

**AFRICAN INSTITUTE FOR AGRARIAN STUDIES**

**AFRICA'S MALDEVELOPMENT TRAJECTORY AND ECONOMIC JUSTICE  
DIMENSION**

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In the last few decades, Africa has continued to move on a trajectory of mal-development characterised by deepening economic inequalities and social conflict reflecting a few centuries of economic injustice. Current debates in Africa today on the contrary exhibit much excitement over the growth of its GDP over the past three years, based upon the expanded exploitation of its oil, minerals and natural resources and driven by renewed agrarian investments, in response to the recent and the global commodity price boom. In reflecting seriously on Africa's current mal-development trajectory and the growing economic injustice which the continent is facing, we first examine the key. Manifestations of Africa's trend of mal-development and then attempt to identify the roots of such a development trajectory.

**Africa GDP growth rates, by country type, 1996-2005**

<b>Slow-growth economies</b> <b>GDP growth less than 4 percent a year</b> <b>(36.7 percent of population)</b>		<b>Diversified, sustained growth economies</b> <b>GDP growth 4 percent a year or more</b> <b>(35.6 percent of population)</b>		<b>Oil exporters</b> <b>(27.7 percent of population)</b>	
<b>Country</b>	<b>GDP growth (percent)</b>	<b>Country</b>	<b>GDP growth (percent)</b>	<b>Country</b>	<b>GDP growth (percent)</b>
Zambia	3.80	Mozambique	8.3	Guinea	30.8
Equatorial Guinea	3.70	Rwanda	7.6	Chad	9.0
Niger	3.50	São Tomé and Príncipe	7.1	Angola	8.5
Malawi	3.30	Botswana	6.7	Sudan	6.3
Mauritania	3.30	Uganda	6.1	Nigeria	4.3
Togo	3.30	Cape Verde	5.8	Congo, Rep.	3.4
Madagascar	3.20	Mali	5.8	Gabon	1.1
Lesotho	3.00	Tanzania	5.3		

Kenya	2.90	Ethiopia	5.2		
Eritrea	2.41	Sierra Leone	5.2		
Seychelles	2.30	Burkina Faso	5.0		
Comoros	2.13	Mauritius	4.8		
Central African Republic	0.85	Ghana	4.7		
Guinea-Bissau	0.47	Benin	4.6		
Burundi	0.43	Senegal	4.5		
Congo, Dem. Rep.	0.08	Cameroon	4.2		
Zimbabwe	-2.20	Gambia, The	4.2		
		Namibia 4.0			

*Note:* GDP growth rates are compound annual averages.

*Source:* World Bank Development Data Platform

In particular, it is necessary to trace the structural features of Africa's political economy which have made it possible for such a trend to persist for over a century. Following this we examine the new scramble for Africa and then we pose questions regarding contemporary dimensions of economic injustices on the continent. Our aim is to move beyond the partial and narrow welfarist analysis of economic injustice as reflected in current 'budget' based on the perspectives on the roots of economic injustice. We pursue a political economy perspective which allows us to ask questions on why African countries and their governments have failed to finance an alternative development trajectory under the current model of externally oriented growth and accumulation.

### **Africa's Mal-development trajectory**

In spite of the current GDP growth rates, about 60% of the countries in Africa, the continent continue to experience a basic crisis of social reproduction. This crisis is reflected in expanding food insecurity, unemployment and growing poverty because current patterns and rates of growth have failed to 'trickle down' let alone yield

development as had been argued by the proponents of neo-liberalism. Between 50 to 80 percent of Africa's population lives below standard poverty levels particularly when measured on the dollar a day criterion.

More concretely, malnourishment as the main indicator of social reproduction crisis has become endemic. Over 200million people in 2001 compared to 133 million in 1980 were malnourished. Over 70 percent of the population are unable to access the recommended 2200Kcal daily intake requirements. Approximately 33 million children suffer from malnourishment and Africa consumed 51% of the food aid deliveries which amounted 3.8 million tonnes in 2004.

These nutritional effects and other negative trends in the health status of the population have been exacerbated by the growing HIV/AIDS pandemic, which per capita has affected Africa most. Agricultural production is second most critical indicator of development. In the last 20 years per capita production declined by 2 per cent a year in a situation which reflects high levels of population growth, alongside stagnant agricultural productivity growth, as elaborated later. However, there has been a continued growth of food export of upto 13 per cent while food imports grew by around 20 per cent over the last two decades.

### **Africa's mal-integration into the global economy**

Interestingly most people in Africa continue to be marginalized as a society at the same time as Africa's economy is persistently being more deeply integrated into the global economy, as Samir Amin has argued. Thus, the key problem is of mal-integration rather than global marginalisation and/or isolation. This is reflected in the main indicators which is the extra-regional trade. Around 45 per cent of Africa's trade is tied to trade with countries outside Africa, while its GDP represents less than 20 per cent of global wealth, measured in terms of GDP. In the context of the present opportunistic expansion of foreign direct investment in Africa's mining, mal-integration into the global economy has

remained the main source of economic distortion and of the against African people's mal-development; a pattern which has persisted for a few centuries.

