The State of Africa in the Global Political Economy

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Authors' contributions

This work is carried out in collaboration between both authors. Both authors engaged in all activities.

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ABSTRACT

Since the Cold War, at international, regional and domestic levels, there have been various dynamics which have been significantly impacting Africa's political economy. Taking the major historical developments prior to 1990s as background premises, this article intends to critically unveil the existential state (opportunities, challenges and imperatives) of the continent's political economy since the conclusion of the Cold War. Besides, it has to be noted that, except for some minor disparities among African countries, their communalities concerning their political and economic experiences could plausibly take the lion share, which in turn enable a researcher to come up with cogent explanations, evaluations, generalizations and finally conclusive remarks that could logically stand for the entire continent. Given this methodological consideration, in contrast with its successful but short lived historical precedent in the 1960s through deliberately owned national development policy measures by visionary post-independent African leaders, African political economy had been dragged into incommensurable crisis in the 1970s and 1980s. This had been primarily because of the imposition of alien neo-liberal development policies and reforms [1,2, p.4] (Fantu, 2014). Since the late 1990s, however, its overall performance has begun to recover following the demise of Uni-polar power structure for a new multi-polar global arrangement. The deteriorating influence of neo-liberal conditionalities because of national measures, policy independence, and alternative development policies as well as partnership [3,1 p.276]. In spite of its recent commendable signals justifying 'Afro-optimism', the continent's political economy has still been far from structural transformation. Thus, for its positive prospect, the underlying tasks that each African states are expected to undertake and realize are: strong democratic states with visionary political leadership, de-politicized and meritocratic civil service, state-lead or strategically

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regulated national economy, policy ownership as well as independence, deliberated and strategic integrations with regional and international economies, infrastructure expansion, human recourse development, diversifying development finance and partnership, giving priorities to strategic economic sectors, which could generate fast economic growth, create more job opportunities and could reduce poverty (Fatu, 2016; pp.1278-79).

Keywords: Africa; political economy; policy ownership; alternative partnership; strong and legitimate state.

1. THE COLD WAR AND AFRICA’S POLITICAL ECONOMY

From a historical perspective, as Ascher [4] cogently illustrated, after World War II, the ontological and epistemological values of neoclassical development economy of the West have been dominating over structuralism in the global political economy at theoretical, policy, practical and academic spheres. To this effect, there had been series of joint domestic as well as global initiatives by US president Ronald Reagan and UK Prime Minister Margaret Thatcher in the 1980s as:

Liberal democracy and free market were the best guarantees for promoting development and freedom. Following this logic, both leaders led a relentless effort in their respective countries, and later at the global level, to reduce the role of the state in the economy in favor of unmitigated market forces; they proceeded to dismantle progressive social policies that were put in place by governments in the 1960s and 1970s (Fantu,2016, p. 1272).

Beyond this historical momentum, the ideological defeat of communism in Eastern Europe and Soviet Union provided additional force for the trumpet of neoliberal global political-economic ideology across the world until 1990s [5]. Regardless of this dominant post-war neoliberal political international order, as Fantu [1; p.276] explained, critical assessment of the economic track records of Africa during the first decade of independence (the 1960s) had been impressive so that basic infrastructures, education, health and other related economic sectors were improving across much of the continent.

Unfortunately, in the 1970s, the political-economic realities of the Africa had been negatively changed as; deteriorating terms of trade as a result of the oil shocks hurt commodity-dependent African countries and massive borrowing of countries to compensate their declining revenues. As a remedy, individual African countries had been going through series of nationalizations and other related command economic reforms, which, however, resulted in marginalization of those infant private sectors and market-driven economic activities. In political spheres, coups, conflicts, rampant corruption and deterioration of political legitimacy had been common. All these developments in the1970s, which were accompanied by the preceding reform measures, did not bring about improvements in the political economy of the continent, rather, it led to the 1980s debt crisis, which ultimately resulted in stagnation, contraction and decline of most of the economies of Africa [6,1,2, p.4].

