writes the evergreen Walter Rodney,<sup>27</sup> “that in itself is a form of underdevelopment.”

## Notes and References

- 1 Samir Amin (2006), *Beyond US Hegemony? Assessing the Prospects for a Multipolar World*, London & New York: Zed Books.
- 2 Omano Edigheji (2005), *A Democratic Developmental State in Africa? A Concept Paper*, Johannesburg: Centre for Policy Studies, Research report 105, pp 18.
- 3 Joseph E Stiglitz (2004), *The Roaring 90s: Why We're Paying the Price for the Greediest Decade in History*, London: Penguin Books.
- 4 *Ibid.*, and James Putzel (2005), ‘Globalisation, Liberalisation and Prospects for the State,’ *International Political Science Review*, 26, 1 January, pp 5–16.
- 5 Arthur MacEwan (1999), *Neo-Liberalism or Democracy? Economic Strategy, Markets & Alternatives for the 21<sup>st</sup> Century*, London & New York: Zed Books.
- 6 Peter Evans (1995), *Embedded Autonomy*, Princeton: New Jersey.
- 7 Samir Amin (2006), *Beyond US Hegemony? Assessing the Prospects for a Multipolar World*, London & New York: Zed Books.
- 8 Thandika Mkandawire (2001), ‘Thinking about Developmental States in Africa,’ *Cambridge Journal of Economics*, 25.
- 9 Stiglitz, 2004: 229–230.
- 10 Arthur Goldman (2000), ‘Sizing up the African State,’ *The Journal of Modern African Studies*, 38, 1, March, pp 1–20.
- 11 Tade A Aina (2003), ‘Scales of Suffering, Orders of Emancipation: Critical Issues in Democratic Development in Africa,’ *African Sociological Review*, 7, 1, pp 73–93.
- 12 Arthur MacEwan (1999), *Neo-Liberalism or Democracy? Economic Strategy, Markets & Alternatives for the 21<sup>st</sup> Century*, London & New York: Zed Books.
- 13 Harry Shutt (2001), *A New Democracy: Alternatives to a Bankrupt World Order*, London & New York: Zed Books.
- 14 Carol Lancaster (1999), *Aid to Africa: So much to do, so little done*, Chicago, IL: The University of Chicago Press.
- 15 Bryan Rostron (2000), ‘Global Renaissance or the global dark age?’ *Mail & Guardian*, July 14 to 20, p 29.
- 16 Cheryl Payer (1991), *Lent & Lost: Foreign Credit & Third World Development*, London & New Jersey: Zed Books.
- 17 Bryan Rostron (2000), ‘Global Renaissance or the global dark age?’ *Mail & Guardian*, July 14 to 20, p 29.
- 18 Trevor Manuel (2005), ‘Level the Playing Field,’ *Sunday Times* (Johannesburg), 16 January, p 19.
- 19 Mehram Kamrava (1996), *Understanding Comparative Politics: A Framework for Analysis*, London: Routledge.
- 20 Arthur MacEwan (1999), *Neo-Liberalism or Democracy? Economic Strategy, Markets & Alternatives for the 21<sup>st</sup> Century*, London & New York: Zed Books.
- 21 Ali Mari Tripp (2001), ‘The Politics of Autonomy & Cooptation in Africa: The Case of Ugandan Women’s Movement,’ *The Journal of Modern African Studies*, 39, 1 March, pp 101–28; and Adekunle Amuwo (2008), *Constructing the Developmental State in Africa: A Case Study of Nigeria, 1960-2007*, Johannesburg: Institute for Global Dialogue Occasional Paper Series, August, p 59.
- 22 Arthur MacEwan (1999), *Neo-Liberalism or Democracy? Economic Strategy, Markets & Alternatives for the 21<sup>st</sup> Century*, London & New York: Zed Books.
- 23 *Ibid.*
- 24 Crawford Young (1988), ‘The African State & Its Political Legacy,’ in D Rothschild & N Chazan (eds.), *The Precarious Balance: State & Society in Africa*, Boulder: Westview Press, pp 25–66.
- 25 Josef Joffe (2000), ‘Democracy is a family affair’, *TIME*, 10 July, p 23.
- 26 Rodney Walter (1972), *How Europe Underdeveloped Africa*, Dar-es-Salaam: Tanzanian Publishing House.





### Africa Fast Facts

Compiled by GIS and Cartography (AISA)

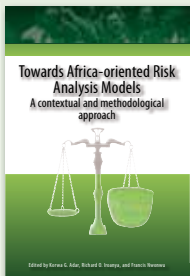
ISBN 978-0-620-426-25-1  
Price R 100,00



### Africa In Focus

Compiled by GIS and Cartography (AISA)

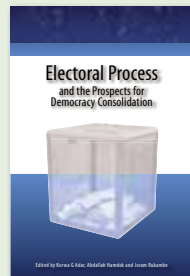
ISBN 978-0-620-426-24-4  
Price R 100,00



### Towards Africa-oriented Risk Analysis Models A Contextual and Methodological Approach

Edited by Korwa G. Adar, Richard O. Iroanya, and Francis Nwonwu

ISBN 978-0-7983-0213-5  
Price R 120,00



### Electoral Process and the Prospects for Democracy Consolidation

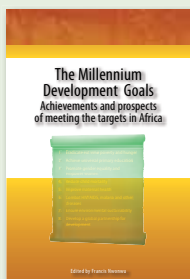
Edited by Korwa G. Adar, Abdalla Hamdok and Joram Rukambe

ISBN 978-0-7983-0210-4  
Price R 120,00



### Africa Insight

ISSN 977-025-628-000-6  
Price R 35,00



### The Millennium Development Goals Achievements and Prospects of Meeting the Targets in Africa

Edited by Francis Nwonwu

ISBN 978-0-7983-0121-8  
Price R 120,00



### A-Z: Continental and country profiles, Second edition

Edited by Pieter Esterhysen

ISBN 798-0-7983-0199-2  
Price R 250,00



### Greening the Great Red Island Madagascar in Nature and Culture

Edited by Jeffrey C. Kaufman

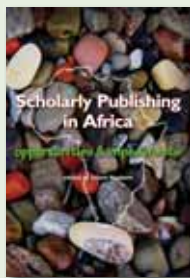
ISBN 978-0-7983-0181-7  
Price R 120,00



### African Political Elites The Search for Democracy and Good Governance

Edited by Francis Nwonwu and Dirk Kotze

ISBN 978-0-7983-0184-8  
Price R 120,00



### Scholarly Publishing in South Africa Opportunities & Impediments

Edited by Solani Ngobeni

ISBN 978-0-7983-0227-2  
Price R 120,00



## Africa Institute of South Africa

PO Box 630  
Pretoria  
0001  
South Africa

No 1 Embassy House  
Bailey Lane  
Arcadia  
Pretoria

Tel: +27 (0)12 304 9700  
Fax: +27 (0)12 323 8153

E-mail: [ai@ai.org.za](mailto:ai@ai.org.za),  
Website: [www.ai.org.za](http://www.ai.org.za)

**AISA** is a statutory research body focusing on contemporary African affairs in its research, publications, library and documentation. **AISA** is dedicated to knowledge production, education, training and the promotion of awareness on Africa, for Africans and the international community. This is achieved through independent policy analysis, and the collection, processing and interpretation, and dissemination of information.

ISSN 1998-7994



9 771998 799009