**Table 2 African export growth rates, by country type, 2003–06 (percent)**

Country group	2003	2004	2005	2006
All countries	8.2	12.9	14.1	11.3
Oil exporters	16.7	21.6	19.2	13.5
Non-oil-producers	4.5	7.6	5.7	7.1

*Source:* International Monetary Fund data.

Since the eighteenth century, Africa has experienced three types of integration into the global economy. The best known but the least understood basis of global integration was the extraction of African labour, through slave trade five centuries ago. This pattern of global integration had the effect of not only undermining the continents' human resource base but also of dislocating its population and local systems of social reproduction.

This trajectory of global mal-integration and mal-development had been accompanied by monopolist and oligopolistic extraction of value by merchant capital for centuries since the sixteenth century, culminating in the formal colonial partition of Africa in the late eighteenth century. Multi-national trading companies such as the British South Africa Company led the extraction process and established the framework for colonialism.

Following the end of the slave trade, and building upon the now established extractive practises of merchant capital, the nineteenth century saw the structural entrenchment of mining and agricultural raw materials extraction from the continent was differentiated

according to three basic models of institutionalised colonialism and the penetration capitalist under development. Settler colonial capitalism was instituted for PNF's of Southern, Eastern Africa (South Africa, Namibia, Zimbabwe, Angola and Mozambique) including main Kenya and small parts of Tanzania and the Democratic Republic of Congo) and North Africa (including mainly Algeria and Egypt). Here, extensive land expropriation, leading to the dispossession of numerous peasants and the institutionalism of extra-economically forced and cheap labour policies, using labour drawn from peasant labour reserves, created large scale farming systems whose production was mainly directed at the exports of raw materials to the colonising European states (mainly Britain, France, Portugal and Belgium).

In central Africa, huge tracts of land constituting mineral concessions and for agricultural plantations were allocated to colonial firms, which partitioned the territories, as the main route of an enclave based framework of resource extraction, using cheap and forced labour. The typical case of this is the Congo, which until today remains largely driven by this enclave resource extraction model. The third model, referred to by Samir Amin, as the 'economic de traite', covering most of West Africa, entailed a model of global integration into the global markets through indirect colonial rule based mainly on the extraction of value from the agricultural raw materials purchased from peasant producers by monopolistic and/or oligopolistic colonial trading firms. Here socially differentiated peasant economies engaged in petty commodity production from which minimal 'subsistence' incomes were derived from the export of crops such as palm oil, groundnuts cocoa and coffee, were institutionalised

Thus, the export of raw materials from Africa, which it is important to note was a privatised form of extraction, produced a form of enclaved development, with little state regulation of the exploitation process in all the regions of Africa, while institutionalising different systems of resource extraction. This trajectory is not new and has persisted over the last century. The structural readjustment programmes adapted by Africa did not

change this strategy, but rather entrenched it further, through trade liberalisation and the retreat of the post-colonial state from the support of a nascent form of primitive accumulation and economic growth in the late 1960's and 1970's. This accumulation trend saw a reversal in the 1980's when structural adjustment programmes were widely adopted in Africa. The result was a widespread and growing political instability, as evidenced in the numerous intra-state wars and inter-state conflicts which have led to major social disruption in many countries. Thus, the African development problem has not been a trajectory of marginalisation from the global economy but a combination of mal-adjustment and negative integration, which have led to persistent poverty.

### **A failed agrarian transition and extroverted growth**

The mal-development and mal-adjustment of Africa is configured structural by the continent's continued dependence on agriculture for its growth and development. So far the livelihoods of 75% of the population remain tied to the agriculture sector where its share of labour ranges between 40% and 90%. Dependence on access to diminishing farm land for social reproduction is a key constraint to human development given also the growing trend of landlessness and land short families alongside increasing trends of land concentration. Thus, it is only the few mineral and tourism rich countries whose GDP and share of labour are less dependent on agriculture. Yet agricultural production has remained predominantly export oriented with increased food imports in spite of the upward rise of the global food prices. However, agricultural productivity over the last two decades has been steadily declining, alongside the structural adjustment induced reduction of state driven agricultural subsidies in general including producer price and marketing support, extension services and farm credit in particular expenditure on agricultural research by 2000 has declined to 1.5% per annum of budgets compared to 3.2% 1996 to 1997.