As a remedy, developing (African) countries had been obliged to go through series of Structural Adjustment Programs (SAPs) and liberal political-economic reforms under the sponsorship of World Bank (WB), the International Monetary Fund (IMF) and trading preferences by individual Western partners [7,8,9,10]. The reform measures which were about economic and political liberalization, non-reciprocal and non-preferential international trade arrangements and practices to African exports did not save African economies suffering heavily from the global debt and structural economic crisis in the late 1980s and1990s.Thus, such Western donors’ driven liberal reforms did not bring about economic recovery in African countries as Fantu (2016) explained:

(that) The policy package recommended by the creditor institutions – including immediate democratization, liberalization and the reduction of the role of the state – was inappropriate for local conditions and ended up obstructing rather than promoting real and meaningful development. Moreover, conditional lending became the means by which African development was regulated from the 1980s onwards (p.1273).

In the political sphere, beyond their ideological rhetoric for liberal democracy and the promotion of human rights, Western traditional partners of
Africa were reluctant to this effect during the Cold War politics. Accordingly, they had been offering various diplomatic, financial and material supports to various post-independence African dictators as far as they found to be loyal satellites in their ideological fight of the West against the expansion of communism [1,3]. As a result, with the knowledge of Western liberal partners, which has been normatively standing for democratic and human right values, the majority of African peoples had been suffering from totalitarian regimes, bad political governance, rampant corruption, patrimonial political traditions, and gross violations of their basic human rights.

The preceding developments about the continent’s poor political-economic performance indicate that “social indicators tell the same story of Africa’s gradual decay particularly from the early 1970s to the beginning of the 1990s” [2, p.2]. This had been basically attributed to external and internal cases. Externally, among others; the enduring legacy of colonialism in devastating authentic socio-cultural and political fabrics of African indigenous communities and its impact in aborting various natural process of nation building projects, tacit recognitions to post-colonial African dictatorial regimes by both Western and Soviet powers, the absence of fair and equitable preferential treatments to accommodate poor African countries in the international financial and commercial transactions, Western neoliberal donors’ pressures against individual African countries to leave their nationally owned development policies had been the most important factors contributing to the overall political, socio-cultural and economic decay of Africa during the Cold War period [11,2,12] (Fantu, 2016).

Internally, unlike the experiences of ‘Asian tigers’, lack of visionary leadership to critically understand the domestic, regional and global realities to find out navigating policy spaces to formulate and enforce nationally owned development policies is the most critical failure across many individual African countries. Moreover, poor infrastructure and poor human resource development, predominantly agrarian economy with low productivity and the absence of enabling actual and policy environments to peruse for regional economic instigation had been deteriorating Cold War political economy of Africa. Finally, the fragile nature of the majority of African states with weak governments, bureaucracies as well as institutions, unfinished and undemocratic nation building projects, widespread experiences of state capture, rampant neo-patrimonialism with deep-rooted rent-seeking political traditions and countless intra and inter-state conflicts are domestic and regional factors which had been negatively contributing to poor track records of African political Economy during the After independence to the conclusion of the Cold War [11,1,2,3].

At any rate, during the Cold War period, particularly from 1970s to late 1990s, the dominant paradigm governing the traditional Africa-Western global political-economic engagements had been the ontology of neoliberalism and its founding premises; economic and political liberalization, economic deregulation, non-preferential and reciprocity of global commercial transactions. However, such Neo-liberal premises and practices, which had been dominating the partnership between Africa its conventional partners of the West, did predominantly bring about deep structural economic and political decay to the former. Besides, following the crisis, Western motivated policy recommendations to individual African countries through Structural Adjustment Programs (SAPs) and reforms through political and economic liberalization did not change the state of ‘African pessimism’; its marginal or peripheral position in the neoliberal global political economic discourse, policies and transactions. As such, it was considered as the mere recipient of foreign aid as well as neoliberal reforms, incompetent political leadership and underdeveloped and less integrated economy and highly incompetent in the global economic transaction.

2. AFRICAN POLITICAL ECONOMY IN THE NEW GLOBAL POWER STRUCTURE

The 1990 could be taken as a turning point as far as the dynamics of the international relationships in general and that of African political economy is concerned. At the global level, the lapse of the Cold War connotes the lapse of bipolar political order and the deteriorating legitimacy of the fundamentals of neo-liberal market fundamentalism of the West. This has been basically because of the emergence of new and powerful economic powers such as China, India, Brazil and South Africa. As a result, the huge impact of these emerging economies in the global multilateral economic transaction (international trade, investment, capital flow and foreign aid) has been changing the global economic power structure from the conventional

One of the major implications of such a huge reshuffling within the global power structure is that the orthodoxy of neo-liberalism, which had been aggressively enforced under the global leadership of Reagan and Thatcher in the 1980s, which has also been accompanied by Fukuyama's [14] intellectual blessing, and finally trumpeted through the 'Washington Consensus’ has not been winning the normative and practical burden of proof of the current discourse in development economics. As explained by Shaw [15], this is basically because of the fact that the traditional North or Western industrial nations, could no longer dominate the global economic growth. At this juncture, the fundamental question shall be the implication of such shifting trend of global economic power structure from West to Asia and other emerging centers to African political economy; its immediate impacts, opportunities and challenges to the continent's political economy.

First of all, the emergence of China and other East Asian Tigers (South Korea, Taiwan, and Singapore), which embarked on developmental state model that eventually led them to economic growth and prosperity, has also been opening a huge opportunity for African countries to challenge the conventional laissez-faire paradigm that stands for economic and political liberalization [3]. Most importantly, taking its successful state-lead domestic economic track records, China's exceptionalism had been testing the intellectual and practical legitimacy of neo-classical development economics. Yes, since the 1970s, the authoritarian political leadership of the Chinese Communist Party of China has been successfully embarking on remarkable state-lead domestic economic transformation to ensure developed and industrialized Chinese state [16]. Thus, the raison d'être of successful economic developments of the preceding East Asian countries, authoritarian state men and regulated national development economies, which are contrary to Western neoliberal norms, have successfully opened ample opportunity for African countries to pursue alternative development discourse, policies and interventions.

Following the shift in the structure of the global economic power structure, the conventional North-South global political and economic partnerships have also been challenged by diverse partnership arrangements as South-East, Africa-Gulf-Asia and other new trilateral partnership formations such as BRICS and IBSA. Following this, Africa has got the chance to engage in development partnership arrangements with these new multiplicity of alternatives global economic powers as far as it critically employs deliberately guided national as well as collective (continental) development and partnership strategies with them [1,15] (Fantu, 2014). Most importantly, it will give individual African countries the policy leverage to question those marginalizing Western donor-motivated neo-liberal structural adjustment programs and reforms, which led them to the collapse of their political economy in the 1980s.

It needs to be plainly clear again that those neo-liberal reforms do not have commendable historical precedents in the performance of African political economy fundamentally because Western donors, by attaching series of conditionalities to their aid, have been blocking African countries from pursuing for their own authentic and alternative national developmental strategies. To the contrary, the normative foundations and policy premises of strategic partnership between emerging global economic centers of China, India, and other emerging economies and Africa have been to promote Africa-South mutual interdependence and cooperation to address common development challenges. Thus, at least in principle, this approach of Africa-South partnership is fundamentally different from those traditional center-periphery partnership arrangements between the West and Africa. In this regard, Fantu (2014) argued:

Official pronouncements from the various summits—e.g., the Forum on China-Africa Cooperation (FOCAC), the India-Africa Forum Summit (IAFS), the Turkey-Africa Summit—emphasize principles of mutual respect, reciprocal benefits, respect for sovereignty, and non-interference in internal affairs of partners. This new development narrative is welcomed by African leaders, weary of Western paternalism (p.2).