A key source of the agricultural productivity crisis is the failed agrarian production transition on average below 2% of the cropped area in Africa is irrigated (at about

13million hectares) against a potential irrigable of 43 million hectares, out of a total of 1 billion hectares of rainfed cropping on the continent. Africa's use of fertilisers per unit of cropped land such as nitrate, phosphates and potassium remaining the lowest in the world whereas fertiliser application had shown a slight growth between 1960 and 1980, since the SAP era from 1980 the general application of fertilisers declined. Not surprising between 1960 and 2000 crop yields in Africa grew rather slowly in general, especially in West Africa where yields grew from an average of 0.6 tons per hectare to 0.9 tons per hectare. These remained more stagnant in the semi- arid areas particularly of countries in Southern Africa. Yield growth in those few countries where high yielding seed varieties were used increasingly in especially yields doubled from 1.2 tons per hectare to 3.0 tons per hectare reflecting the scope of unrealised potential.

The absence of investments into the production of key agricultural inputs such as fertilisers and higher yielding crop varieties and livestock breeds, as well as in to agricultural machinery and equipment, has led to the retention of low productivity based on extensive farming practises and self exploitation of cheap household labour. Attempts by post colonial governments for a decade to reshape the agrarian structure and productivity including through import-substitution were short lived leading to a delayed transition. From the 1980's the African economies by an average of 0.2%, particularly in the 1990's. This led to a situation in which 50% of its exports were required to pay foreign debt. This pattern of negative growth enforced through SAPs resulted in greater food insecurity, real wage declines and social unrest setting the stage for wider scale liberal democratisation around the mid- 1990's.

Thus, the structural disarticulation of the average of African economies is reflected in the fact that most of the recent GDP growth on the continent is reflected growth in mineral and oil prices including their expanded production, as well as from some growth in the tourism sector. These have remained areas in which incomes are highly concentrated and where foreign ownership is dominant. Alongside the lack-lustre performance of

agriculture, the last two decades saw a decline in industrial jobs reinforcing the dependence in small scale and extensive family planning in most countries.

### **The new scramble for Africa**

A new scramble for Africa has been evident over the last decade, as the continent experiences expanded resource extraction especially for oil and natural resources affecting the competing interests of the USA, Europe and Asia. The irony of this scramble is that media and intellectual discourses in the former colonial states and imperial USA depict Asia capital as the new colonisers, in spite of the fact that their current interests in and control of such resources remain dominant on the continent.

There has emerged, particularly in the USA we see a new thinking about Africa is no longer being a humanitarian interest but which is considered to have become of great strategic importance to their future. A new African military command is being set up ostensibly to address the war on terror, when the reality is an interest to protect the extraction of resources. New forums like Africa-Europe summit, Africa-China summit, and more recently the India-Africa forum have set up apparently to systematise external investments and manage the contestation for resources in Africa.

The new scramble has been broadly focused on: oil and mineral resources, lowly priced concessions including for strategic minerals such as uranium, platinum and others; on the usual natural resources (tropical timber and wildlife tourism enclaves), on land for the production of feedstocks (sugar, jatropha, cassava, etc.) for the export of bio-fuels as well as for key agricultural exports (tobacco livestock etc.) based upon virtually free land concessions and cheap labour for market share in the growing telecommunications, information technology and financial markets as well as for a share of other services markets particular in the construction sub-sector.

A salient direction of this scramble for Africa has been seen in the targeted export of key professionals in medical and pharmaceuticals industry engineering and other skilled labour areas in addition to the multitude of unskilled labourers who have been exported traditionally. Some of these tendencies have been facilitated by the promotion of 'freer trade' area agreements between Africa and Europe and America.

What is notable in this new scramble is the relative absence of foreign direct investment into the secondary industrial sector suggesting continuity rather than any significant qualitative change in the nature of Africa's deepening integration into the world economy. Long term resource extraction agreements with China suggest the entrenchment of past traditions with the introduction of new actors (such as Russia, India and Norway) This latter has been involved in oil production in various countries such as Angola and Nigeria and is more recently involved in an 'oil for development' initiative in Ghana. Thus, there is significantly more competition for the resources and the introduction of competing business models in the extraction of the resources.

In this light an interesting trend that has emerged is new dynamics of financing African development in relation to policy space. With the advent of Chinese finance in mining the IMF for instance has been made relatively redundant in some countries, such as Angola. Here IMF has been made irrelevant in terms of its characteristic role of influencing neo liberal policy design in Africa. The new wave of financing infrastructure which are oriented to facilitate the exportation of raw materials, promises to shift some aspects of the continent's economic structure is a case in point.

Interestingly, in this new scramble scenario international aid to Africa has experienced a real term decline from about US\$25 billion in 1990 to US\$26 billion in 2003. This is in a context where about 50% of the so-called aid does not reach the continent given that most of it has been tied to the donors own economies most notably through their fielding of well-paid technical experts on the continent. Moreover, there has been increasing

drainage of African brains or expertise to Europe and the USA. This alongside the increased transfer of investment profits to the north has meant that Africa is a net exporter of capital to the west (Unctad, 2005).