Given all these explanations, however, it needs to be clear that the underlying rationale for the growing partnership initiatives by emerging powers with Africa is beyond altruistic moral or theological obligation of the former to help them later. Instead, emerging economic powers have been realists so that they have been motivated
by Africa's oil and other strategic resources, its market as well as investment opportunities, its cheap young labor force, and finally its diplomatic support in the international politics [17,18,19 (Fantu, 2014; p.1). Thus, the new Africa-South partnership arrangement basically assumes Africa being a reliable economic, political and diplomatic partner instead of being an idle spectator in the global economic transaction, mere receiver of foreign aid and alien development policies.

Since the late 1990s, the share of traditional partners of the West in Africa in terms of trade, foreign direct investment, development assistance and other forms of the economic transaction has therefore been decreasing as it has gradually been overtaken by emerging centers, particularly of China and India. Also, the increasing engagement of emerging powers in Africa has been extended from investing on African oil, gas, and other strategic mineral resources to agriculture, industries, infrastructure and other capital investment sectors [18] (Fantu, 2014; p. 1). This, in turn, has been significantly contributing to the overall economic performance of the continent; growing foreign trade, expanding basic infrastructures to ease the transfer of goods and services, increasing the number of middle income population and other positive improvements to meet the MDGs.

After critically assessing those internal and external factors, which resulted in the major collapse of African political economy in the 1970s and 1980s since the late 1990s, African policymakers, the United Nations, independent researchers, and development economics have also come up with policy recommendations and implementations. Accordingly, the majority of African countries have been giving priorities to; growth and poverty reduction strategies, nationally owned development policies free from preconditions of external donors, democratic, transparent and accountable government, maximizing international partnerships to meet the Millennium Development Goals (MDGs) [6] (Fantu, 2016).

As a result of the underlined national measures that individual African countries have made, their political economy has begun to recover in the recent past; significant reduction in the number of inter and intra-state conflicts, growth in GDP, improvement of human development index, significant reduction of debt and increment of foreign aid as well as investment from G-8 and emerging economies (Fantu, 2016; p.9) [2]. To illustrate, as per the "International Monetary Fund’s April 2016 Regional Economic Outlook for sub-Saharan Africa, between 2000 and 2015, the continent grew at an average rate of 5.5 percent" [6, p.4]. All these indicators therefore cogently witness the conclusion of the deteriorating chapter of African political and economic realities of the 1970s, 1980s and early 1990s and the beginning of a new era, which has been cogently demonstrating for optimism of the state of the political economy of the continent. It has to be noted, however, that the current share of the continent in the global economic transaction has still been disproportionately insignificant and marginal.

3. CHALLENGES AND IMPERATIVES TO ENSURE STRUCTURAL TRANSFORMATION

Regardless of the fact that, since the late 1990s, Africa has scored a positive political and economic recovery, its status in the global power structure has still been marginal [1,277]. To put it differently, Africa's journey to ensure economic structural transformation has still been facing various challenges. First of all, beyond the continent's mere quantitatively measured economic growth in terms of Growth Domestic Product (GDP) and its jobless economic recovery could not actually reflect the qualitative and normative indicators of development as there has still been the significant gap to achieve inclusive and fair distribution of wealth. Besides, the continent's economy has not still been transformed from natural resource and agriculture dependency to manufacturing industry. As such, its economy has still been recording little progress in the manufacturing sector and the dominant sector, agriculture, has still been suffering from low productivity with the insignificant addition of value through agro-processing industries [6]. As a result, given the continent's economy has still been largely depending upon agriculture and natural resource, which could generate cheap primary goods, its share in the international and regional market has been insignificant.

To remedy the underlying challenges, individual African countries are expected to emphasize on strategic economic sectors which could generate fast economic growth, more jobs, and reduce poverty [2; pp.6-7]. In this regard, since agriculture has still been the dominant source of the continent's economy, individual African
countries need to invest heavily on researches, infrastructures, financial transactions, land tenure system and environmental adaptability mechanisms to create enabling environment for the sector to transform itself in creating more job opportunities, adding values through agro-processing industries and increasing export earnings [6]. Besides, they need to attract foreign direct investment, diversify sources of development finance and intensify international partnership to expand strategic economic sectors such as infrastructure, agriculture and strategic industries to create more jobs, improve export earnings and to facilitate technology and knowledge transfer. They shall also assist local industries and the private sectors to build their capacity to ultimately compete with foreign industries in terms of quality as well as the quantity of their products. In addition, individual African countries have to invest in human resource devolvement to ensure quality and practical skill-based education by giving priorities to science, technology, engineering and business development education. Finally, they need to improve their economic and political governance to ensure fair and inclusive development [1, p.276; 10, 2; P.6]

The continent's economy has also been lagging behind in terms of regional economic integration in terms of trade, investment, capital flow and other economic transactions. Thus, there have still been various barriers to facilitate free and easily transfer of peoples, goods and services across sovereign boundaries within common regional economic blocks without unnecessary restrictions through tariffs and visa. Partly, the lack of vision and political will among the leadership of individual African countries to formulate and implement well-thought and harmonized regional economic integration platform has been contributing to the problem [10]. Moreover, mutual mistrust among neighboring states, inter as well as intra-state conflicts, the absence of skilled manpower, lack of enabling infrastructure networking through road, railways, energy and information communication technology have also been among the major obstacles to facilitate regional economic integration in Africa.

To facilitate regional economic transactions, as [1] Fantu (2014) noted, each African countries need to harmonize their respective national policies as well as regulatory environments and expand infrastructures by generating finance from various domestic sources as well as external partners. Finally, regional countries are also expected to diversify their economy, integrate regional financial transactions, upgrade the skills as well as knowledge of their human resource and reduce red tapping as well as complicated administrative procedures.

Despite recent improvements on the policy and institutional environments, the state of economic and political governance of the majority of African countries have still been poor, which is a huge blow to the effective performance of the continent's political economy. To illustrate, concerning economic governance, huge tasks are still remaining in improving the business environment, public service delivery systems, policy and regulatory environments to facilitate business transaction across individual African countries [1]. As a way out, each country needs to emphasize on the meritocracy, de-politicization and modernization of the economic sector to ensure efficient and effective economic transaction.

Concerning political governance, only a few individual African countries such as Ghana, Botswana, South Africa and Nigeria have conducted democratic and credible national elections. Accordingly, the majority of them have not still been transformed into the democracy. Predominantly authoritarian political leadership styles in Africa have therefore been hindering respective African states from ensuring the rule of law, transparent, accountable, and effective government, political stability and thoughtful development policies [2, p7]. Instead, a wide range of rent-seeking political tradition, rampant corruption across all levels the government bureaucracies, and politicization of public institutions and civil service have still been posing formidable challenges to ensure enabling and legitimate political environments across various African countries. In this regard, as Cabestan [20] clearly noted, in the name of mutual respect and non-interference in the internal affairs of other states, emerging global economic powers, particularly of China, would take the blame for their policy of indifference, diplomatic, financial and other partnership offers to various African dictators.

The preceding deteriorating existential manifestations of political governance across the continent have resulted in disintegrated, fragile and weak nature of the majority of African states. Accordingly, as both Mkandwire [3] and Farah [10] underlined, the quest for strong states with
legitimate, visionary and meritocratic political leadership, which could formulate, enforce and own authentic national development as well as partnership policies and could ensure strategic integration of national economies with regional and global economies, has still been remaining the most challenging task. As a commendable resort to this, individual African countries should work on "the development of a strong, democratic and activist state that would assert its development role within the context of a common national vision." [1, p.277].

The quest for a strong and well-functioning states with visionary political leadership, is critical in Africa. In this regard, individual countries should learn from successful development experiences of emerging economies of Asian tigers. As such, unlike the deregulation rhetoric of the West, the need for state-lead and deliberately regulated economic development paths, which allow selective and strategic government interventions, has been crucial for the transformation of the African economy. As a result, as Mkandawire [3] put it, African governments have to be entitled the freedom to control basic development economic policies of their respective states. This will, in turn, ensure them the administrative, legal and regulatory levers to guide the market in a way favorable to their respective national development endeavors. Therefore, "an effective state is a prerequisite for a well-functioning market " [1, p.277].