In this context the new scramble for Africa may have a wider geo-political significance relatively similar to that of the cold war era, when that rivalry created some room for manoeuvre with the states' key decision-making system, vis-à-vis development policy in general. In the current context notwithstanding the continued and increased extroverted pillage of minerals and natural resources from Africa, the greater competition among foreign capital for these resources may actually have broadened the choice of investors and has had the effect of gaining relatively better 'deals from China than have so far been offered by capital from the west.

This has been the case with oil investments in Angola and to some extent in Nigeria particularly regarding foreign investments being made in the aftermath of the Iraq war and recent global commodity price boom. Indeed Asia, particularly China has become a new source of lending to Africa on conditions which while tied to Chinese contracting have had the advantage of focusing investments on new infrastructures without the insistence of the new structural adjustment conditionalities, engraved in PRSP's and the HIPC initiative.

### **Dimensions of economic injustice in Africa**

In the above context there is a need to move from beyond the tendency to perceive Africa's mal-development in narrow culturalist (even racist) perspectives of a continent marginalised or isolated in the global economy towards defining economic injustice on a wide scale. There is also need to move away from narrow human rights based approaches, in which national and/or 'in country' civic participation in budget decision making and advocacy defined as the problem, toward a perspective which identifies the mass disempowerment that has evolved in the national political economy due to the

limited material benefits that have emerged from neoliberal structural adjustment programmes and poverty reduction strategy 'papers' (PRSP,s) and from the narrow process of Africa's third phase of liberal democratisation.

As Mkandawire has pointed out (2000?), economic and social policy making spaces have so shrunk as to yield what he calls 'choiceless' and/or disempowering national democracies. Thus the external influences on, for instance, budget decision making are largely framed by the international financial institutions (IFI's) concepts of poverty and how to reduce it such that these have led to 'mal-adjustment' and increased levels of poverty. The fact that fiscal accountability is not domestic becomes one of a series of economic injustices, which reflect the disempowerment of governments and the people they purport to represent.

In this vein there is the danger of civilising of social and/or people's movements into a narrow neoliberal advocacy around the relative allocation of budget resources as a result of global mal-integration and mal-adjustment are set aside. Here the continued absence of meaningful state interventions to direct the economies, such as agricultural production to meet domestic food needs rather than reliance on borrowing to import increasingly expensive foods is a major source of injustice which affects mainly the poor

Similarly, the failure of the African state to realise better conditions for the growing EDI in oil and minerals in terms of ensuring a real share of value extracted, rather than the 'crumbs' of low royalties (e.g. at 0.6% in Zambia's copper mines) and the absence of meaningful value addition in mining raw materials is another basic dimension of economic injustice in Africa.

If we consider that many of the recent armed conflicts, in a number of African countries have been centred around competing interests over oil (Nigeria), minerals (the DRC), diamonds (Sierra Leone), the poor in these situations have faced the triple jeopardy: the

first of realising, little of the material benefits from these mining resources. Secondly, they have missed employment opportunities based on structural changes and wasting resources on military instruments which could uplift their long term livelihoods. Thirdly, they have been the main fatal victims of the wars. Through foreign capital and local elite capture of the resources, the poor have been armed to defend such raw material exploitation in what can only be described as class wars against the poor.

Furthermore, a key dimension of economic injustice in Africa is the fact that agricultural and mining mal-development has been accompanied by the tendency for the increased concentration of wealth particularly of land and the ownership of mineral resources in the hands of a few, in alliance with foreign capital. This perverse process of primitive accumulation and class formation has been built on increasingly low real wages in most sectors. This growing form of social differentiation has become the source of growing political (see Kenya recently, Zimbabwe etc.) and armed conflicts on the continent.

The overall economic justice facing Africa is therefore one in which disarticulated development derived mainly for mal-integration into the global economy through the persistence of unequal trade relations, exploitative investments into oil and mining, a failed agrarian transition and de-industrialisation has become institutionalised. The related injustice has been to mobilise the state and civil society's meaningless welfarist advocacy strategies purportedly aimed at reducing poverty, along the lines of 'addressing' disparate millennium development goals which are unaffainable given the dominant economic policies and strategies.

### **Concluding remarks**

Thus, Africa's current crisis of social reproduction is the key manifestation of economic injustice grounded in its global mal-integration, economic mal-adjustment and the current spread of resource based class wars in a context of neoliberal democratisation. It is self evident that the poor have no boot straps to pick themselves on here. There is a need

therefore to re-orient current civil society (including intellectual) efforts towards the struggle for a more meaningful developmental state based on its radicalisation, in terms of its stance on land and mining property relations, and economic policy heterodoxy which can restructure the economy towards auto centric development and the promotion of substantive and real democratisation.