As to Africa's partnership with emerging powers, beyond its positive externalities explained in the preceding section, two major challenges have still been remaining. First, while dealing with the new partners, Africa has not still owned critically deliberated, harmonized and well-articulated development and partnership strategies at individual country and continental levels. As such, individual African statesmen are expected to formulate sound development and partnership policies by critically assessing and analyzing local, regional and global political and economic dynamics, instead of recklessly confusing development agendas [1] (Ake cited in Fantu, 2009:p.2).

Unlike Africa, however, its new partners have had well-thought and long-term partnership strategies. Consequently, their engagement with Africa has not been motivated by mere benevolent or humanitarian grounds, rather they want to exploit Africa’s strategic resources, its huge trading and investment potential and the continent's young cheap labor force [18] (Fantu, 2014; p.1). It shall also be noted that these new partners are emerging funs of globalization and the neo-liberal multilateral trading regime since they are becoming the biggest beneficiaries from the existing arrangement of the global political economy. Thus, their rhetoric to enhance South-South cooperation could not bring any tangible impact on the existing neo-liberal multilateral trading regimes, but to increase their share in the global economic transaction. As such, as Fantu and Obi [16] plausibly recommended, African countries should work to own their policy independence instead of being blindly obsessed to emulate the development models of others. Moreover, they need to be critical and strategic in dealing with emerging partners to the extent of deliberately maneuvering any policy space within their engagements. Additionally, they should have to intensify and diversify international developmental partnership with both those traditional as well as emerging powers unless there have been fundamental national policy contradictions with these actors. Finally, they are expected to build their own economic, regulatory and diplomatic mechanisms both at national and continental levels to maximize their bargaining power [2, p.6; 1, pp.277-78].

4. CONCLUSION

Despite its gradual recovery since the late 1990s, African political economy has not still up to the minimum threshold of structural transformation. Historically, after political independence, its decade-long improvement in the 1960s had been basically attributed to informed and independent national policy ownership, formulations and enforcement measures of visionary and nationalist African political leadership. Unfortunately, such an authentic development path in the continent had been disrupted by the dominant neo-liberal ideological paradigm and practices of former colonial masters. As a result, African countries had been going through huge political and economic downturn in the 1970s and1980s. The end of the Cold War and the 1990s have come up with some glimmers of hope as to the overall performance of the continent. In spite of this, Africa has still been at the periphery in the global political-economic power structure. Besides, sufficient enabling environments have not yet been created at policy, regulatory, infrastructural, political,
economic and administrative levels to transform the continent's political economy.

To sustain some of the recent positive momentum on the continent's political economy and to remedy its existential threats, key imperatives shall be critically swallowed by all the relevant stakeholders. First of all, individual African countries, as well as the continent as a collective block, shall unanimously stand to ensure the sovereign right of each country to pursue independent national development policy. Besides, each country is expected to improve its political governance through institutionalizing democratic legitimacy to effect accountable government and ultimately a viable state. Creating conducive structural, regulatory and infrastructural economic environments are mandatory to ensure effective and efficient business transactions. At this venture, the quest for strong and well-functioning state with meritocratic political leadership is unquestionable to deliberately maintain state-lead economic development that allows strategic regulation and intervention to enhance development.

Maintaining their policy independence, individual African leaders are also expected to deliberately and actively engage with all potential international development partners and critically maneuver any policy space through the process instead of uncritically emulating alien development policies. Moreover, they need to lay well-thought foundations to intensify regional economic blocks and integrations to facilitate economic growth. Finally, giving priorities to strategic economic sectors enable individual African countries to create more jobs, facilitate growth, reduce poverty and increase export earnings, which are still pressing challenges to the continent's political economy.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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